

Developments in Capital Markets as a Result of Covid-19

This Briefing provides an update on certain urgent measures arising out of Covid-19 and relevant regulatory guidance

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A. COVID-19/Implications of the COVID-19 Outbreak on the Half-Yearly Financial Reports of Listed Issuers

1. On 20 May 2020, ESMA published a Public Statement addressing the implications of the COVID-19 pandemic on the half-yearly financial reports of listed issuers.
2. The Public Statement provides recommendations on areas of focus identified by ESMA and highlights:
 - a. the importance of providing relevant and reliable information, which may require issuers to make use of the time allowed by national law to publish half-yearly financial reports while not unduly delaying the timing of publication;
 - b. the importance of updating the information included in the latest annual accounts to adequately inform stakeholders of the impacts of COVID-19, in particular in relation to significant uncertainties and risks, going concern, impairment of non-financial assets and presentation in the statement of profit or loss; and
 - c. the need for entity-specific information on the

past and expected future impact of COVID-19 on the strategic orientation and targets, operations, performance of issuers as well as any mitigating actions put in place to address the effects of the pandemic.

3. The Public Statement is also applicable to financial statements in other interim periods when IAS 34 *Interim Financial Reporting* is applied. It calls on the management, administrative and supervisory bodies, including audit committees, of issuers and, where applicable, their auditors, to take due consideration of the recommendations included within the statement. ESMA further emphasises the role of audit committees in promoting high-quality half-yearly financial reports at this difficult junction in time.
4. The Public Statement is available [here](#).

B. HCMC Announces Non-Renewal of the Short Selling Ban

1. On 18 May 2020, the Hellenic Capital Market Commission (HCMC) announced that the short selling ban imposed on 15 April 2020 and effective from 25 April 2020 until 18 May 2020 shall not be further renewed upon expiry.
2. By virtue of the aforesaid temporary preventive measure, any legal or natural person was banned from entering into:
 - a. short selling; and
 - b. transactions which might constitute or increase

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net short positions on stocks admitted to trading on the regulated market of the Athens Stock Exchange where the HCMC is the competent authority as well as to all related instruments relevant for the calculation of the net short position.

3. As provided by ESMA's respective press release, similar decisions have also been adopted by other National Competent Authorities among the

Member States. It is highlighted that the HCMC in coordination with ESMA continues to monitor developments in financial markets as a result of the COVID-19 situation and is prepared to use its powers to ensure the orderly functioning of the Greek market.

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