

The UK's New Short Selling Regime Launches

April 23, 2026



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On 16 April, the UK's Financial Conduct Authority (**FCA**) published **Policy Statement 26/5 on "Changes to the UK Short Selling Regime"** (**PS 26/5**) which forms part of the UK government's programme to repeal and replace retained European Union (EU) law post-Brexit (for our earlier note on this see [here](#)). In addition to this repeal and replace exercise, PS 26/5 aims to reduce some of the inefficiencies and disproportionately burdensome aspects of the previous short selling regime by:

- Removing the requirement for market makers to notify each financial instrument they want to benefit from the market maker exemption to report. Market makers will only be required to submit a single 'activity based' notification such that they can use the exemption for market making activities in any financial instrument;
- The FCA, consequently, is continuing to accept notifications via email and not is updating arrangements to automate the notification process from the start of the new regime;
- The FCA has extended the date when the new rules come into force, with phase 1 and the new short selling rules now starting on July 13.