

ESMA issues positive opinions on bans on net short positions by Belgian FSMA and Greek HCMC

The prohibitions apply, as follows:

FSMA, Belgium

- The measure bans transactions which might constitute or increase net short positions on stocks admitted to trading on Belgian trading venues (Euronext Brussels and Euronext Growth) for which the FSMA is the relevant competent authority, as well as to all related instruments relevant for the calculation of the net short position;
- The measure entered into force on 18 March 2020 before the opening of the trading session and is to expire on 17 April 2020 after the trading session is closed; and
- The proposed measure may be lifted before the deadline if the risks of a loss of market confidence are reduced, or may be further extended after the deadline considering market conditions

HCMC, Greece

- The measure bans transactions which might constitute or increase net short positions on all shares admitted to trading on the Athens Stock Exchange for which HCMC is the relevant competent authority, as well as to all related instruments relevant for the calculation of the net short position;
- The measure entered into force on 18 March 2020 at 00:00:01 hours (CET) and will expire on 24 April 2020 at 24:00:00 (CET); and
- The proposed measure may be lifted before the deadline or extended, taking into account market conditions.

Common to both measures

- The prohibitions apply to transactions executed both on a trading venue and over the counter;
- The measures apply to any natural or legal person domiciled or established within the European Union or in a third country;
- Both measures do not apply to market making activities and index-related instruments only if the shares represent more than 20% of the index weight;

ESMA considers that the proposed measures are justified by current adverse

events or developments which constitute a serious threat to market confidence and financial stability in Belgium and Greece and that they are appropriate and proportionate to address the existing threat to market confidence in the Belgian and Greek markets.

Both authorities notified ESMA less than 24 hours before the measure were intended to take effect.