

Circular

ESMA Updates its Q&A Alternative Performance Measures Guidelines

1.0 Background

The European Securities and Markets Authority (ESMA) has on Monday 30th October 2017 published six questions in its [Questions and Answers Document](#), on the implementation of its [Guidelines on the Alternative Performance Measures \(APMs\)](#) for listed issuers.

The new questions provide information on:

1. The definition of APMs;
2. The scope of the APM Guidelines;
3. Application of the scope exemption;
4. Definition of the APM 'organic growth';
5. How to carry out reconciliation; and
6. How to apply the fair review principle.

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The guidelines apply to alternative performance measures disclosed by issuers or persons responsible for drawing up a prospectus.

The purpose of this Q&A is to promote common supervisory approaches and practices in the implementation of these guidelines.

Contacts

Should you have any queries regarding the above, please do not hesitate to submit an e-mail on capitalmarkets@mfsa.com.mt.

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