



ESMA's market recommendation related to the conflict in Ukraine and its impact on EU financial markets



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The European Securities and Markets Authority (ESMA) has on 14 March 2022 published the following market

recommendation on how financial markets participants and issuers should act in connection with the conflict in Ukraine.

Market Recommendations

- **Sanctions Compliance** – financial market participants should ensure they comply with the relevant EU sanctions and monitor for any further restrictions. The European Commission (EC) will provide clarity and answer queries on the scope and implementation of these and ESMA is supporting the EC in collecting such queries;
- **Market disclosure** – issuers should disclose as soon as possible any inside information concerning the impacts of the crisis on their fundamentals, prospects, and financial situation in line with their transparency obligations under the Market Abuse Regulation, unless the conditions for a delayed disclosure are met; and
- **Financial Reporting** – issuers should provide transparency, to the extent possible on both a qualitative and quantitative basis, on the actual and foreseeable direct and indirect impacts of the crisis on their business activities, exposures to the affected markets, supply chains, financial situation, and economic performance in their 2021 year-end financial report if these have not yet been finalised and in the annual shareholders' meeting or otherwise in their interim financial reporting disclosures.

In our experience, these recommendations often raise questions and require clarification on a specific and practical level, and we will naturally be happy to assist in making them operational for our clients.