

## Termination of EU Short Selling Bans but 0.1% Net Short Reporting Continues

May 18, 2020

On 18 May 2020, the European Securities and Markets Authority (ESMA) **announced** the non-renewal of the emergency restrictions on short selling and similar transactions by the Finanzmarktaufsicht (FMA) of Austria, the Financial Securities and Markets Authority (FSMA) of Belgium, the Autorité des Marchés Financiers (AMF) of France, the Hellenic Capital Market Commission (HCMC) of Greece and the Comisión Nacional del Mercado de Valores (CNMV) of Spain. In its announcement, ESMA further confirmed the early termination of the emergency restrictions by the Commissione Nazionale per le Società e la Borsa (CONSOB) of Italy, which were due to expire on 18 June 2020. In addition, ESMA's announcement clarified that the net short position reporting threshold imposed in March 2020 remains in force until 16 June 2020, at which point it may be renewed.

### Non-renewal and Early Termination of Short Selling Bans

On 17 and 18 March 2020, the FMA of Austria, FSMA of Belgium, AMF of France, HCMC of Greece, CONSOB of Italy and CNMV of Spain had announced a ban on short positions in relation to shares traded on their national exchanges (in respect of Austria, Belgium, France, Greece and Spain, the national competent authorities had initially proposed a ban with effect until mid-April 2020, but, on 15 April, all five regulators announced an extension to their respective short selling bans). With the exception of Italy, for which the short selling ban was to be in place until the end of the trading day of 18 June 2020, all of the short selling bans were due to expire on 18 May 2020 at 11.59 PM. Following ESMA's announcement, the short selling bans have expired and will not be renewed, and the ban imposed by the CONSOB of Italy has also been terminated early. Accordingly, the short selling bans no longer apply from the start of the trading day of 19 May 2020.

### Retention of Net Short Position Reporting Threshold

On 16 March 2020, ESMA issued a **decision** to temporarily require the holders of net short positions in shares traded on a European Union regulated market to notify the relevant national competent if the position reached or exceeded 0.1% of the issued share capital after the entry into force of the decision (reducing the threshold from

### Contact Information

**For further information or advice, please contact one of the partners named below or your usual contact at Akin Gump.**

#### **Ezra Zahabi**

Partner  
[ezra.zahabi@akingump.com](mailto:ezra.zahabi@akingump.com)  
London  
+44 20.7661.5367

#### **Tim Pearce**

Partner  
[tpearce@akingump.com](mailto:tpearce@akingump.com)  
London  
+44 20.7012.9663

#### **Ian Meade**

Partner  
[imeade@akingump.com](mailto:imeade@akingump.com)  
London  
+44 20.7012.9664

#### **Helen Marshall**

Partner  
[helen.marshall@akingump.com](mailto:helen.marshall@akingump.com)  
London  
+44 20.7661.5378

#### **Sahar Abas**

Trainee Solicitor  
[sahar.abas@akingump.com](mailto:sahar.abas@akingump.com)  
London  
+44 20.7012.9859

0.2%). In its 18 March 2020 announcement, ESMA confirmed that these measures remain in place until 16 June 2020 and may subsequently be renewed.

ESMA further noted that, together with the national competent authorities in the EU, it is continuing to monitor developments in the financial markets brought about as a result of the COVID-19 global pandemic. In particular, ESMA confirmed that it would be prepared to utilise its powers to ensure the orderly functioning of the EU markets and to uphold financial stability and investor protection.

[akingump.com](http://akingump.com)