

ESMA issues positive opinion on short selling ban by French AMF

The European Securities and Markets Authority (ESMA) has issued an [official opinion](#) agreeing to an emergency short selling prohibition, for a period of one month, by the Autorité des marchés financiers (AMF) of France on all transactions which might constitute or increase net short positions on shares admitted to trading on French trading venues (Euronext Paris, Euronext Growth Paris, Euronext Access Paris), for which the AMF is the relevant competent authority as well as to all related instruments relevant for the calculation of the net short position.

The ban applies to transactions executed both on a trading venue or over the counter. The measure applies to any natural or legal person domiciled or established within the European Union or in a third country

The measure entered into force on 18 March 2020 at 00:00 and will expire after the close of the trading session on 16 April 2020. The proposed measure may also be lifted before the deadline, taking into account market conditions.

The measure does not apply to market-making activities, trading in index-related instruments or short positions entered into to hedge positions on convertible bond or subscription rights.

ESMA considers that the proposed measure is justified by current adverse events or developments which constitute a serious threat to market confidence and financial stability in France and that it is appropriate and proportionate to address the existing threat to market confidence in the French market.

Spain – CNMV Prohibition

ESMA has also issued a positive opinion on a short selling prohibition by the Comisión Nacional del Mercado de Valores (CNMV) of Spain on all transactions which might constitute or increase net short positions on shares admitted to trading to Spanish trading venues for which the CNMV is the competent authority (BOLSA DE MADRID, S.A., BOLSA DE BARCELONA, S.A., BOLSA DE VALENCIA, S.A., BOLSA DE BILBAO, S.A. and Mercado Alternativo Bursátil, S.A.), as well as to all related instruments relevant for the calculation of the net short position.

The measure entered into force on 17 March 2020 before the opening of the trading session and to expire after the close of the trading session on 17 April 2020.