



## **ESMA Public Consultation on the review of certain aspects of the Short Selling Regulation**

**Link to the paper: [Consultation Paper on the review of certain aspects of the Short Selling Regulation](#)**

### **1.- Target participants**

The consultation paper is primarily of interest to issuers of financial instruments admitted to trading or traded on a trading venue, investment firms, market makers, primary dealers, persons who engage in short sales or transactions resulting in net short positions. Responses are also sought from any other market participant including trade associations and industry bodies, institutional and retail investors, consultants and academics.

### **2.- Information Note**

During the COVID-19 crisis, the relevant competent authorities adopted a number of emergency measures, consisting both of short- and long-term bans on short selling. Evidence from the crisis proved how widespread emergency situations might unfold very quickly requiring immediate responses. In such instance, the measures adopted by RCAs were not only more numerous, but also differed in scope with respect to most emergency measures previously taken by RCAs under SSR. ESMA has analysed the impact of such measures and proposes in the consultation paper targeted amendments to the SSR, which aim, among others, at facilitating the operation of the SSR in any future emergency circumstances.

Additionally, ESMA in light of the episodes of high volatility which took place in the US markets and elsewhere in respect of the so-called “meme stocks”, has considered the possibility of similar phenomena developing in European markets and is re-assessing in light of such occurrences the relevant SSR provisions.

The consultation paper focusses on three main areas of the SSR:

- **Section 3** presents an empirical analysis of the impacts of the short selling bans adopted during the COVID-19 crisis and proposed improvements to the current legislative provisions which govern emergency measures.
- **Section 4** proposes a review of the current framework for the calculation of net short positions, the locate rule and the list of exempted shares.

- **Section 5** presents a review of the framework for transparency and publication of net short positions, discussing the merits of keeping the current publication threshold and possible improvements to the system for publication and disclosure to the public of net short positions.

### **3.- Submission of comments**

The deadline for submitting comments is 19 November 2021.

Respondents may send their comments through ESMA's website: [www.esma.europa.eu](http://www.esma.europa.eu). The paper of this consultation (ESMA70-156-3914) and the Response Form are available in the section [Consultation](#).

Likewise, please send a copy of your answers to the CNMV to the following email address: [documentosinternacional@cnmv.es](mailto:documentosinternacional@cnmv.es)

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