

Clients & Friends Memo

COVID-19 Update: An End to Temporary Restrictions on Short Selling in the European Union

19 May 2020

Further to our [Clients and Friends Memorandum of 22 April 2020](#), on 18 May 2020 the European Securities and Markets Authority (“**ESMA**”) issued a [press release](#) on the non-renewal of and termination of short selling bans by the following national competent authorities (“**NCA**s”): Austria's Finanzmarktaufsicht (FMA) Belgium's Financial Securities and Markets Authority (FSMA); France's Autorité des Marchés Financiers (AMF); Greece's Hellenic Capital Market Commission (HCMC); Italy's Commissione Nazionale per le Società e la Borsa; and Spain's Comisión Nacional del Mercado de Valores (CNMV).

The NCAs referred to above previously announced temporary short selling bans (permitted under the EU Short Selling Regulation's emergency provisions) in mid-March 2020, which were subsequently renewed in April 2020. These bans are now no longer in effect. The non-renewal and termination measures come as a result of the reduction in the market volatility in the financial markets that had been caused by the onset of the COVID-19 pandemic.

The press release also highlighted that the net short position reporting threshold under the EU Short Selling Regulation remains at the lowered level of 0.1% per the ESMA decision on 16 March 2020.

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