

<b>Question ID</b>	2016_2717
<b>Status</b>	Final Q&A
<b>Legal act</b>	Directive 2014/59/EU (BRRD)
<b>Topic</b>	Other topics
<b>Article</b>	2
<b>Paragraph</b>	1
<b>Subparagraph</b>	61
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Not applicable
<b>Article/Paragraph</b>	n.a.
<b>Date of submission</b>	21/04/2016
<b>Published as Final Q&amp;A</b>	21/01/2022
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Competent authority
<b>Subject matter</b>	Instruments representing interests in shares or other instruments of ownership
<b>Question</b>	Do separately transferable rights fall under the definition of instruments of ownership as defined in Article 2(1)(61) of Directive 2014/59/EU (BRRD)?
<b>Background on the question</b>	Article 2(61) of Directive 2014/59/EU (BRRD) defines instruments of ownership as “shares, [...] and instruments representing interests in shares or other instruments of ownership”. Does it mean that separately transferable rights - the right (title) to be paid a dividend, the pre-emptive right to subscribe for shares (a rights issue), convertible bonds and bonds with warrants attached and the right, otherwise attached to a share, to be paid a liquidation share - shall be deemed for instruments of ownership?
<b>Final answer</b>	The provision of Article 2(1)(61) BRRD defines instruments of ownership as “shares, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership”.

	<p>Thus, even separately transferable rights may fall under such definition, provided that all relevant requirements set forth therein are met under the applicable law. For example, the pre-emptive right to subscribe for shares would likely fall under the category of "instruments that [...] give the right to acquire shares".</p> <p><b>Disclaimer:</b></p> <p>The answers clarify provisions already contained in the applicable legislation. They do not extend in any way the rights and obligations deriving from such legislation nor do they introduce any additional requirements for the concerned operators and competent authorities. The answers are merely intended to assist natural or legal persons, including competent authorities and Union institutions and bodies in clarifying the application or implementation of the relevant legal provisions. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law. The views expressed in the internal Commission Decision cannot prejudice the position that the European Commission might take before the Union and national courts.</p>
<b>Link</b>	<p><a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2016_2717">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2016_2717</a></p>

European Banking Authority, 21/05/2022  
[www.eba.europa.eu](http://www.eba.europa.eu)