

MEMO# 25411

August 15, 2011

ESMA Statement and Information Regarding Short Selling Bans in Several European Countries

[25411]

August 15, 2011

TO: EQUITY MARKETS ADVISORY COMMITTEE No. 54-11
INTERNATIONAL MEMBERS No. 36-11
SEC RULES MEMBERS No. 102-11
ETF (EXCHANGE-TRADED FUNDS) COMMITTEE No. 37-11
ETF ADVISORY COMMITTEE No. 58-11 RE: ESMA STATEMENT AND INFORMATION
REGARDING SHORT SELLING BANS IN SEVERAL EUROPEAN COUNTRIES

The European Securities and Markets Authority (“ESMA”) has issued a statement addressing regulatory action relating to short selling in several European countries. [\[1\]](#) The statement promotes harmonized regulatory action on short selling in the European Union (“EU”) and emphasizes current regulatory requirements relating to the prohibition of the dissemination of information which gives, or is likely to give, false or misleading signals as to financial instruments. The statement also discusses the decision by several European regulatory authorities to impose or extend existing short selling bans in their respective countries. Specifically, Belgium, France, Italy and Spain announced bans on short selling or on short positions effective on August 12, 2011. Greece already introduced a ban on short selling on August 8, 2011. The statement notes that these measures have been aligned as far as possible in the absence of a common EU legal framework in the area of short selling.

In conjunction with the recent actions by several EU regulatory authorities, ESMA also published an updated list of measures adopted by regulatory authorities regarding short selling. [\[2\]](#) Links to each regulator’s announcement and details about each jurisdiction’s short selling ban can be found in the updated list.

Ari Burstein
Senior Counsel - Securities Regulation

endnotes

[1] The statement can be found on ESMA's website at <http://www.esma.europa.eu/popup2.php?id=7699>.

[2] The list can be found on ESMA's website at <http://www.esma.europa.eu/popup2.php?id=7696>.

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.