

EU Member States act on short selling – overview

Note: D+1 refers to the day after the trading day (i.e. T+1 or J+1)

Country and Regulator	Summary of short-selling measures
<p>Austria Financial Market Authority (“FMA”)</p>	<p>In accordance with the Austrian Stock Exchange Act (Boersegesetz), a person transacting business in financial instruments professionally is required to inform the FMA about any facts or information which might qualify as a market abuse. The FMA now has clarified that holding a net short position represented by an economic interest (shares, derivatives) of 0.25% or more of the issued capital in an issuer will be regarded as “significant indicator of market abuse” and also has announced a programme of heightened supervision with a view to identify such instances. As a consequence, such holding of net short position might constitute a market abuse and therefore requires notice to the FMA.</p> <p>In October 2008, the FMA decided to temporarily prohibit short sales in all securities listed on the Vienna Stock Exchange. The scope of the ban was later narrowed to apply only to naked short sales in shares of the following financial institutions: Erste Group Bank, Raiffeisen International Bank-Holding, Uniqa Insurance Group and Vienna Insurance Group.</p> <p>On 28 November 2008, the FMA extended the ban of naked short sales until 30 January 2009. According to s. 48d(12) Stock Exchange Act, the FMA is further entitled to extend such ban for up to six months with approval of the finance minister.</p> <p>An exemption applies to market makers.</p> <p>Website: http://www.fma.gv.at/cms/site/EN/index.html</p>
<p>Belgium Commission Bancaire, Financière et des Assurances (“CBFA”)</p>	<p>A person is required to disclose to the CBFA and Euronext Brussels any net short positions that represent an economic interest (shares, derivatives) in excess of 0.25% of the issued share capital in the following financial institutions listed on Euronext Brussels by D+1: Dexia SA, Fortis NV/SA, KBC Groep NV, KBC Ancora SCA and ING Groep NV.</p> <p>A fund manager must adhere to these provisions in relation to all the funds it manages on a discretionary basis.</p> <p>In addition, the CBFA has i) asked financial institutions not to lend securities of the listed financial companies, except to cover transactions entered into before the 22 September 2008; and ii) to ensure that any sales orders that may lead to delayed settlement and delivery of securities in the listed financial companies are 100% covered.</p> <p>An exemption applies to: market makers, liquidity providers and counterparties of block transactions.</p> <p>Breach of the measures may amount to market abuse.</p> <p>These measures initially took effect from 22 September 2008 for a period of three months. The CBFA extended the period of the ban on 19 December</p>

	<p>2008 to 20 March 2009.</p> <p>Website: http://www.cbfa.be/eng/fm/mm/faq/faq1.asp</p>
<p>Bulgaria Financial Supervision Commission (“FSC”)</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.fsc.bg/</p>
<p>Cyprus Cyprus Securities and Exchanges Commission (“CSE”)</p>	<p>No change</p> <p>Although not expressly prohibited by the applicable laws, existing rules may be construed as an indirect restriction on short selling. The CSE has not officially confirmed this position and has not currently announced any measures.</p> <p>Website: http://www.cysec.gov.cy/default_en.aspx</p>
<p>Czech Republic Czech National Bank (“CNB”)</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.cnb.cz/en/index.html</p>
<p>Denmark Finanstilsynet</p>	<p>Measures came into force on 13 October 2008.</p> <p>The measures prohibit a person from entering into an agreement that will create or increase a naked and covered (by way of share lending) short position in listed shares of banks licensed under section 7 of the Danish Financial Business Act.</p> <p>An exemption applies to agreements to hedge risk on shares (if the hedging is in reasonable proportion to the risk and market makers).</p> <p>Breach of the measures is punishable by a fine.</p> <p>Finanstilsynet has not indicated how long the ban will apply.</p> <p>Website: http://www.dfsa.dk/sw99.asp</p>
<p>Estonia Finantsinspektsioon</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.fi.ee/index.php?lang=en</p>

<p>Finland Rahoitustarkastus Finansinspektionen ("FIN-FSA")</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.fin-fsa.fi/eng</p>
<p>France Autorité des Marchés Financiers ("AMF")</p>	<p>Existing AMF rules prohibit naked short sales.</p> <p>Any person holding a short position that represents an economic interest (shares, derivatives) of 0.25% or more of the issued share capital of one of the relevant companies must disclose this to the AMF (Market Surveillance Unit) and the market by D+1. The relevant companies are credit institutions and insurance companies traded on French regulated markets (Euronext Paris, MATIF and MONEP).</p> <p>AMF is yet to confirm whether the disclosure threshold applies on a net or gross basis - the rules refer to a "net economic benefit", which suggests it the rule will apply on a net basis in France until further notice.</p> <p>An exemption applies to: market makers, liquidity providers and counterparties for block trades in equities.</p> <p>Breach of these measures is likely to amount to market abuse.</p> <p>The measures came into force on 22 September 2008 and were initially in place for a period of three months. The AMF agreed in December 2008 to maintain the ban and will review the position in February 2009. A working group as also been formed to put forward proposals for a permanent regime governing short-selling that will coordinate with regulations in leading financial centres.</p> <p>Website: http://www.amf-france.org/Default.asp?lang=en</p>
<p>Germany Bundesbank and German Financial Supervisory Authority ("BaFin")</p>	<p>Creating or increasing naked short positions is prohibited in the shares (not derivative positions) of the following 11 listed financial sector companies: Aareal Bank AG, Allianz SE, AMB Generali Holding AG, Commerzbank AG, Deutsche Bank AG, Deutsche Börse AG, Deutsche Postbank AG, Hannover Rückversicherung AG, Hypo Real Estate Holding AG, MLP AG, Münchener Rückversicherungs-Gesellschaft AG.</p> <p>No disclosure obligations have been announced.</p> <p>An exemption applies to: market makers and certain transactions by book-running brokers. Short sales used to secure an existing position are also exempt. A person may also apply in writing to BaFin to request additional exemptions.</p> <p>The ban was initially in place from 20 September 2008 until 31 December 2008 and has now been extended to March 2009.</p> <p>Website: http://www.bafin.de/EN/Home/homepage__node.html?__nnn=true</p>

<p>Greece Hellenic Capital Market Commission (“HCMC”)</p>	<p>Initially, the HCMC only required that a person holding a short position that amounted to 0.10% of the total number of shares in a company listed on the Athens Exchange disclose this position to the HCMC on same day. Changes to the position were also required to be notified to the HCMC.</p> <p>Disclosure was published in the Daily Official List Announcements of the Athens Exchange on D+1.</p> <p>In October 2008, the HCMC introduced an 'uptick' rule to prevent a person from entering a short selling order at a price lower than that set by the Athens Stock Exchange on D-1. These measures were to take effect until the 31 December 2008.</p> <p>The HCMC has since banned all short-selling (Decision 1/488/10.10.2008) of shares listed on the Athens Exchange and has recently extended this ban to end of May, 2009 (Decision 15/493/11.12.2008).</p> <p>Website: http://www.hcmc.gr./pages/index.asp</p>
<p>Hungary Hungarian Financial Supervisory Authority (“HFSA”)</p>	<p>Measures were introduced by the HFSA on 29 September 2008. Any financial institution engaged in investment service activities and being supervised by the HFSA is required to report any short sales in the shares of listed Hungarian company where the transaction represents 0.01% or more of the total number of the listed shares.</p> <p>Reports should be made by 2pm on D+1 to the HFSA (sstadat@pszaf.hu) and should contain the following information:</p> <ul style="list-style-type: none"> (i) day of the transaction (ii) name of the share (iii) ISIN Code of the share (iv) the number of shares involved in the transaction (v) selling price of the share (vi) indication whether dealing on own account or on the basis of client order <p>The disclosure requirement was in place until 31 December 2008. The HFSA has indicated that although the disclosure requirement has now been removed, it is examining whether the re-introduction of this or a similar measure is necessary.</p> <p>Website: http://english.pszaf.hu/engine.aspx</p>
<p>Iceland The Financial Supervisory Authority (“FME”)</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.fme.is/?PageID=146</p>
<p>Ireland Irish Financial Services Regulatory Authority (“IFSRA”)</p>	<p>No change</p> <p>Creating or increasing short positions is prohibited in the following listed financial companies: The Government and Company of the Bank of Ireland, Allied Irish Banks Plc, Irish Life and Permanent Plc and Anglo Irish Bank</p>

	<p>Corporation Plc.</p> <p>The prohibition does not apply to the taking of a short position that offsets or partially offsets a long position in relation to the same company.</p> <p> Holders of an economic interest of 0.25% or more in the issued share capital of any of the four companies are also required to disclose that interest by 15:30 hours on the business day on which the position is taken and on each business day thereafter while the 0.25% or greater position remains. The disclosure obligation applies to aggregate net short positions.</p> <p>The prohibition and the disclosure obligation apply all short positions, no matter how created (spread bets, CFDs, etc) and whether the position is direct or indirect. They also apply to the taking of a short position on an intra-day basis, even if closed out on the same day.</p> <p>An exemption applies to: market makers.</p> <p>In the case of a fund manager that holds short positions on behalf of a discretionary client, the prohibition and the disclosure obligation each seem to apply to the fund manager (and not also to the discretionary client).</p> <p>These measures are effective from 18 September 2008 (ban) and 23 September 2008 (disclosure) respectively, until further notice by the regulator.</p> <p>A breach of the prohibition or the disclosure obligation may be market abuse.</p> <p>Website: http://www.financialregulator.ie/</p>
<p>Italy Commissione Nazionale per le Società e le Borse (“CONSOB”)</p>	<p>Existing CONSOB rules restrict naked short sales.</p> <p>CONSOB initially banned short selling in issued by banks and insurance companies listed and traded in the Italian regulated markets. This ban was extended in October 2008 for a short period to cover all shares listed and traded on Italian regulated markets. CONSOB has recently confirmed that the ban now only applies (as initially) to shares in banks and insurance companies.</p> <p>An exemption applies to market makers, liquidity providers and the “specialist operators”, which are appointed by issuers for, inter alia, supporting the liquidity of the STAR segment (the MTA market segment dedicated to midsize companies).</p> <p>The CONSOB resolution additionally entrusts the company managing the clearing and settlement services to take any measure for preventing any manoeuvring which may cause an irregular reduction of the price of shares issued by banks and insurance companies.</p> <p>The provisions initially took effect from 00.00hr on 23 September 2008 to 00.00hr on 31 October 2008. They were first extended to 31 December 2008 and more recently to 31 January 2009. CONSOB is currently carrying on consultations with market operators.</p>

	Website: http://www.consob.it/mainen/index.html
Latvia Financial & Capital Market Commission ("FKTK")	No change No measures announced Website: http://www.fktk.lv/
Lithuania Lithuanian Securities Commission ("VPK")	No change No measures announced Website: http://www.vpk.lt/en/
Luxembourg Commission de Surveillance du Secteur Financier ("CSSF")	No change Ban on naked short sales in stocks of a credit institution or insurance undertaking, whether as principal or on behalf of clients. When performing such transactions on behalf of their clients, market participants must ensure that the clients are able to deliver the stocks on the settlement date. No disclosure obligations have been announced. A breach of this rule may amount to market abuse. The ban came into force on 19 September 2008, and will continue until further notice from the regulator. Website: http://www.cssf.lu/uploads/media/pressrelease__short_selling190908.pdf
Malta Malta Financial Services Authority ("MFSA")	No change No measures announced Website: http://www.mfsa.com.mt/
Norway Kredittilsynet	No change Existing Kredittilsynet rules prohibit naked short selling by investment firms. Kredittilsynet introduced a temporary ban in October 2008 on the basis that short selling in the current economic climate is in breach of the Norwegian Securities Trading Act section 3-9, which prohibits "unreasonable business methods". The ban applies to short sales in the shares of the following financial institutions only: DnB NOR ASA, Voss Veksel og Landmandmandsbank ASA, Storebrand ASA, Bluewater ASA and Protector ASA. The ban also covers listed Primary Capital Certificates ("grunnfondsbevis") issued by the following Norwegian savings banks: Aurskog Sparebank, Helgeland Sparebank, Hol Sparebank, Høland Sparebank, Indre Sogn Sparebank, Klepp Sparebank, Melhus Sparebank, Nes Prestegjelds Sparebank, Nøtterø Sparebank, Ringerikes Sparebank, Rygge-Vaaler Sparebank, Sandnes Sparebank, Sandsvær Sparebank, SpareBank 1 Nord-

	<p>Norge, SpareBank 1 SMN, SpareBank 1 SR-Bank, SpareBanken Vestfold, Sparebanken Møre, Sparebanken Pluss, Sparebanken Vest, Sparebanken Øst and Totens Sparebank.</p> <p>An exemption applies to market makers.</p> <p>Kreditilsynet will continue to assess the situation and will lift the ban once it considers that short selling no longer contravenes the Securities Trading Act.</p> <p>Website: http://www.kreditilsynet.no/wbch3.exe?p=2068</p>
<p>Poland Financial Supervisory Authority (“KNF”)</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.gpw.pl/gpw.asp?cel=e_inwestorzy&k=6&i=/e_papiery/short_selling/short&sky=1</p>
<p>Portugal Comissão do Mercado de Valores Mobiliários (“CMVM”)</p>	<p>A ban was introduced in relation to the short selling of shares and other instruments that give the right to the “acquisition, subscription or conversion” of those shares in the following listed financial companies: Banco Comercial Português, Banco BPI, Banco Espírito Santo, Banco Popular, Banco Santander Central Hispano, Banif SGPS, Finibanco Holding SGPS and Espírito Santo Financial Group.</p> <p>At the same time, the CMVM also introduced a requirement to disclose short positions in <i>any</i> securities admitted to Euronext and PEX by 12 (noon) D+1.</p> <p>At a meeting held on 8 January 2009 the Executive Board of the <i>Conselho Directivo da CMVM</i> repealed Instruction No. 1/2008 (amended by Instruction No. 4/2008 on 'Short-Selling Transactions'), thereby removing the daily disclosure requirement except in relation to naked short sales that equal or exceed 0.25% of any of the above listed financial companies.</p> <p>Instruction No. 2/2008 on 'Short-selling Transactions on Financial Institutions' continues to remain in force. This prohibits members of Euronext Lisbon and PEX from accepting or executing sell orders of shares issued by the listed financial companies when the person making the order does not ensure the availability of said securities on the transmission or execution of the order.</p> <p>The CMVM has not currently indicated how long the above obligations will remain in place.</p> <p>The CMVM has issued a non-binding opinion on the application of these obligations.</p> <p>Website: http://www.cmvm.pt/en</p>
<p>Romania National Securities Commission (“CNVM”)</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.cnvmr.ro/en/index.htm</p>

<p>Slovak Republic National Bank of Slovakia</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.nbs.sk/INDEXA.HTM</p>
<p>Slovenia Securities Markets Agency</p>	<p>No change</p> <p>No measures announced</p> <p>Website: http://www.a-tvp.si/eng/default.asp</p>
<p>Spain Comisión Nacional del Mercado de Valores (“CNMV”)</p>	<p>No change</p> <p>Existing CNMV rules prohibit naked short sales.</p> <p>A person is required to disclose net short positions that represent an economic interest (shares, <i>cuotas</i> and derivatives) exceeding 0.25% of the issued share capital before 19:00hr D+1 in the following financial institutions: Banco de Andalucía, Banco de Castilla, Banco de Crédito Balear, Banco de Galicia, Banco Guipuzcoano, Banco Pastor, Banco Popular Español, Banco Sabadell, Banco Santander, Banco de Valencia, Banco de Vasconia, Banco Español de Crédito, Bankinter, BBVA, Caja de Ahorros del Mediterráneo, Grupo Catalana Occidente, Mapfre, Inverfiatc, Bolsas y Mercados Españoles and Renta 4.</p> <p>Increases or decreases of the short position must also be disclosed.</p> <p>An exemption applies to: market makers, liquidity providers and counterparties of block transactions.</p> <p>Failure to disclose will be regarded by the CNMV as an indication of market abuse.</p> <p>The disclosure measure is in place from 24 September 2008 until the CNMV decides that the market conditions have improved.</p> <p>Website: http://www.cnmv.es/index.htm</p>
<p>Sweden Finansinspektionen (“FI”)</p>	<p>FI’s supervision of short selling transactions has reverted to a normal supervision from the heightened supervision in operation in September 2008. This change came into effect on 24 October 2008.</p> <p>Website: http://www.fi.se/Default____3.aspx</p>
<p>The Netherlands Autoriteit Financiële Markten (“AFM”)</p>	<p>The AFM’s initial ban on the naked short selling of shares issued by the following financial companies listed on the Euronext Amsterdam Stock Exchange: Aegon N.V., Binck Bank N.V., Fortis N.V., ING Groep N.V., Kas Bank N.V., SNS Reaal N.V., Van Der Moolen Holding N.V and Van Lanschot N.V. were replaced on the 5 October 2008 by new measures.</p> <p>Under the October measures, a person is required to disclose any net economic short positions exceeding 0.25% of the issued share capital of one of the listed financial companies by D+1.</p> <p>Creating or increasing a net short position in one of the financial companies set out above will fall under the market manipulation prohibition provisions</p>

	<p>of the Dutch Financial Supervision Act.</p> <p>An exemption applies to: market makers and counter party in block trade transactions.</p> <p>The October ban applied for a period of 30 days and was recently extended until 17 January 2009.</p> <p>Website: http://www.afm.nl/corporate/default.ashx?DocumentID=11492</p>
<p>UK Financial Services Authority (“FSA”)</p>	<p>FSA recently consulted on the UK short selling measures (consultation ended 9 January 2009) and confirmed its proposals on 14 January, having obtained support for its proposals from the majority of the 33 respondents.</p> <p>The ban on short selling in UK listed financial services company will expire on 16 January (as set out when the ban was first introduced) on the basis that the market conditions that made the ban necessary no longer persist. FSA will continue to review the position and may reintroduce the ban (without consultation, if necessary) should this be warranted.</p> <p>The disclosure obligation, which was introduced at the same time as the ban in September 2008, however, will continue to apply in the UK.</p> <p>FSA has confirmed that the threshold for disclosure will remain at 0.25% of the issued share capital of the relevant financial services companies. Rather than disclosing any change in the overall net position (which has been the case to date), a person will now only be required to make additional disclosures for ‘significant’ increases or decreases, which is defined by FSA as 0.1% bands (the bands run from 0.25%, 0.35%, 0.45%, etc).</p> <p>The amended disclosure obligation will take effect from 00:00:01 on the 16 January 2009.</p> <p>The disclosure obligation will continue until 30 June 2009.</p> <p>The FSA is carrying out a comprehensive review of the long-term UK short selling regime and will publish a consultation paper on this subject in February 2009.</p> <p>Website: http://www.fsa.gov.uk</p>