

Statement

Good practices in relation to pre-close calls

“Pre-close calls” are communication sessions between an issuer and an analyst or group of analysts who generate research, forecasts, and recommendations related to the issuer’s financial instruments for their clients. These “pre-close calls” usually take place immediately before the periods preceding an interim or a year-end financial report during which issuers refrain from providing any additional information or updates. “Pre-close calls” can influence market expectations and instrument prices.

ESMA and national competent authorities (NCAs) have recently observed a number of high volatility episodes in EU share prices, some of which took place shortly after “pre-close calls” between issuers and selected analysts. The media have made a link between these “pre-close calls” and the subsequent volatility, in some cases raising suspicion about possible unlawful disclosure of inside information.

Determining whether the circumstances surrounding these episodes could entail supervisory actions is the NCAs’ competence.

The purpose of this document is to remind issuers of the legislative framework applicable to “pre-close calls” and to identify good practices to which issuers should pay particular attention when engaging in such calls.

Supervisory expectations and good practices

ESMA considers that “pre-close calls” carry inherent risks of inadvertent unlawful disclosure of inside information increased by the lack of publicity of these events and the absence of records of what was presented.

ESMA reminds issuers about **the prohibition of unlawful disclosure of inside information** and **that public disclosure of inside information** should take place in accordance with Article 17 of the Market Abuse Regulation (MAR¹) and Commission Implementing Regulation (EU) 2016/1055².

¹ [Regulation \(EU\) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse \(market abuse regulation\)](#)

² Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council - [Implementing regulation - 2016/1055 - EN - EUR-Lex \(europa.eu\)C](#)

Consequently, **“pre-close calls” should only provide non-inside information.**

Whenever inside information is accidentally disclosed during a “pre-close call”, Article 17(8) of MAR applies to restore information parity, without prejudice to the application of Articles 10 and 14 of MAR.

If a person has incidentally received inside information in the course of these calls, they are subject to the prohibitions of engaging in insider dealing, unlawful disclosure of inside information, and recommending or inducing any person to engage in insider dealing. Additionally, ESMA strongly recommends that such person reports that situation to the relevant NCA(s) without delay.

ESMA also notes that some European issuers have addressed these risks by adopting the following good practices:

- prior to a “pre-close call”, carrying out a thorough assessment of the information they intend to disclose to make sure they are not disclosing inside information;
- public disclosure of upcoming “pre-close calls” with sufficient notice, for instance on the issuer’s website, highlighting details, date, place, topics to be discussed, and intended participants;
- making the material and documents used during “pre-close calls” simultaneously available on the issuer’s website (e.g. slides and notes, including macroeconomic data shared with participants);
- recording the “pre-close calls” and making the recordings available to NCAs upon request;
- keeping records of the information disclosed during the “pre-close calls” and publishing such records on the issuer’s website, to permit access to those records by the public at large.

ESMA and the NCAs consider that following these good practices could reduce the risk of unlawful disclosure of inside information.