

French AMF decision of 17 March 2020 regarding the ban of net short positions

Industry implementation guidance on the AMF decision banning net short positions

Version française

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The AMF's ban applies when the position involves equity shares that falls under its jurisdiction (shares listed on a trading venue in France and falling under its jurisdiction and indices including these underlyings, including the CAC 40 index – www.amf-france.org)⁽¹⁾. This temporary measure is applicable until May 18, 2020.

In addition, other regulators, including CONSOB (Italy), FSMA (Belgium), CNMV (Spain), FMA (Austria), HCMC (Greece) and FCA (United Kingdom), have adopted equivalent rules (indicative list subject to change).⁽²⁾

INDUSTRY IMPLEMENTATION GUIDANCE

In terms of implementation, the industry considers that:

- **Listed securitised derivative products (warrants, turbos) are affected by the AMF ban of net short positions**, whenever their use would lead the investor to hold a short position in shares or indices (eg: CAC 40), whatever their trading venue (regulated market or MTF);
- **This decision applies in the same conditions to other derivative strategies**, whether these are based on OTC products or products that are listed on regulated

- markets (e.g. listed options and futures);
- It is important that intermediaries inform their customers about the AMF decision in order to contribute to its proper implementation;
 - In any case It is **the investors' responsibility, whatever their country of residence, to comply with the AMF ban** for the concerned equity shares. As investors tend to have an equity exposure that is generally split into several different wrappers and held in accounts opened with different institutions, intermediaries are therefore generally not in a position to assess their detailed exposure to the assets covered by this decision;
 - **As a cautionary measure, during the enforcement period of this measure, the intermediary is invited to set up a customer alert for customers seeking to execute buy orders on those Exchange-traded products (put, short, etc.) likely to contribute to the building of net short positions**

(1) AMF's FAQ on the BanFrench version:
https://www.amf-france.org/fr/actualites-publications/actualites/interdiction-temporaire-des-positions-courtes-y-compris-ventes-decouvert-queelles-consequences-pour#Quels_sont_les_titres_concernes_?

English version:
https://www.amf-france.org/sites/default/files/2020-03/faq_vad_2020_03_18.pdf

(2) **Available information from the national regulators (subject to change):** France :
<https://www.amf-france.org/en/news-publications/news-releases/amf-news-releases/amf-announces-short-selling-ban-one-month>

Austria :
<https://www.fma.gv.at/en/category/news-en/press-release/>

Belgium :
<https://www.fsma.be/en/news/prohibition-short-selling>

Italy :http://www.consob.it/web/consob-and-its-activities/news-in-detail/-/asset_publisher/kcxlUu0yj09x/content/press-release-17-march-2020-hp/718268

Spain :<https://www.cnmv.es/Portal/verDoc.axd?t=%7b5baf609e-ed4e-4dad-a697-80c55548e181%7d>

Greece :
<http://www.hcmc.gr/vdrv/elib/af9dc6d61-5b88-4379-866e-f701707eedc-92668751-0>

United - Kingdom :
<https://www.fca.org.uk/news/news-stories/temporary-prohibition-short-selling>

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