



Book II - Issuers and financial disclosure

Title II - Periodic and ongoing disclosure obligations

Chapter III - Ongoing disclosure

Section 2 - Crossing of shareholding thresholds, declarations of intent and changes of intent

Sub-section 1 - Major shareholdings

Paragraph 1 - Common provisions

General regulation of the AMF

Article 223-11 into force since 05 December 2015

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Article 223-11

I. - The participation thresholds referred to in Article L. 233-7 of the Commercial Code shall be calculated on the basis of the shares and voting rights owned, plus, even if the person concerned does not itself hold shares or voting rights elsewhere, the shares and voting rights treated as if they were owned pursuant to Article L. 233-9 of said code. These are calculated in relation to the total number of shares making up the capital of the company and the total number of voting rights attached to these shares.

The total number of voting rights is calculated on the basis of all the equities to which voting rights are attached, including equities whose voting rights have been suspended.

II. - Pursuant to Point 4°, Section I of Article L. 233-9 of the Commercial Code, the person required to make the notification referred to in Part I shall take account of the maximum number of issued shares that it is entitled to acquire on its own initiative alone, immediately or at the end of a maturity period, under an agreement or a financial instrument, without set-off against the number of shares that said person is entitled to sell under another agreement or financial instrument. The financial

instruments referred to in Point 4°, Section I of said article are, inter alia:

- 1 • Bonds that are exchangeable or redeemable in shares;
- 2 • Futures and forward contracts;
- 3 • Options, whether exercisable immediately or at the end of a maturity period, and regardless of the level of the share price relative to the option strike price.

Where the option can be exercised only if the share price reaches a threshold stipulated in the contract, it shall be treated in the same way as a share once this threshold is reached; if not, it is subject to the information requirement mentioned in the third paragraph of Section I of Article L. 233-7 of the Commercial Code.

III. - Pursuant to Point 4° bis of Section I of Article L. 233-9 of the Commercial Code, the person required to make the notification referred to in Part I shall take account of issued shares covered by an agreement or cash-settled financial instrument and having an economic effect for said person that is equivalent to owning said shares, irrespective of whether said agreement or financial instrument carries the right to physical settlement or cash settlement.

This applies in particular to:

- 1 • Bonds that are exchangeable or redeemable in shares;
- 2 • Futures and forward contracts;
- 3 • Options, whether exercisable immediately or at the end of a maturity period, and regardless of the level of the share price relative to the option strike price;
- 4 • Warrants;
- 5 • Securities repurchase agreements;
- 6 • Securities financing agreements;
- 7 • Contracts for difference;
- 8 • Equity swaps;
- 9 • Any financial instrument exposed to a basket of shares or an index. The number of shares or voting rights to be taken into account by the reporting person in the case of financial instruments referenced to a basket of shares or an index shall be calculated based on the relative importance of the share in the basket or the index if one of the following conditions is fulfilled:
 - the shares represent 1% or more of the same class of shares issued by the issuer;
 - the shares represent 20% or more of the total value of the securities in the basket or index.

Where a financial instrument is referenced to a series of baskets of shares or indices, the shares and voting rights held through the individual baskets of shares or indices shall not be accumulated for the purpose of calculating the thresholds set out in paragraph 1.

The number of shares or voting rights to be taken into account by the reporting person having an agreement or a financial instrument carrying the right to cash settlement shall be calculated by multiplying the maximum number of shares and voting rights covered by the agreement or financial instrument by the delta of the agreement or instrument.

The delta shall be calculated using a generally accepted standard pricing model. A generally accepted standard pricing model shall be a model that is generally used in the finance industry for that financial instrument and that is sufficiently robust to take into account the elements that are relevant to the valuation of the instrument. The elements that are relevant to the valuation shall include at least all of the following:

- interest rate;
- dividend payments;
- time to maturity;
- volatility;
- price of underlying share.

When determining delta, the holder of the financial instrument shall ensure all of the following:

- that the model used covers the complexity and risk of each financial instrument;
- that the same model is used in a consistent manner for the calculation of the number of voting rights to be taken into account by the reporting person.

Information technology systems used to carry out the calculation of delta shall ensure consistent, accurate and timely compliance with the time period stipulated in Article 223-14.

The number of voting rights shall be calculated daily based on the last closing price of the underlying share.

There shall be no set-off with any short position held by the reporting person as a result of another agreement or cash-settled financial instrument.

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