

DOCUMENT	SECTION	ARTICLE		
		CONTENT	SUBTITLE	TITLE
		<ol class="crrNumList" style="list-style-type: none"> <li>This Regulation specifies the method of calculation of the 10 % fall in value for liquid shares traded on a trading venue as set out in Article 23(5) of Regulation (EU) No 236/2012.</li> <li> <p>This Regulation also specifies the method of calculation of the fall in value for the following financial instruments traded on a trading venue as specified in Delegated Regulation (EU) No 918/2012 adopted pursuant to Article 23(7) of Regulation (EU) No 236/2012:</p> <ol class="crrCharList" style="list-style-type: none"> <li>illiquid shares;</li> <li>the following non-derivative financial instruments: <ol class="crrRomanList" style="list-style-type: none"> <li>debt instruments issued by sovereign and corporate issuers;</li> <li>exchange-traded funds;</li> <li>money market instruments;</li> </ol> </li> <li>derivatives whose sole underlying is a financial instrument traded on a trading venue.</li> </ol> </li> </ol>	Subject matter	Article 1
		<ol class="crrNumList" style="list-style-type: none"> <li>For a share traded on a trading venue, the fall in value shall be calculated from the official closing price of the previous trading day at that trading venue defined according to the applicable rules of that trading venue.</li> <li>That method of calculation shall exclude any downward movement of a price resulting exclusively from a split or any corporate action or similar measures adopted by the issuer on its issued share capital which can result in an adjustment of the price by the relevant trading venue.</li> </ol>	Method of calculation of a significant fall in value for liquid and illiquid shares	Article 2
		<ol class="crrNumList" style="list-style-type: none"> <li>A significant fall in value for financial instruments other than shares and not falling into the categories of derivatives listed in points (4) to (10) of Section C of Annex I to Directive 2004/39/EC shall be calculated according to the method in paragraphs 2, 3 and 4.</li> <li>For a financial instrument for which the significant fall in value referred to in Article 23(7) of Regulation (EU) No 236/2012 is measured in relation to a price on the relevant trading venue, that fall shall be calculated from the official closing price at the relevant trading venue defined according to the applicable rules of that trading venue.</li> <li>For a financial debt instrument issued by a sovereign issuer for which the significant fall in value referred to in Article 23(7) of Regulation (EU) No 236/2012 is measured in relation to a yield curve, that fall shall be calculated as an increase across the yield curve in comparison with the yield curve of the sovereign issuer at the close of trading of the previous trading day, as calculated based on data available for the issuer on that trading venue.</li> <li>For a financial instrument for which the significant fall in value referred to in Article 23(7) of Regulation (EU) No 236/2012 is measured in relation to a variation of the yield, that fall shall be calculated as an increase of the current yield as compared to the yield of that instrument at the close of trading of the previous trading day, as calculated based on data available for that instrument on that trading venue.</li> </ol>	Method of calculation of a significant fall in value for other non-derivative financial instruments	Article 3
		<div class="crrArticle"> <p>A significant fall in value for financial instruments falling under the categories of derivatives listed in points (4) to (10) of Section C of Annex I to Directive 2004/39/EC and which have a sole underlying financial instrument that is traded on a trading venue and for which a significant fall in value has been specified in accordance with Article 2 or Article 3, shall be calculated by reference to the significant fall in value of the underlying financial instrument.</p> </div>	Method of calculation of a significant fall in value for derivatives	Article 4
		<div class="crrArticle"> <p>This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union. It shall apply from 1 November 2012.</p> </div>	Entry into force	Article 5

