

Financial Regulatory Alert

Akin Gump
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BaFin Confirms Which Euro Indices Can Be Traded

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BaFin, the German financial regulator, issued on 19 March 2002 a **clarification statement** confirming that the recent prohibitions on establishing and increasing net short positions imposed by the European Union regulatory authorities (to date, in Austria, Belgium, France, Greece, Italy, Spain and the UK) do not prevent the lawful trading of instruments related to the indices Euro STOXX 50®, STOXX® Europe 600, MSCI Europe and MSCI EMU are exempt from the short-selling prohibitions; trading in these instruments is therefore possible and is not covered by the prohibitions.

BaFin clarifies the prohibitions imposed with regard to establishing and increasing net short positions apply to all shares in the relevant markets, as well as to derivative instruments, which must be taken into account in the calculation of net short positions, subject to specified thresholds expressed as a percentage of the index weighting. The indices specified below do not breach the relevant thresholds specified by the EU regulators and trading instruments relating to these indices does not cause the relevant prohibitions to be breached. The relevant indices are: Euro STOXX 50®, STOXX® Europe 600, MSCI Europe and MSCI EMU.

In addition, instruments related to Euro STOXX® Banks is also exempt from the short-selling prohibitions as BaFin is the supervisory authority for these instruments and other EU financial regulators are therefore not empowered to include these instruments in their short-selling measures without BaFin's agreement.

For background on the recent developments, please see Akin Gump's related alerts noted below:

[EU Short Selling Bans Prolonged](#) (updated)

[Further EU Short Selling Prohibitions and FCA Update](#)

[ESMA Lowers Threshold for Net Short Position Disclosures](#)

[EU Countries Issue Temporary Short Selling Restrictions](#)

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