

Focus Team Capital Markets

March, 2020

The ESMA underlines transparency obligations concerning the Business impact of Covid-19

Focus Team Capital Markets

**Focus Team leader**
Debt Capital Markets

Massimiliano Danusso
massimiliano.danusso@belex.com
Tel. +44-20-76536888

Focus Team leader
Equity Capital Markets

Vittoria Giustiniani
vittoria.giustiniani@belex.com
Tel. +39-02-771131

**Author**

Riccardo Salerno
riccardo.salerno@belex.com
Tel. +39-06-85441

Issuers to disclose ongoing and periodic information regarding the pandemic's impact on their business and apply contingency plans to ensure business continuity

In light of the serious market instability and the physiologic financial distress of companies, operators and investors, national authorities are seeking and adopting countermeasures to protect, to the extent possible, the orderly functioning of markets until more clarity is obtained on the likely developments and timeframe of the pandemic.

The ESMA recently issued recommendations to financial markets participants, to protect the values of transparency (which are the pillars of the entire financial system) and remind issuers of their obligation to pursue business continuity even in this trying time.

Here is a summary of the Paris authority's guidelines:

- **Business continuity:** all financial markets participants, including infrastructures should be ready to apply their contingency plans, including deployment of business continuity measures, to ensure operational continuity in line with regulatory obligations;
- **Market disclosure:** issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Market Abuse Regulation;
- **Financial reporting:** issuers should also provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures;

This document is provided as a service to clients and other friends for educational purposes only. It should not be construed or relied on as legal advice or to create a lawyer-client relationship.

- **Fund management:** asset managers should continue to apply the requirements on risk management, and react accordingly.

The ESMA also announced that (in coordination with national competent authorities) it will continue to monitor developments in financial markets resulting from the COVID-19 pandemic and is prepared to exercise its powers to ensure the orderly functioning of markets, financial stability and investor protection.



Focus Team Capital Markets

The Focus Team is a constellation of skills in different areas of activity with a focus on the *capital markets*.

[Massimiliano Danusso](#)

Bancario e Finanziario

[Antonio La Porta](#)

Bancario e Finanziario

[Barbara Napolitano](#)

Societario

[Silvia Romanelli](#)

Societario

[Gianfranco Veneziano](#)

Societario

[Federico Vezzani](#)

Regolamentare

[Francesca Marchetti](#)

Bancario e Finanziario

[Ettore Frustaci](#)

Bancario e Finanziario

[Ilaria Parrilla](#)

Bancario e Finanziario

[Vittoria Giustiniani](#)

Societario

[Carlo Montagna](#)

Societario

[Alessandra Piersimoni](#)

Societario

[Alberto Saravalle](#)

Societario

[Federico Vermicelli](#)

Societario

[Mauro Cusmai](#)

Societario

[Elisabetta Bellini](#)

Societario

[Federica Munno](#)

Societario

[Riccardo Salerno](#)

Societario