



# FEAS

FEDERATION OF EURO-ASIAN  
STOCK EXCHANGES

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## Actions and Responses to Covid-19

What are the Steps and Actions of FEAS Members, FEAS non-Member Exchanges, Regulators and Market Stakeholders in the Days of Pandemic?

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May 2020

# Federation of Euro-Asian Stock Exchanges (FEAS)

May 2020

Actions and Responses to Covid-19

*-For public use with the reference to the original-*

**Acknowledgements:** This report was produced based on a repository collected by FEAS from the public sources of stock exchanges, capital market regulators, CSDs, industry associations and other shareholders.

It summarizes the actions, responses, public notices and announcements of the industry players to the crisis coming from the health emergency caused by the novel coronavirus at the end of December 2019 and with its outbreak into a pandemic in March 2020. The publication is the snapshot of gathered information from more than 160 sources.

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## INTRODUCTION

### Global Response with Local Activities

Today on May 11, 2020, when writing this introduction, we realized that it's been exactly two months since World Health Organization announced an outbreak of novel coronavirus as a pandemic, and that is one of the reasons for preparing and presenting current: "Actions and Responses to Covid-19" analysis.

The scale and scope of the virus couldn't be foreseen and predetermined. Markets and economies went down with unprecedented size and speed. Pandemic occurred not in the best times for World economy that was already showing steps of slowdown and health crisis forced financial crisis deeper with the full package: negative bond yields, sharply fallen prices of equities and oil, volatile markets, increasing unemployment rate, budget deficits and huge fiscal packages offered by the governments.

Federation of Euro-Asian Stock Exchanges (FEAS) as a federation covering a region of Europe, Asia and

Mediterranean basin with the type of members: stock exchanges, depositories, IFIs, and other associations, was constantly following and monitoring the situation in the countries of its members and in the World. In parallel with the pandemic announcement, FEAS team was already working on the creation of a dedicated repository of all actions conducted by the capital market players: stock exchanges, regulators, CSDs, related international organizations, and associations. After the first week of the gathered repository it was shared with the members of FEAS and public.

It is interesting how uncoordinated, country-specific responses of the market players could be so much alike and the same in the period. While scientists are trying to find a vaccine, while countries are trying to save the economy, while health workers are trying to save lives, financial market players are trying to cure the market meanwhile putting human and personnel care in the first place. Thus, global lock-down relates to the

operational risks and contingency planning, protection of the health, and prevention of the virus spread.

Contingency planning, business continuity, operational reorganization, supporting the governments in parallel with market resilience is achieved uniquely in each location and country. It is a time of simultaneous 'act and learn'. Even at the time that you are reading this publication, more and more further actions are being designed and implemented.

The efficiency of current actions will be visible and measurable only after the full elimination of pandemic. Now we are keeping a positive view of the future inspired by the changes and challenges the new conditions are bringing. There is a first and the most important question to be answered: along the way where failure is not the

option what new framework, policy and operational procedure should we create for the market with new living conditions?

*“Repository of actions will be a solid base for policymakers, exchanges and all the participants for designing the future framework within new conditions.”*

The answer will be based on our lessons learned from the response that industry players and regulators are constantly creating during recent months.

## EXECUTIVE SUMMARY

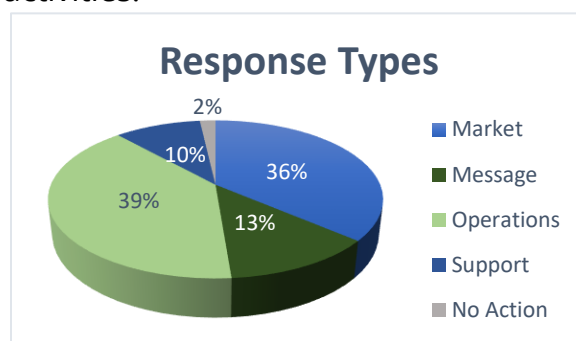
The following publication is an introductory analysis of the actions taken by the capital market players during pandemic caused by Covid-19 virus (severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)). While bringing the global health crisis, pandemic has affected all the spheres of the world economy.

Financial market's response expressed fast and accordingly. This publication covers response actions, announcements, activities of total 166 entities: 100 exchanges, 32 regulators, 34 other types (CSD, Clearing houses, IFIs). Over the last two months we gathered, structured and analyzed more than 500 announced activities by putting them into the frame of 4 main types of activities: *Market*, *Operations*, *Message*, and *Support*. Only 10 organizations out of 166 haven't done any specific action and public announcement. The period of the investigation included in this paper starts from February and completes by May 5<sup>th</sup>.

While the definition of each group activity is conditional and there can be overlaps between Market and

Operations, we will deliver all the actions that have direct impact on the market and with direct market-related instructions under the "Market" part, and all the business operations, including AGM meetings, reporting, consolations under "Operations" part.

"Message" part will cover CEO messages, general announcements, notifications and communications activities.



Under "Support" part we included donations to the special funds (private, governmental, international), support to market participants (guidelines, seminars, procedures) and particularly to issuers, educational activities and recommendations. Operational activities are in line with market-related activities which is also coming with the nature of the initial crisis, mostly having physical (office) limitations that needs contingency

planning actions with office operations. Out of more than 530 activities Operational ones take 218, Market – 200, Message – 69 and Support – 55.

The follow-up of more than 500 announcements and notifications FEAS started back from January and included in this publication all the public notices announced by **May 5<sup>th</sup>**. The concentration of action lists from mid to end-March, with declining in April and May. The most active days were March 16-19.

Days	Actions
March 16	30
March 17	35
March 18	31
March 19	29

The following chart illustrates the scatter of the activities performed per day mostly by financial market regulators and exchanges.

The majority of examined entities did 1 notification/announcement during the monitoring period, and only 1 stock exchange did 17 public announcements at the period.

Taiwan Stock Exchange started public communication from January up to April 21 when the stock exchange announced Investor Relations Online Conference and in a going process of active communication.

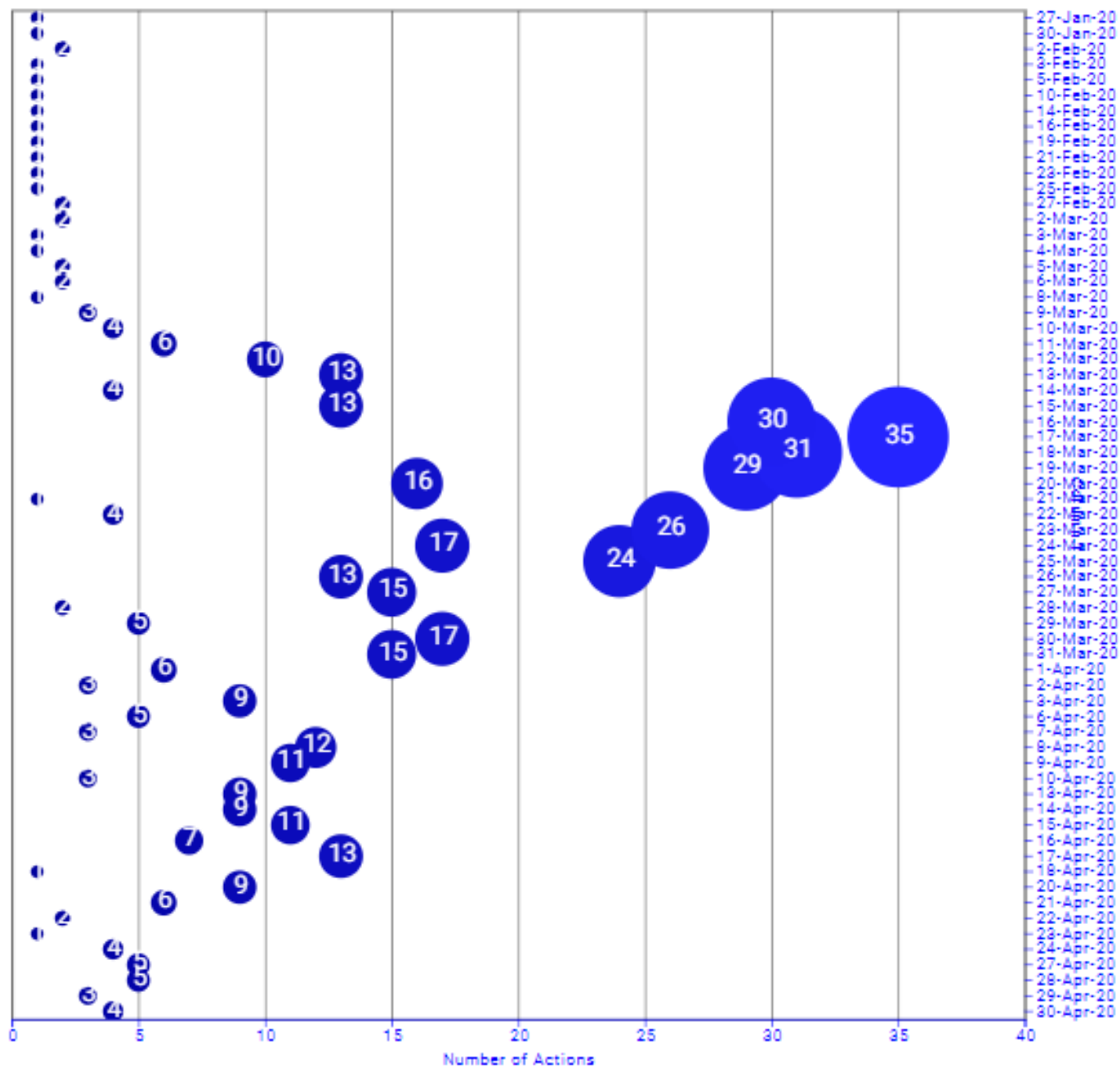
In line with the Taiwan Stock Exchange, 8 more exchanges were running active public communication with official press releases. Here are the lists of exchanges and regulators with 10 and more public notices.

Exchange Name	Notice
Taiwan Stock Exchange	17
Colombo Stock Exchange	12
Singapore Exchange	12
Johannesburg Stock Exchange	11
TMX Group	11
Cboe Global Markets	10
Egyptian Exchange	10
Indonesia Stock Exchange	10
Japan Exchange group	10

Worth mentioning that the activities don't have geographic correlation. This clearly points out the wide spread of drastic crisis with drastic and unique local management.



## Number of Actions by Days





Regulators worked closely with the shareholders while being restrained with public announcements. Only 12%, which is 4 out of 32 regulators included in this publication had more than 10 public notices during the monitoring period.

Regulator Name	Notice
ESMA	16
The Securities Commission Malaysia	15
Financial Market Authority (New Zealand)	12
Financial Regulatory Authority (Egypt)	11

Total public notices of 32 regulators included in this publication count around 120. Securities regulators coordinated their responses mostly through [IOSCO](#) network and coordinating actions also with the Basel Committee on Banking Supervision, the Committee on Payments and Market Infrastructures and the International Association of Insurance Supervisors.<sup>1</sup>

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<sup>1</sup> [OICU-IOSCO Media Release](#),  
IOSCO/MR/06/2020, Madrid, 25 March 2020

## List of Entities (alphabetical order)

1. Abu Dhabi Securities Exchange
2. Amman Stock Exchange (FEAS) full member)
3. Armenia Securities Exchange (FEAS full member)
4. Astana International Exchange (FEAS full member)
5. Athens Stock Exchange (FEAS full member)
6. Athex Clear
7. Australian Securities and Investments Commission
8. Australian Securities Exchange
9. Austrian Financial Market Authority
10. Autorité des marchés financiers (Québec)
11. Bahamas International Securities Exchange
12. Bahrain Bourse
13. Baku Stock Exchange
14. Bangladesh Securities Commission
15. Banja Luka Stock Exchange (FEAS Observer)
16. Barbados Stock Exchange (FEAS full member)
17. Belarusian Currency and Stock Exchange (FEAS full member)
18. Belgium financial market authority
19. Belgrade Stock Exchange (FEAS Observer)
20. Bermuda Stock Exchange
21. BME Clearing
22. BME Group
23. Boerse Stuttgart
24. Bolsa de Valores de Colombia
25. Bolsa de Valores de Lima
26. Bolsa de Valores Panama
27. Borsa Istanbul
28. Botswana SE
29. Boursa Kuwait (FEAS full member)
30. Bourse de Casablanca
31. Bourse Scot (FEAS affiliate member)
32. Brasil Bolsa Balcao
33. Bucharest Stock Exchange (FEAS full member)
34. Bulgaria Stock Exchange
35. Bursa Malaysia
36. Capital Market Authority Oman
37. Cboe Global Markets
38. CC&G
39. CCP.A
40. Central Depository of Armenia (FEAS full member)
41. Central Securities Depository of Iran (FEAS affiliate member)
42. Central Securities Depository of Macedonia (FEAS Observer)
43. China Securities Regulatory Commission
44. CME Group
45. Colombo Stock Exchange
46. Croatian Financial Service Supervisory Agency
47. Cyprus Stock Exchange (FEAS full member)

48. Damascus Securities Exchange (FEAS full member)
49. Dar es Salaam Stock Exchange
50. Deutsche Börse
51. Dhaka Stock Exchange
52. Dubai Financial Markets
53. Dubai Financial Services Authority
54. Dubai Gold and Commodity Exchange
55. ECC
56. Egyptian Exchange (FEAS full member)
57. ESMA
58. Eurex clearing
59. EuroCCP
60. Euronext
61. European Association of CCP clearing houses
62. European Bank for Reconstruction & Development (FEAS affiliate member)
63. European Energy Exchange
64. Europex
65. Federal Reserve
66. FESE
67. Financial Conduct Authority (UK)
68. Financial Regulatory Authority of Egypt
69. Financial Services Agency /Japan/
70. FINMA
71. France financial market authority
72. Georgian Stock Exchange (FEAS Observer)
73. HKEX
74. ICE Clear
75. IMF
76. Indonesia Stock Exchange
77. Intercontinental Exchange
78. Investment industry regulatory organization of Canada
79. IOSCO
80. Iran Fara Bourse (FEAS full member)
81. Iran Mercantile Exchange (FEAS Observer)
82. Iraq Stock Exchange (FEAS full member)
83. IRGiT
84. Italy financial market authority
85. Japan Exchange group
86. Johannesburg Stock Exchange
87. Jordan Securities Commission
88. Kazakhstan Stock Exchange (FEAS full member)
89. KDP\_CCP
90. Keller
91. Korea Exchange
92. LCH Ltd. and LCH S.A.
93. LME clear
94. London Stock Exchange
95. Luxemburg Stock Exchange
96. Macedonian Stock Exchange (FEAS Observer)
97. Malawi Stock Exchange
98. Malta Stock Exchange
99. Mauritius Stock Exchange
100. MIA Exchange Group
101. Misr for Central Clearing, Depository and Registry (FEAS full member)
102. Moldova Stock Exchange (FEAS Observer)
103. Monetary Authority of Singapore
104. Moscow Stock Exchange
105. Muscat Clearing & Depository (FEAS affiliate member)

- |  |   |
|--|---|
| <p>106. Muscat Securities Market (FEAS full member)</p> <p>107. Nadex</p> <p>108. Nairobi Securities Exchange</p> <p>109. Nasdaq</p> <p>110. Nasdaq Clearing</p> <p>111. Nasdaq Tallinn</p> <p>112. National Clearing Catalog</p> <p>113. National Settlement Depository MOEX GR</p> <p>114. National Stock Exchange of India</p> <p>115. New Zealand FMA</p> <p>116. New Zealand's Exchange</p> <p>117. Nigerian Stock Exchange</p> <p>118. NYSE (also separately from ICE)</p> <p>119. OECD</p> <p>120. OMIClear</p> <p>121. Ontario Securities Commission</p> <p>122. Oslo Stock Exchange</p> <p>123. Palestine CMA</p> <p>124. Palestine Exchange (FEAS full member)</p> <p>125. Philippine Stock Exchange</p> <p>126. Qatar Stock Exchange</p> <p>127. Rwanda Stock Exchange</p> <p>128. Saudi Capital Market Authority</p> <p>129. Saudi stock exchange Tadawul</p> <p>130. Securities and Commodities Authority (UAE)</p> <p>131. Securities and futures commission</p> <p>132. Securities and Markets Stakeholder Group</p> <p>133. Securities Depository Center of Jordan (FEAS affiliate member)</p> | <p>134. Securities Exchange Brokers Association (SEBA) (FEAS affiliate member)</p> <p>135. Shanghai Stock Exchange</p> <p>136. Shenzhen Stock Exchange</p> <p>137. SIFMA</p> <p>138. Singapore Exchange</p> <p>139. SIX Group</p> <p>140. SIX x-clear</p> <p>141. Swiss Federal Council</p> <p>142. Sydney Stock Exchange</p> <p>143. Taipei Exchange</p> <p>144. Taiwan Financial Supervisory Commission</p> <p>145. Taiwan Stock Exchange</p> <p>146. Tehran Stock Exchange (FEAS full member)</p> <p>147. Tehran Stock Exchange Tech Mgmt Co (TSETMC) (FEAS affiliate member)</p> <p>148. Tel-Aviv Stock Exchange</p> <p>149. Thailand Futures Exchange</p> <p>150. Thailand Securities and Exchange Commission</p> <p>151. The Canadian Securities Administrator</p> <p>152. The International Stock Exchange</p> <p>153. The Securities Commission Malaysia</p> <p>154. The Stock Exchange of Thailand</p> <p>155. TMX Group</p> <p>156. Tokyo Financial Exchange</p> <p>157. Toronto stock exchange</p> <p>158. Toshkent Republican Stock Exchange (FEAS full member)</p> <p>159. Tunis Stock Exchange</p> <p>160. U.S. SEC</p> |
|--|---|

- |      |  |      |                               |
|------|--|------|-------------------------------|
| 161. | Uzbek Commodity Exchange (FEAS Observer) | 164. | World Federation of Exchanges |
| 162. | Vienna Stock Exchange                    | 165. | Zagreb Stock Exchange         |
| 163. | Warsaw Stock Exchange                    | 166. | Zimbabwe Stock Exchange       |



# OPERATIONS



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## Contingency Management and Business Continuity

As the only recommendation of the current global health challenge was a keeping of social distance and protective measures, all the related risk was occurring around physical office spaces. Almost all entities activated already existing contingency plans and transformed the operations to alternative environments.

Regulation and requirements set for the markets tested positively during

the crisis. Regulated markets, exchanges, CSDs and clearinghouses, in particular, are designed to ensure investor protection, to provide the highest levels of safety, transparency and fairness. These regulatory and preliminary managed requirements had been justified during recent volatile and extremely uncertain times.

All the entities were able to activate contingency protocols, 94% of exchanges kept open and normal functioning, while 6% of exchanges listed in this study were closed by the direction of the local regulators (see details further in the publication).

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## Remote Work or “Work from Home”

Office operations were closed and transformed at all reviewed entities. Every examined entity had at least one announcement of the office space limitations or closure.

Communication is crucial in the days of the crisis. While all the entities announced about the activation of contingency plans, only 31% of the communication was with a direct

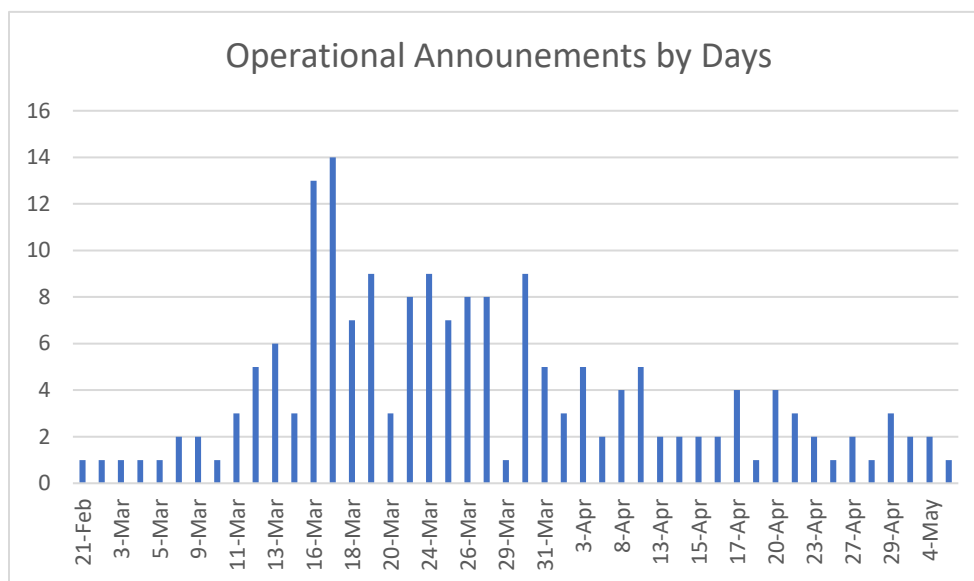
message with the following titles: “Usual operations”, “Remote working”, “Work from home”, “Actions on Covid-19”, “Business continuity”, “Crisis management”.

The rest 69% of reviewed entities included the message with the general announcements on the crisis topic (CEO messages, mixed announcement with other market information). While all entities had a message with a direct headline or indirectly combined with all other actions, 6% of the reviewed



entities communicated new kind of office work organization more than once with the direct heading of the message.

Communication with the public and stakeholders, industry entities started by the end of February reaching the most active phase on March 16-17, still keeping the activity till March 31.



Retaining operational resilience, the following organizational activities were held for the staff and office premises:

- ✦ remote work from home: the percentage of remote workers varies from 30% to 80%,
- ✦ split teams: 90% of remote working teams also use split team operations to ensure the resilience of onsite operations,
- ✦ rotating staff schedules: not very common but also used technique, mostly by big exchanges,
- ✦ travel cancellation and mandatory isolation for international travelers during the days of the pandemic,
- ✦ events, seminars and meetings cancellation and reorganization into online meetings,
- ✦ closure of trading floors,
- ✦ closure of investors galleries,
- ✦ special notice promoting electronic activities and own digital solutions,
- ✦ personal hygiene and protective stationery (medical masks and gloves, sanitizers). Temperature check was mention in rare cases,

- ✦ shortening working hours (without shortening trading hours).

In the time of writing this paper, FEAS Secretariat is fully operating remotely.

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## Operational Obligations of Market Shareholders: Regulatory Actions

The outbreak of the pandemic and all lockdown actions are being held just in the time of deadlines of regulatory requirements. Both periodic reporting such as annual and interim reports, audited financial statements; ongoing reporting such as material facts and events; and annual general meetings obligations were under the risk of the implementation. The latter has difficulties with physical gathering and public health protection. Professional advisers services cannot be delivered on time, all the reporting chain was

paralyzed with the global restrictions against the spread of the pandemic.

In this situation almost all regulators responded with the public announcements on the obligations of market shareholders, mostly issuers, market participants and funds.

Why the reporting and annual meeting activities are listed in the part of 'Operations' while having a significant impact on the market prices? The principle of the activities separation in this publication is based on the very first step in the activity realization. Thus, regulatory obligations are listed under the 'Operations'.

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## Annual General Meetings

'No action' is rarely occurring word for the capital market regulators, but special times need special actions. In all markets, regulators announced relief and supporting measures to the issuers with annual general meetings organization and requirements. No

action will follow if issuers do not comply with the reporting regulation within the extended conditions. All 32 regulators reviewed in this publication had a public notice about conducting annual general meetings during the pandemic.

While managing the regulation of a new reality, it found out that some regulations had not considered the process of remote annual meetings and remote voting process. While some of the legislation left the issue open and transferred it to the lower level – the statute or charter of the company. It was clear, that there would be regulatory changes, and they happened. Some of the regulators had formulated the framework of the legislative procedure for remote general meetings.

The types of remote meetings differ with the following options:

- ✦ Remote (virtual, online, electronic) general meetings – regulators accept online general meetings with available technological solutions keeping the requirements of appropriate notification of shareholders, questions and feedbacks gathering from the shareholders, proper availability of the documents on the agenda. The type of electronic meetings allows to organize annual meetings even

not covering the video appearance (example – email circulation),

- ✦ Split-venue meetings - onsite meetings following the requirements of the health authority of the country. Keeping maximum allowed persons in one hall, managing video conferencing facilities among several halls,
- ✦ Hybrid meetings – the combination of remote and onsite (split-venue) meetings.

Supporting the issuers stock exchanges, CSDs or clearinghouses offered their technological solutions for the remote annual general meetings and e-voting organization:

- ✦ Abu Dhabi Securities Exchange announced free of charge e-voting service for annual general meetings of listed companies<sup>2</sup>
- ✦ Bahrain Clear announced<sup>3</sup> offering of virtual AGM Management service for listed companies.
- ✦ The Egyptian Exchange made a public notice<sup>4</sup> about the electronic voting system “E-Magles”, developed by the subsidiary of the

<sup>2</sup> ADX, News Release, 21th March 2020 – [ADX website](#)

<sup>3</sup> Bahrain Bourse, News Release 22d March 2020 – [Bahrain Bourse website](#)

<sup>4</sup> EGX, News Release, 29<sup>th</sup> March 2020 – [EGX website](#)

Egyptian Exchange - Egypt for Information Dissemination Company and passed the approval by the Financial Regulatory Authority (FRA) and The General Authority for Investment and Free Zones (GAFI),

- ✦ The Johannesburg Stock Exchange tried own first virtual AGMs in South Africa cooperating with an external technology provider<sup>5</sup>,
- ✦ Muscat Clearing and Depository Company launched a new product covering electronic general meetings<sup>6</sup>,
- ✦ Nasdaq offered free of charge services to existing clients for the use of Nasdaq Boardvantage and Directors Desk systems<sup>7</sup>.

Undoubtedly, there are more e-voting and remote meeting technology providers, but the mentioned are the ones that had a special announcement on the topic.

In addition to changes applied to the types of general meetings, regulators also had relief on the annual general meetings deadlines. The postponing period varies from two months (most

common period) up to the end of the current (2020) year.

There are objective arguments for postponing the annual meeting, but issuers are not encouraged to do so in case of possibility as postponement of dividend policies can have a direct impact on the share price and related equity derivatives market<sup>8</sup>. Postponement/adjourning of general meetings can have a significant impact also on employee stock plan implementation. Thus, the decision should be carefully examined.

Based on the principle of investors' best protection, most of the regulators allowed the postponement of general meetings according to the preliminary request of the issuer and per case acceptance by the regulator.

For the operational support, several regulators and exchanges published guidelines and guidance notes on annual general meetings:

- ✦ U.S. Securities and Exchange Commission [guidance](#),
- ✦ ACRA, MAS and SGX RegCo update [guidance](#) on general meetings,

<sup>5</sup> JSE News Release, March 30<sup>th</sup> 2020 - [JSE website](#)

<sup>6</sup> MCD Publications - [MCD website](#)

<sup>7</sup> Nasdaq, 25 March 2020, [Press Release](#)

<sup>8</sup> [Euronex Q&A](#), How the postponement of AGM and dividend policy can impact the pricing of your derivatives

- ✦ Colombo Stock Exchange [guidance](#) on hosting AGMs,
- ✦ The Nigerian Stock Exchange published [guidelines](#) to facilitate efficient virtual meetings.

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## Reporting

Closely monitoring the situation, meanwhile mentioning financial reporting as an important anchor for the decisions of information users, also because issuers face difficulties of timely disclosure of financial reports caused by pandemic, market regulators extended financial reporting deadlines by one, two and three months. The most common extension for the annual audited financial statement is two months, while half-yearly financial reports deadline extension is one month.

In parallel with reporting issues, regulators received the feedback of issuers and external auditing companies on facing difficulties with remote auditing and having limited access to clients' books and records. In rare cases, regulators accept unaudited annual financial statements within extended deadlines, for the rest of the cases entities are advised to

contact the regulatory body for the discussion and requests.

While reviewing reporting complications, regulators paid attention also on the timeliness of fulfilling external audit requirements for interest rate benchmarks. Thus, European Securities and Market Authority issued a public statement<sup>9</sup> on the deadline extension till 30 September 2020.

Reporting of the inside information and market abuse was not postponed and ongoing disclosure obligations are kept on place. Regulators requested listed companies to disclose the impact of Covid-19 outbreak on fundamentals, prospects, or financial situation, carefully monitor the inside information, and report accordingly.

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<sup>9</sup> European Securities and Market Authority, [Public Statement](#), 9 April 2020

## Other Actions

Single supporting actions for issuers and market participants could be tracked in different markets. Here are examples of special support:

- ✦ The Luxembourg Stock Exchange announced that it will waive the listing fee for social and sustainable debt instruments that are issued to address the consequences of the current coronavirus pandemic<sup>10</sup>,
- ✦ London Stock Exchange announced three-month waiver of equity Market Maker registration charges<sup>11</sup>,
- ✦ National Stock Exchange of India Exchange has decided to extend the due date of payment for the Annual Listing Fees for FY 21 from 30th April 2020 to 30th June 2020<sup>12</sup>,
- ✦ Shenzhen Stock Exchange exempted the listed companies registered in Hubei from 2020

online voting service fees and promised to reduce fees for listed companies registered in Hubei<sup>13</sup>.

- ✦ Australian Securities Exchange announced waivers implementing temporary emergency capital raising measures to help listed entities affected by the COVID-19 pandemic to raise urgently needed capital<sup>14</sup>,
- ✦ The Warsaw Stock Exchange Group relaxed the regime for issuers listed in the Alternative Trading System<sup>15</sup>,
- ✦ Australian Securities and Investments Commission published guidance on internal market-making<sup>16</sup>,
- ✦ The Securities Commission Malaysia published guidance and FAQs on the conduct of AGMs<sup>17</sup>,
- ✦ Macedonian Stock Exchange provided free use of eTrader to the investors<sup>18</sup>,

<sup>10</sup> LuxSE, News Release, 15 April 2020 – [LuxSE website](#)

<sup>11</sup> London Stock Exchange, 25 March 2020, [Service Announcement](#)

<sup>12</sup> National Stock Exchange of India Limited, 30 April 2020, [Circular](#)

<sup>13</sup> Shenzhen Stock Exchange, 05 February 2020, [Notice on Support to all market participants](#)

<sup>14</sup> Australia Securities Exchange, 22 April 2020, [Announcement](#)

<sup>15</sup> The Warsaw Stock Exchange Group, 21 April 2020, [News Release](#)

<sup>16</sup> ASIC, Media Release, 15 April 2020, [Internal Market Making](#)

<sup>17</sup> SC, Corporate Governance, 23 April 2020, [Guide](#) and [Checklist](#).

<sup>18</sup> MSE, News Release, 30 March 2020 - [MSE website \(on Macedonian\)](#)

- ❖ Ontario Securities Commission provided temporary relief to market participants (issuers, registrants and insiders) by waiving all late fees for the period of April 17 – June 1, 2020<sup>19</sup>.

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## Precautions

Security-related operational response and message delivered only by 5% of reviewed entities, which not necessarily mean that the rest had eliminated the topic, but didn't have a special notice on it. The precaution notices addressed by capital market authorities and stock exchanges.

As an example, the Financial Services Commission of Mauritius issued a Communique on 'Scam Activities-Unlawful transaction'<sup>20</sup> warning the community and public about the sophisticated and nuanced new types of scams. The scammers' activities may vary stating from fake licenses to scammers advise investing to transfer

money. FSC Mauritius advised a list of precautionous actions.

Taiwan Stock Exchange heightened awareness of potential security attacks and customized phishing scams and sharing security information with F-ISAC (Financial Information Sharing and Analysis Center).

Investment Industry Regulatory Organization of Canada published an education notice<sup>21</sup> 'Covid-19 and Cybersecurity' about phishing/malware attacks, work from home and computer/mobile security, potential client account intrusions that can harm the customers.

Customer protection needed more communication, education and precaution notices.

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<sup>19</sup> Ontario Securities Commission, 17 April 2020, [News Release](#)

<sup>20</sup> FSC Mauritius, 28 March 2020, [COMMUNIQUE](#)

<sup>21</sup> IIROC, 30 March 2020, [Education Notice](#)





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## Trading Operations

While operational business continuity and working remotely were successfully managed by the exchanges, the volatility and price fluctuations on some markets provoked to initiate a change of trading hours, trading suspensions and market total closures.

European and US exchanges were resilient and remained open despite the volatility.

The global community received the first and prompt public notice from the [Federation of European Securities Exchanges](#) on March 17, 2020 about

the crucial importance of keeping exchanges open. The press release<sup>22</sup> is objectively stated crisis readiness of European exchanges, reliability of contingency protocols and how closed markets can negatively affect the main principle of the regulated market: investor protection.

The same message came from U.S. [Securities Industry and Financial Markets Association](#), the trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets published a joint statement (March 20, 2020) on keeping financial markets open amid coronavirus<sup>23</sup>.

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## Change in Trading Hours

In times of speculative fluctuations, 15% of exchanges analyzed in this publication used the tool of changing trading hours and shortened them. Taking also into account that Ramadan month started amid the pandemic, that brought trading hours adjustments. The latter are excluded from the current calculation.

At the time of pandemic only one-day trading (Monday) was announced in Damascus Securities Exchange.

The general advice from the industry institutions to the stock exchanges is to keep the trading hours unchanged as in unpredicted times markets need to keep the stability and continuity principle. Despite the advice, some

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<sup>22</sup> FESE, press release: [EUROPEAN EXCHANGES WILL REMAIN OPEN](#)

<sup>23</sup> SIFMA, [Joint Market Trade Associations Statement on Keeping Financial Markets Open Amid Coronavirus](#)

exchanges used the tool for calming the market.

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### Trading Halts

As a tool of restraining the market from volatility trading halts were used by 13% of stock exchanges. Trading sessions halt periods started from 15 min up to more than one trading session in case of specific triggers. As an example, the triggers worked at the Egyptian Exchange 5 times during ten days that brought to trading suspension decisions with a duration

of 30 minutes (on March 15, 16, 18, 23) and till the end of the trading day (March 12).

US market faced four times trigger only in March when safeguards paused trading for 15 minutes.

Trading halt trigger is a practical tool as an alternative to a radical market closure.

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### Closed Markets

Even with contingency management in action, there were 7 stock exchanges closed with the directives of regulators. Two out of six exchanges had two-steps closure. With the first step, trading hours were shortened and the second step was a full closure of the market.

The longest closure period was 54 calendar days in the Jordanian capital market. Amman Stock Exchange had one of the earliest closure on March 17th and the latest resumption on May 10<sup>th</sup>. The circular<sup>24</sup> of CEO of Amman Stock Exchange on trading resumption

also contains details of changed trading hours during Ramadan and allowed price limits for trading and block trade.

An example of trading closure only in one market is Kazakhstan Stock Exchange. The derivatives market and additional session of repo and currency swaps were closed from March 27. By the time of publishing this paper the mentioned market and session were still closed. Meanwhile, foreign, money and stock markets in Kazakhstan Stock Exchange were operating.

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<sup>24</sup> Amman Stock Exchange, CEO [Circular](#), 08 May, 2020

Exchange Name	Close Day	Resumption Day	Period (days)
Amman Stock Exchange	17-Mar	10-May	54
Bahamas International Securities Exchange	9-Apr	13-Apr	4
Colombo Stock Exchange	20-Mar	11-May	52
Iraq Stock Exchange	18-Mar	26-Apr	39
Mauritius Stock Exchange	20-Mar	6-Apr	39
Palestine Exchange	22-Mar	3-May	42
Philippine Stock Exchange	17-Mar	19-Mar	2
Zagreb Stock Exchange	12-Mar	13-Mar	1

## Short-Selling

On the days when almost all markets were facing the first wave of the response of pandemic announcement each exchange was handling the extreme fluctuation of the market.

One of the first reactions from the European market when on March 16, the European Securities and Markets Authority issued a [decision](#) temporarily requiring the notification to the national authorities if the net short positions in shares traded in EU reaches or exceeds 0.1% of the issued share capital.

Financial Conduct Authority made a corresponding [statement](#) on short selling on March 17 applying the mentioned thresholds in the UK, later

updated it on March 31 mentioning that the changes of the system had been made and the system can receive notifications at the lower threshold from April 6.

In the period of the week starting from March 16 six European National Authorities propose emergency measures and got a positive opinion from the European Securities and Market Authority on the restriction of short-selling in the following markets during the mentioned period. The short-selling ban was imposed not only in European markets, Securities Commission of Malaysia and Financial Services Authority of Indonesia (OJK) restricted short-selling as well.

The table below shows the markets and the duration of the short-selling ban:

National Regulatory Authority	Decision Days Start - Updated - End
AMF – France	18 March - 17 April - 18 May
CNMV – Spain	17 March - 18 April - 18 May
CONSOB – Italy	18 March - 18 June
FMA - Austria	18 March - 16 April - 18 May
FSMA – Belgium	18 March - 17 April - 18 May
HCMC – Greece	18 March - 25 April - 18 May
OJK - Indonesia	02 March - without notice
Securities Commission - Malaysia	23 March - 28 April - 30 June

The sensitive topic had a different solution to different markets. The Stock Exchange of Thailand temporarily tighten the short-selling rule, particularly setting that “short selling could be transacted only at the price higher than the most recently traded price (or so-called the “last trading price”) of the securities, instead

of at the price not lower than the last trading price as currently used.”<sup>25</sup>

Financial Supervisory Commission of Taiwan lowered daily short-selling volume for the next three months from acting 30% to 10% of the average trading volume of the underlying stock during the previous 30 days<sup>26</sup>.

## Circuit Breakers

In the storm caused by pandemic, exchanges and regulators used one of the market safeguard tools, circuit breakers for managing down movement and crashes.

While some of the exchanges tested already well-managed thresholds,

other markets needed to adjust the triggers. While 10% of exchanges from the list of this publication made adjustments in margins and circuit breakers, the other 10% positively tested already existing triggers mostly changing the lower limit of the price change and index decline.

Thanks to the crisis of the past two decades and the lessons learned from

<sup>25</sup> SET News 15/2020, March 13 2020 – [SET website](#)

<sup>26</sup> TWSE, [Contingency Measures for the Pandemic](#)

experience, that most of the exchanges had already had suitable and working triggers.

The adjustments and new triggers vary from markets but mostly concentrate near 5% for dynamic limits and 10% for

static limits. Trading halts minimum duration starts from 15 minutes, having a 30-minute duration as a second threshold and market close for a day or mentioned time as a last option for the third level decline.





All the actions in this publication are supporting the industry players and stakeholders, but the idea of having a special part “Support” was for a purpose to show specific, directed support including philanthropy (donations), support by market activities and education.

## Donations

Fighting a global disaster with national action countries needed support and capital markets took part in local campaigns. Support types include donations, crowdfunding campaigns, education, market activities, etc.

Here is the list of actions that entities, included in this publication, beefed up their corporate social responsibility and supported the national fight against pandemic financially:

- ✦ **Amman Stock Exchange** – donated one working day salary to the special fund to support the Ministry of Health.
- ✦ **Bolsas y Mercados Españoles** – in coordination with the Spanish Armed Forces purchased protective goods worth 1 million euros.
- ✦ **Botswana Stock Exchange** – contributed P100 million to the government relief fund.
- ✦ **European Bank for Reconstruction and Development** unveiled an emergency 1 billion euro Solidarity Package of measures to help companies across its region.
- ✦ **Financial Regulatory Authority (Egypt)** – donated EGP 250 million (~\$15.8 million) to support the Egyptian Government.
- ✦ **Johannesburg Stock Exchange** – donated trading fees from all market trades made on 15-16 April to Solidarity Fund.
- ✦ **Malta Stock Exchange** – exchange staff donated 147 vacation days, with cash equivalence of over 18.5k euros to local Coronavirus Solidarity Fund.
- ✦ **Monetary Authority of Singapore** – announced \$125 million support package to FinTech sector, supporting workers, operations and resilience of the sector<sup>27</sup>.
- ✦ **National Stock Exchange of India** – contributed \$3 million to the

<sup>27</sup> MAS, 08 April 2020, [News Release](#)

national PM Cares Fund, while employees of the NSE Group separately contributed one day salary to the same fund.

- ✦ **Nasdaq** – committed cash and in-kind donations totaling \$6 million to the pandemic response.
- ✦ **Singapore Exchange** – contributed \$1.5 million to the national healthcare support program and \$3.5 million directed for Singapore-listed companies, as well as Singapore employees and contact staff support.
- ✦ **The Korea Exchange** – donated 100 million won (~\$81k) to the government of Busan Metropolitan

City, purchased locally grown vegetables and flowers to help local farmers and flower-growing population. Additionally donated 150 million won to governments of Daegu Metropolitan City and Gyeongsangbuk-do Province. Supplied 30,000 face masks, hand sanitizers, and other personal hygiene products for 1,450 disadvantaged children.

- ✦ **Zimbabwe Stock Exchange** – donated levies collected from trades (April 24-30) to the Ministry of Health and Child Care.

## Support to Market

Exchanges and regulators managed market and operational activities for the help of fighting the pandemic. Here are examples of such support:

- ✦ Iran Fara Bouse organized a crowdfunding campaign to help the Ministry of Health and Medical Education. With the help of the Central Securities Depository of Iran two funds were added in two symbols Corona1 (the principal

donation and qualifier of funds by Sponsor) and Corona2 (The donation of the benefits of investment by the institutional funds selected by the sponsor).

- ✦ Financial Regulatory Authority of Egypt allowed the Investor Protection Fund to inject new capital from the market.
- ✦ U.S. Securities and Exchange Commission adopted temporary rules to facilitate capital formation for small businesses impacted by coronavirus disease<sup>28</sup>.

<sup>28</sup> SEC, 04 May 2020, [Rule Amendments](#)

Amendments are effective from 04 May 2020 through 01 March 2021.

- ✦ New Zealand's Exchange announced a lift in equity capital raising capacity. "Under the class relief, issuers will be able to undertake additional equity security issuance without shareholder approval up to the revised limits. Issuers utilizing the class waiver will be encouraged to recognize the interests of existing investors, for example allowing existing equity security holders the opportunity to participate to avoid dilution"<sup>29</sup>.
- ✦ Australian Securities and Investments Commission was helping listed companies raise capital quickly by giving temporary relief to enable certain 'low doc' offers (including rights offers, placements and share purchase plans) to be made to investors, even if they do not meet all the normal requirements<sup>30</sup>.
- ✦ Securities Commission (SC) Malaysia implemented capital market-related measures to support the economic stimulus

package. With that: 1) new co-investment fund of RM500 million (~\$115.4 million) will help home-grown start-ups and crowd-in further private sector; 2) together with Bursa Malaysia issuers on LEAP and ACE Markets will have listing fee waiver for 12 months<sup>31</sup>.

- ✦ Shenzhen Stock Exchange facilitates the issuance of a batch of Epidemic Prevention Special Bonds<sup>32</sup>. In total 5 fixed income products were launched to support epidemic prevention and control, with total financing of CNY9 billion.
- ✦ Canadian securities regulators temporarily increased short-term borrowing limits for mutual funds investing in fixed income.<sup>33</sup> The liquidity challenge was one of the obstacles for fund managers to deal with.
- ✦ Bulgarian Stock Exchange together with the Bulgarian Startup Association (BESCO) launched #fightCOVID19 initiative to raise awareness and promote local startups<sup>34</sup>.
- ✦ As market support, series of virtual IPOs, virtual roadshows, virtual bell-

<sup>29</sup> NZX, 19 March 2020, [Announcement](#)

<sup>30</sup> ASIC, 31 March 2020, [Media Release](#)

<sup>31</sup> Securities Commission Malaysia, 27 February 2020, [Media Release](#)

<sup>32</sup> SZSE, 25 February 2020, [News Release](#)

<sup>33</sup> OSC, 17 April 2020, [Media Release](#)

<sup>34</sup> BSE, 16 April 2020, [Information](#)

ringing ceremonies started already in April and had positive feedback from the community. Especially important steps in the physical distancing world were virtual

roadshows with global investors. One of the pioneers in the virtual roadshow was the Warsaw Stock Exchange.

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## Education

The importance of financial literacy is noticeable mostly during the crisis. The influence of Covid-19 outbreak driven pandemic brought challenges both in personal and corporate finance management.

In parallel with the start of the pandemic, governments released solidarity packages for businesses mostly for small and medium-sized enterprises (SMEs), including educational part: online webinars on various of topics from covering microfinance, cash management, strategic and project planning, accounting in a time of crisis, human resources management, investor relations, etc.

Together with government educational support, some stock exchanges also provided educational and professional consultancy support to the public and mostly to the issuers.

Promoting online learning and supporting the Financial Supervisory Commission's Financial Literacy Improvement Program, Taiwan Stock Exchange organized series of educational films and videos to the universities and general investors to help them to understand the core business of the securities market.

With the same principle Shenzhen Stock Exchange upgraded its distance training system to meet the needs of the market at the beginning of February and in April initiated a four-week online training service for SMEs in Hubei with the topic "Fight the Pandemic Together and Facilitate Growth".

From the other part of the world, the Ontario Securities Commission hosted a webinar for small businesses on COVID-19 disclosure considerations.

From the list of newly launched learning programs, the Qatar Stock Exchange started a distance learning

program at the end of April which includes free courses for the public.

A new online educational project was launched by the Federation of Euro-Asian Stock Exchanges, organizing two webinars in April for its member.

Distance learning and online education will remain as an efficient change in a delivery method not only in financial education but the educational system in general.

# MESSAGE



Communication is crucial during a crisis. World and international organizations, national organizations, governments, local associations, companies, all the entities set own principles, created their system and style of the communication during coronavirus pandemic. Hundreds of daily briefings and press-conferences, dozens of video and written messages, numerous interviews (video, podcast, written), announcements, press

## CEO Message

For efficient communication the academic study advises creating a team of centralized communication, which was done on all levels by almost all countries, companies, entities creating dedicated crisis-response teams. While the teams were working for both centralized and decentralized communication, the main message and the most 'desirable' voice by the people, employees, customers, partners are the voice of the leader.

Thus, CEO messages in the financial industry, and capital market part in particular, had the highest 'demand'.

releases only with one topic "Covid-19" held during the last two months, and continue happening now, when this paper is being written.

All these communications built the base of information that is being discussed and included in this publication. Having reviewed more than 500 news, messages, announcements, we separated three types of main messages 'CEO Message', 'Joint Statements', 'Recommendations'.

12 stock exchanges out of 100, included in this report, had direct communication headed 'CEO Message'. Three out of 12 stock exchanges have more than one message from CEO. You can find and track them all from the open repository of actions [here](#). Meanwhile, we gathered all the important key messages CEOs, leaders, managers had used in their addresses:

- ✦ The health and safety of own people, clients and capital market community is the top priority,
- ✦ Comprehensive business continuity plans designed properly, been tested rigorously,
- ✦ Contingency plan covers all types of crisis, including pandemic,



- ❖ Critical operations work smoothly,
- ❖ Remote working arrangements, as well as split working facilities and rotate teams are designed,
- ❖ Trading floors are closed, the use of electronic platforms are encouraged,
- ❖ Business trips canceled, all events canceled or postponed,
- ❖ In the beginning stage of the pandemic, every employee returned from a business trip asked to work from home while having paid quarantine period,
- ❖ Precautionary measures implemented to safeguard the staff and community,
- ❖ Digital transformation accelerated and digital tools are in place to use,
- ❖ Appreciation words to employees and customers,
- ❖ Managing risks and safeguarding the resilience of the economy is being handled.

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## Joint Statements

The management and handling process of the current crisis caused by Covid-19 virus is in the parallel actions: national ones within the countries and global, cooperating ones between countries. On the first days of a pandemic the global world was mostly For the benefit of the market and its stability, for serving capital markets' participants needs of capital, investment management, cash access and risk management, the following joint statements were done:

involved in local actions. Meanwhile, to be visible and to deliver the voice to the upper level the cooperation is needed.

The same process is relevant to the capital market, where the voice was delivered through joint statements.

- ❖ Need for a joint statement on keeping **U.S. Markets Open**<sup>35</sup> addressed to the U.S. Department of the Treasury, Securities and Exchange Commission, Federal Reserve Board of Governors,

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<sup>35</sup> Joint Statement, 19 march 2020, [Electronic Submission](#) (Cboe, as a distribution link was chosen randomly)

Commodity Futures Trading Commission by 17 associations including Managed Funds Association, Securities Industry and Financial Markets Association, American Bankers Association, American Cotton Shippers Association, Bank Policy Institute, Cboe Global Markets, Inc., CME Group, Commodity Markets Council, FIA, Financial Services Forum, Institute of International Finance, International Swaps and Derivatives Association, Investment Company Institute, Nasdaq, Alternative Investment Management Association, World Federation of Exchanges.

- ✦ Need for Joint Statement on Keeping **European Markets Open**<sup>36</sup> addressed to the European Commission, European Banking Authority; Minister of Economy and Finance, Italy; European Central Bank; Minister of the Economy and Finance, France; HM Treasury, UK; ESMA; Minister of Finance, Germany; Minister of Finance, The

Netherlands by AFME, AIMA, Better Finance, EFAMA, European Issuers, FESE, ICI Global, Insurance Europe, MFA, WFE. The same topic was relevant also for the European Markets: the importance of keeping markets open during extraordinary times. The closure 'would have a devastating impact on the European economy'. Mentioned two joint statements and the decisions of the national authorities coincided keeping both European and U.S. markets open.

- ✦ The informative and guiding joint statement was issued by UK capital market authorities: the Financial Conduct Authority (FCA), Financial Reporting Council (FRC) and Prudential Regulation Authority (PRA) addressed to the capital market community and including 1) guidance for listed companies on reporting timetable, 2) guidance for companies in the efficient decision-making process, 3) guidance for auditors.

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<sup>36</sup> FESE [release](#), 20 March 2020

## List of Repositories

Amid unprecedented times together with extreme uncertainty and the flooding wave of information international federations and associations gathered all the

information, activities and responses of their communities to Covid-19. Here is the list of industry-related associations with the pandemic response databases.

While all repositories are still in the continuous update mode by the date of publishing of this paper, all the links are working with the updates.

Federation of Euro-Asian Stock Exchanges (our own repository)	<a href="#">FEAS Repository of Action</a>
World Federation of Exchanges	<a href="#">WFE website</a>
Federation of European Securities Exchanges	<a href="#">FESE website</a>
European Association of CCP Clearing Houses	<a href="#">EACH website</a>
International Capital Market Association	<a href="#">ICMA website</a>
International Swaps and Derivatives Association	<a href="#">ISDA website</a>

## About FEAS

The Federation of Euro-Asian Stock Exchanges (FEAS) was established on 16 May 1995 with 12 founding members.

The purpose of the Federation is to contribute to the cooperation, development, support and promotion of capital markets in the Euro-Asian Region (i.e. FEAS Region - Europe, Asia and the Mediterranean Basin), gathering exchanges/trading venues, Central Securities Depositories, Central Counterparties, pre-trade and post-trade institutions, and International Financial Institutions from FEAS Region.

Currently there are 34 members from more than 20 countries. For information about FEAS, its members and activities, please visit [www.feas.org](http://www.feas.org).



## Get In Touch

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