

French AMF decision of 17 March 2020 regarding the ban of net short positions ⁽¹⁾

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 April 16, 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 on the AMF decision banning net short positions

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 Ban

French version: https://www.amf-france.org/fr/actualites-publications/actualites/interdiction-temporaire-des-positions-courtes-y-compris-ventes-decouvert-queles-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/kcxlUuOyjO9x/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-Kingdown : <https://www.fca.org.uk/news/news-stories/temporary-prohibition-short-selling>

About the AFPDB

The AFPDB (French association of the structured and listed retail investment products) represents the interests of the main issuers of structured products that distributed in France. Their product range includes both exchange traded securitised derivative products, such as warrants, turbos and certificates, and structured products (e.g. EMTN) distributed through public offering or private placements.

The main goals of the association are:

- Promoting and contributing to the development of this industry on the French and European markets;
- Representing and advocating for the industry's interests, notably with the public authorities and regulators, the regulated markets and other trading venues and the other industry associations, as the AMAFI;
- Promoting the use of common industry standards, notably as regards product typology, in cooperation with other European associations;
- Collecting, producing and keeping up-to-date statistics and studies on the French structured product market.

The AFPDB members commit to comply with the AFPDB Code of conduct and to implement the product to polity as laid out by the EUSIPA (European Structured Investment Products Association) to which the AFPDB is affiliated.

The AFPDB Legal and Regulatory Committee actively contributes to the marketplace reflections on work-streams concerning the showing and distribution of structured products.

Industry workshops involving both manufacturers and distributors are periodically organized by the AFPDB. They contribute actively to industry proposals in areas such as the implementation of the main regulations, the investor education programs, the disclosure and communication of key product information to, respectively, distributors and final clients.

Information, news and publications: www.afpdb.org

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