

27 March 2020

ESMA Public Statement - Actions to mitigate the impact of COVID-19 on the EU financial markets regarding publication deadlines under the Transparency Directive

1.0 Background

The Authority would like to draw your attention to the [Public Statement issued by the European Securities Markets Authority \('ESMA'\) on 27 March 2020](#) (hereinafter referred to as the 'Public Statement').

The Public Statement is being issued in order to promote coordinated action by National Competent Authorities (NCAs) regarding issuers' obligations to publish periodic information for reporting periods ending on 31 December 2019 or after in the context of the COVID-19 outbreak.

In order to provide guidance to the auditors in relation to the implications resulting from COVID-19 pandemic, the Committee of the European Audit Oversight Bodies (CEAOB) has issued a [Statement](#) on 25 March 2020.

2.0 Publication deadlines for periodic information

In the Public Statement, ESMA highlights that *financial reporting is an important anchor for economic decisions of users of financial information as well as for exercising rights to vote or otherwise influence management actions.*

In its Public Statement, ESMA stresses the importance of issuers to continue preparing periodic information in accordance with the applicable financial reporting framework to ensure investor protection and to preserve the integrity and proper functioning of EU financial markets.

ESMA further highlights that issuers are expected to exercise their best efforts to prepare their financial reports and publish them within the legislative deadline.

3.0 Coordinated EU Approach

ESMA in coordination with NCAs expects that NCAs, during this specific period, do not prioritise supervisory actions against issuers in respect of the upcoming deadlines set out in the Transparency Directive ('TD') specifically:

- a. Annual Financial Reports referring to a year-end occurring on or after 31 December 2019 but before 1 April 2020 for a period of two months following the TD deadline; and**
- b. Half-yearly financial reports referring to a reporting period ending on or after 31 December 2019 but before 1 April 2020 for a period of one month following the TD deadline.**

ESMA specifies that where issuers reasonably anticipate that publication of their financial reports will be delayed beyond the deadline of four months after the year end, they are expected to:

- a) inform the NCA of this;**
- b) inform the market of the delay, the reasons of such delay and the extent possible the estimated publication date.**

Local Context

The Authority is currently engaging with different issuers to discuss the status as well as the expected timing of the publication of the Annual Financial Statements falling due for publication by not later than 30 April 2020.

In this regard, and as also specified in the Public Statement, where issuers reasonably anticipate that the publication of their financial reports will be delayed beyond this deadline, they are expected to inform both the Authority as well as inform the market of the delay. The Company Announcement should include the information indicated in the Public Statement, also indicated above.

With reference to the annual audited financial statements of guarantors as well as the publication of the Financial Analysis Summaries, please refer to our [Circular](#) issued on 20 March 2020.

As you may be aware, presently the Listing Authority has a policy in place, where securities listed on the Malta Stock Exchange are automatically suspended once an Issuer fails to publish the audited financial statement. In line with the Public Statement where the NCAs are encouraged to generally apply a risk-based approach in the exercise of supervisory powers in their day-to-day enforcement of the publication of the audited financial statements, the Listing Authority will be considering the enforcement of such policy in these exceptional times. In this respect, additional publication will be issued in due course.

The Listing Authority echoes ESMA's reminder that Issuers continue to be subject to the disclosure obligations laid down in the Market Abuse Regulation and must continue informing the market as soon as possible of any inside information that directly concerns them.

Issuers must continue to assess carefully what information constitutes inside information at this time, recognizing that the global pandemic and policy responses to it may alter the nature of information that is material to a business's prospects. Please refer to our [Circular](#) issued on 13 March 2020.

Contacts

Should you have any queries relating to the above, kindly contact the Authority on transparency@mfsa.mt.