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Measures adopted by CESR Members on short selling
 ~ Updated ~

EU securities regulators are closely monitoring the functioning of the markets under the current circumstances and are considering together possible actions which might be taken to contribute to orderly functioning markets. Any such actions will be taken with a view to strengthening confidence in financial markets and protecting investors.

Particularly, CESR, in its role as a network bringing together EU securities regulators, has been co-ordinating actions by its Members regarding the short selling practices, in particular in financial companies. Some EU securities regulators have adopted measures in their respective markets either to limit, or to introduce stringent requirements or further reporting obligations by firms to supervisory authorities on short-selling.

CESR updates the list of measures recently taken by Members regarding short-selling. This document will be updated on a continuous basis; the latest update has been provided by the German BaFin on 31 March 2009.

The following table provides either the statements or the links to the statements made by the Members as of today:

Country / Authority	ACTIONS TAKEN / HYPERLINK TO STATEMENTS
AUSTRIA / FMA (Updated 11.03.2009)	<p>1) Short Selling Circular of the FMA</p> <p>In a circular dated 22 September 2008, FMA defines in detail the obligation to report suspicious transactions laid down in section 48d par. 9 in conjunction with section 48e par. 5 Stock Exchange Act in accordance with the EU's Market Abuse Directive. Under this Directive, anyone transacting business in financial instruments professionally has the duty to promptly report to the FMA any justified suspicion that a transaction that might qualify as market manipulation or an illegal insider trade. In its circular, the FMA stated that taking on or holding net short positions may constitute market abuse. A net short position is defined as offsetting and/or aggregated positions in a financial instrument of more than 0.25% of an issuer's capital outstanding. This includes equities as well as all equity derivatives (options, futures, convertible bonds, CfDs, for example).</p> <p>For questions arising from the Circular market members can consult the "Frequently Asked Questions" on the FMA's website.</p> <p>2) Changes in the Terms and Conditions of the Central Clearing Agent CCP.A</p> <p>The Vienna Stock Exchange and the central clearing agent CCP.A, in co-ordination with FMA, have reduced the period allowed for covering deliveries not made on time by 8 days. Sellers will remain under the obligation to deliver the securities within three days of the trade (T+3), but should he fail to deliver on time, the clearing agent will require delivery to be completed in a much shorter time (within two days). In the case of failure to deliver on time, the Austrian</p>

	<p>clearing agent will cover the transaction (buy the securities) or settle the trade by cash (cash payment of the current value of the securities). In the case of cover purchases, the defaulting seller will be charged the higher price between the original sell price and the cover price.</p> <p>3) Changes in the Trading rules of the Vienna Stock Exchange</p> <p>On 10th of October the Vienna Stock Exchange has prohibited short selling in it's trading rules in all traded securities temporarily. The Stock Exchange defines Short selling if a seller of a share is not the owner of the concerned securities at the time of the transaction, or when at the time of the transaction the seller does not have any unconditional right under contract law or property law to enforce the transfer of ownership of securities of the same category or when the seller does not have any unconditional right under contract law or property law that would result in the transfer of ownership of securities of the same category.</p> <p>The Trading Rules apply to all market members on the Vienna Stock Exchange.</p> <p>4) Short Selling Regulation of the FMA dated 28th of October 2008</p> <p>According to the adjustment of the Austrian Stock Exchange Act which entered into force on 26th of October 2008 the FMA is authorized, to appoint specified financial instruments where so-called short selling shall not be permitted for a definite period of max. 3 month or where short sellings are subject to certain restrictions.</p> <p>With the Regulation the FMA prohibited the uncovered short selling in stocks of four relevant financial intermediaries namely Erste Bank, Raiffeisen International, Uniqa Insurance Group and Vienna Insurance Group.</p> <p>In case of an ongoing „danger in delay“ after a period of three month, FMA is entitled, upon approval by the minister of finance, to prolongue the taken measures for up to 6 months.</p> <p>In step with other European authorities, the Austrian Financial Market Authority FMA extended its temporary prohibition on naked short selling in the cash market of shares of Erste Group Bank AG, Raiffeisen International Bank-Holding AG, UNIQA Versicherungen AG and WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group by regulation; The first prolongation entered into force on November 29, 2008 and was valid until January 30, 2009. This measure was based on Article 48d par. 12 of the <i>Börsegesetz</i> (Stock Exchange Act). Due to international developments (and the financial reporting season of April) FMA exercised its right to extend the temporary prohibition, limited to 31. January 2009, by regulation to 30. April 2009. Only short-term naked short sale positions taken by market makers or specialists within the scope of their contractual obligations are exempt from the prohibition.</p>
<p>BELGIUM / CBFA (Updated 23.03.2009)</p>	<p>Measures regarding the short selling of securities</p> <p>In Belgium, temporary rules were adopted through a Royal Decree determining acts that tantamount to market abuse. This Royal Decree is based on the legal power given to the King to define acts that hinder or distort, or may hinder or distort, the good functioning, the integrity and transparency of the financial markets (article 25, § 1, 5°, Law 2 August 2002 on the supervision of the financial sector and on financial services). Failure to comply with the following obligations imposed by the Royal Decree tantamounts to market manipulation (and therefore punishable with administrative sanctions):</p> <ul style="list-style-type: none"> • Prohibition of sales without complete coverage of shares issued by the protected financials, and transactions in derivatives related to those issuers without complete coverage.

	<ul style="list-style-type: none"> • Obligation for qualified intermediaries to take reasonable measures to ascertain that their clients have appropriate coverage for their proposed transactions. • Disclosure by anyone who holds a net economic short position which represents an economic interest in excess of 0.25% of the capital of one of the issuers listed below must report this to the CBFA and the market by any appropriate means. <p>The coverage must consist of the securities that have been sold, or of the securities to which the transaction in derivatives relate. Coverage through derivatives is not considered adequate. An investor must possess the securities concerned, before selling them on the market on Day D or before creating a covered short position:</p> <ul style="list-style-type: none"> • either because he was in possession of the securities beforehand, including by means of borrowing the securities, • either because of securities lending arrangements existing beforehand, on the basis of which the securities will be delivered at the latest at D+3, • either because he has purchased them beforehand and they will be delivered at the latest on D+3. <p>However, the CBFA has requested market participants (including collective investment schemes) to refrain from lending the concerned securities, except in three well defined cases: (1) lending the securities in order to cover a position existing prior to September 22, 2008, (2) to respect engagements taken before the same date or (3) if the lending concerns an operation without any link with an economic short position taken.</p> <p>A transaction or order or a combination of transactions or orders that in itself does not come under the abovementioned measures, but may bring about the same effect, can also be deemed to fall under the prohibition of article 25, § 1, 5°, Law 2 August 2002 on the supervision of the financial sector and on financial services.</p> <p>The abovementioned measures and recommendations entered into force on 22 September 08. Originally they were meant to last for three months, but they have been prolonged (currently until 1 June 2009).</p>
<p>BULGARIA / Financial Supervision Commission (Updated 10.03.2009)</p>	<p>The Bulgarian Financial Supervision Commission has recommended to the regulated securities market to undertake measures to increase the transparency in regard of the securities that are subject of margin purchases and short sales, namely to disseminate on a daily basis through the stock exchange's website (besides the other media through which such information has to be published) information on each short sale executed as well as on the total amount of the securities of each issue, subject of short sales.</p>
<p>CZECH REPUBLIC / Czech National Bank</p>	<p>The Czech National Bank does not ban legitimate short-selling techniques and at this moment does not intend to proceed with temporary bans.</p>
<p>CYPRUS/ Cyprus Securities & Exchange Commission (Updated 05.12.2008)</p>	<p>Although short selling is not expressly prohibited on the Cyprus Stock Exchange (CSE) it is not practised. In view of this no further action was deemed necessary apart from the close monitoring of the market to ensure that indeed short selling is not practised.</p>
<p>DENMARK / Finanstilsynet</p>	<p>Executive Order on short-selling</p> <p>The following shall be laid down pursuant to sections 39b and 93(4) of the Act on</p>



<p>(Updated 13.10.2008)</p>	<p>Securities Trading etc., cf.</p> <p>Consolidated Act no. 848 of 19 August 2008 as amended by Act no. 1003 of 10 October 2008:</p> <p>1.-(1) Agreements which lead to a short position or an increase of an existing short position may not be entered into regarding shares which are admitted for trading on a regulated market and issued by banks licensed under section 7 of the Financial Business Act.</p> <p>(2) A position shall be deemed short according to subsection (1), if the person entering into the agreement 1) does not own at least the number of shares, said person shall deliver, or 2) has not entered into agreements, leading to said person becoming the owner of at least the number of shares said person shall deliver at the time of delivery.</p> <p>(3) Ownership according to subsection (2) shall not cover loans of shares.</p> <p>2.-(1) Agreements shall not be entered into regarding other financial instruments than shares, by which capital gain can be obtained, if share prices drop on shares covered by section 1(1).</p> <p>(2) The provisions of subsection (1) shall not apply for entering into agreements to hedge risk on shares covered by section 1(1), including hedging carried out on the basis of a stock index, if the hedging is in reasonable proportion to the risk.</p> <p>3.-(1) The provisions in section 1(1), and section 2 shall not apply to sale of shares and other financial instruments by market makers, when acting in their capacity as market makers.</p> <p>(2) A market maker shall mean a securities dealer who is willing to trade on a continuous basis in the financial markets on his own account by buying and selling securities from his own holding at prices defined by him.</p> <p>(3) The provision in section 1(1) and section 2 shall not apply to trading in own shares in buy-back programmes or to financial instruments as part of the stabilisation of the price of a security, provided such trading is carried out in accordance with Commission Regulation (EC) no. 2273 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council regarding buy-back programmes and the stabilisation of financial instruments.</p> <p>4.-(1) Any person violating section 1(1), and section 2 shall be liable to a fine.</p> <p>(2) Companies etc. (legal persons) may incur criminal liability under the rules of Part 5 of the Criminal Code.</p> <p>5. This Executive Order shall enter into force on 13 October 2008.</p> <p>6.-(1) This Executive Order shall apply to Greenland and the Faeroe Islands.</p> <p>(2) This Executive Order shall enter into force on the Faeroe Islands on the day after publication in the official Law Gazette of the Faeroe Islands.</p>
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ESTONIA / Finantsinspektsioon	~
FINLAND / Rahoitustarkastus (Updated 10.02.2009)	<p>Rahoitustarkastus has published a statement regarding short-selling on the 6th of October 2008</p> <p>FIN-FSA monitoring potential short-selling of financial shares</p> <p>FIN-FSA has intensified its trading supervision with respect to shares of financial corporations and has acted in co-operation with other securities market supervisors. Due to the market situation, many supervisory authorities have either temporarily banned short-selling of financial shares or intensified the related market supervision.</p> <p>Short-selling of securities constitutes a normal trading practice, which contributes to the liquidity of the markets. However, at times, short-selling may also fall within the definition of price manipulation. This is the case for example when the short-seller disseminates negative rumours about an issuer of securities in order to be able, after a change in price, to buy the securities back at a lower price. As part of its market trading supervision, FIN-FSA analyses large price movements in the markets and when necessary investigates situations where price manipulation is suspected. Securities brokers are also obliged to notify FIN-FSA of any suspicious securities transactions without delay.</p> <p>Short-selling refers to the sale of securities that are not owned by the seller at the time of the transaction. Even though short-sellers do not own the securities, they have a delivery obligation, that is, the securities must be delivered on the settlement date. For this purpose, the short-seller usually borrows the securities from a third party.</p>
FRANCE / AMF (Updated 12.03.2009)	 8420_1.pdf  commprecisions19sept08ang.pdf  commentesadecouvert_19sept08ang.pdf
GERMANY / BaFin (Updated 31.03.2009)	<p>Restrictions maintained on short-selling of financial stocks</p> <p>The Federal Financial Supervisory Authority (BaFin) extended its ban on certain short-selling transactions to 31 May 2009.</p> <p>By its Decrees dated 19 and 21 September, BaFin had prohibited naked short selling (uncovered short selling transactions) in shares of eleven financial companies. In December Naked short selling exists when the seller sells shares which he does not own or for which he does not have a plea-proof claim to transfer of title in shares of the same class at the time of the transaction.</p> <p>Please also note that the BaFin has prepared a document concerning FAQs which will be updated continuously. The full text of both decrees and the answers to</p>

	<p>FAQs can be found under the following link:</p> <p>http://www.bafin.de/cln_116/nn_720486/SharedDocs/Artikel/EN/Service/Meldungen/meldung_090330_leerv_verlaeng.html?nnn=true</p>
<p>GREECE / CMC (Updated 10.03.2009)</p>	<p>The Hellenic Capital Market Commission (HCMC), after taking into consideration the extraordinary circumstances which prevail in the international financial markets and after evaluating the particular circumstances of the Hellenic market, decided to take temporary measures in relation to short selling with the aim of further strengthening the transparency of the market and generally the protection of the smooth functioning of the market.</p> <p>More specifically, the Board of Directors of the HCMC decided the following:</p> <ul style="list-style-type: none"> • The members of the Athens Exchange, which perform short sales on shares are obliged to flag them as such when entering the relevant sale orders • On a daily basis the following will be published, in the Daily Official List Announcements: <ul style="list-style-type: none"> - the total amount of short sales performed by share - the total number of shares by issuer that have been lent • The natural persons or legal entities that have short position on a specific share, which is greater than 0,10% of the number of shares of the issuer, are obliged to notify this position immediately to the HCMC and to make it public by publishing it in the Daily Official List Announcements of the Athens Exchange, at the latest the following day after exceeding this benchmark. The same requirement stands for every amendment of this percentage. <p>These measures are enter into force from tomorrow, the 24th September 2008, and will remain in force until the 31st December 2008.</p> <p>It should be noted that the investment firms and the credit institutions which execute orders on clients accounts are obliged to ensure that their clients, who sell shares, are in the position to deliver the shares sold on time within the relevant settlement term.</p> <p><u>These measures were entered into force from the 24th September 2008, and initially remained in force until the 31st December 2008. On 11 December 2008, the Board of Directors of the HCMC with its decision 15/493 has decided to extend the prohibition of short selling by 31 May 2009.</u></p>
<p>HUNGARY / HFSA (Updated 16.01.2009)</p>	<p>Dear CEO letter No. 1/2009. on extending the reporting obligation for short selling transactions</p> <p>The Committee of European Securities Regulators (“CESR”) initiated uniform measures to be taken by the supervisory authorities of the capital markets of the EU for handling short selling transactions in the summer of 2008.</p> <p>With respect to the recent developments in the capital markets and the initiative of the CESR, moreover in order to enhance transparency and prevent possible market manipulation the Hungarian Financial Supervisory Authority (“HFSA”) found it necessary to give effect to measures, similarly to other supervisory authorities, in September 2008. In order to achieve this, the HFSA obliged the financial institutions in its Dear CEO letter No. 4/2008 to report short selling</p>

	<p>transactions (including intra-day ones) of shares listed on the Budapest Stock Exchange (“BSE”) realized in the trading system of the BSE in which the number of the items of the transaction reaches or exceeds 0.01% of the total number of the same share listed on the BSE.</p> <p>The report shall contain the following data:</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 HFSA has reviewed this measure, and with respect to experiences so far, the recent developments in the domestic and the foreign markets, the practices followed by other authorities, as well as in order to achieve the previously mentioned goals found it necessary to extend its relevance in an unaltered form.</p> <p>The reporting obligation shall apply to the transactions concluded on the day of the publication of this Dear CEO letter and shall be continued until further notice. The data for a given day shall be provided to the HFSA until 2 p.m. on the trading day following the transaction to the following e-mail address: sstatat@pszaf.hu.</p> <p>The HFSA hereby draws the attention of the financial institutions that when executing client orders they shall make sure that the client will be able to deliver the securities within the settlement period.</p> <p>The obligation to report the above data shall continue not to restrict the conclusion of transactions.</p> <p>Dated at: Budapest, January 16, 2009</p>
<p>ICELAND / FME (Updated 12.03.2009)</p>	<p>On 7 October 2008, the Financial Supervisory Authority in Iceland (the FME) temporarily defined short selling of shares of certain Issuers as behaviour opposed to accepted market practices, due to the extraordinary market circumstances. Furthermore, all members of the Stock Exchange were obliged to notify the FME on a weekly basis of all short selling activities with the same Issuers. As of 30 January 2009 the short selling limitations and the duty to notify on a regular basis were lifted. There are currently no specific restrictions to short selling.</p>
<p>IRELAND / IFSRA (Updated 09.03.2009)</p>	<p>Please refer to the guidance note on the website re short selling: http://www.financialregulator.ie/press-area/press-releases/Pages/ShortSellingofIrishFinancialStocks.aspx</p> <p>Additionally, the Market Abuse Rules (pages 29-31) are updated as below: http://www.financialregulator.ie/securities-markets/market-abuse/Documents/MarketAbuseRules.pdf</p>
<p>ITALY / CONSOB (Updated 11.03.2009)</p>	<p>By resolution no. <u>16813</u> of February 26, 2009, Consob has extended until <u>May 31, 2009</u> the prohibition on short sales expiring on February 28, 2009, without amendments to the previous resolution no. <u>16781</u> of January 29, 2009.</p> <p>The measures adopted by Consob require that the sale of shares issued:</p> <ul style="list-style-type: none"> - by banks and insurance companies or by the relevant holdings (as listed

	<p>in the above-mentioned resolution); and</p> <ul style="list-style-type: none"> - by companies increasing their capital, <p>must be supported, from the moment of the order up and until the date of the settlement of the transaction, by both the ownership and the availability of the relevant shares by the ordering party.</p> <p>To these purposes, the securities borrowed pursuant to securities lending arrangements entered into whatsoever technical form are not considered as available to the borrower. Conversely, the securities lent pursuant to securities lending arrangements are deemed as available to the lenders, provided that such securities are called back on the same trading day.</p> <p>With reference to all remaining shares listed and traded on a regulated market, Consob requires the sale be supported, from the moment of the order up and until the date of the settlement of the transaction, by the availability of the shares.</p> <p>The text of Consob resolution no. <u>16813</u> of February 26, 2009 is published on Consob website http://www.consob.it/mainen/documenti/english/resolutions/res16813.htm.</p> <p>The previous resolutions adopted by Consob on short sales (resolutions no. 16622 of September 22, 2008; no. <u>16645</u> of October 1st, 2008; no. 16652 of October 10, 2008; no. <u>16670</u> of October 29, 2008; no. <u>16765</u> of December 30, 2008 and no. <u>16781</u> of January 29, 2009) are also available on Consob's website.</p>
<p>LATVIA / Financial & Capital Market Commission</p>	<p>Short-selling is not specifically restricted on our regulated market (Riga Stock Exchange) because it is not widespread, and therefore we have no special rules for such measures.</p> <p>At the same time, the Commission notifies the market participants of decisions regarding any restrictions on short-selling taken in other Member States and will follow the developments in this regard also in the future.</p>
<p>LITHUANIA / Lithuanian Securities Commission (Updated 01.10.2008)</p>	<p>There is no legal possibility to perform a naked short-sell transaction, as according to Lithuanian legislation one should have equities (of his own or borrowed) on his account when submitting respective order to the market. In general, short-selling is neither specifically regulated, nor restricted on the Vilnius stock exchange (Lithuanian regulated market).</p> <p>This kind of activity is not wide spread on the market.</p>
<p>LUXEMBOURG / CSSF (Updated 23.09.2008)</p>	<p>Decision taken by the CSSF prohibiting naked short selling in publicly quoted banks and insurance companies</p> <p>http://www.cssf.lu/uploads/media/communique_short_selling190908.pdf</p>
<p>MALTA / MFSA (Updated 25.09.2008)</p>	<p>The MFSA has not taken any action regarding short-selling because although short-selling is not prohibited and the MFSA has not issued any rules in this regard, the activity is not taking place on the local stock market.</p>
<p>THE NETHERLANDS / AFM (Updated 24.02.2009)</p>	<p>The Netherlands Authority for the Financial Markets (AFM) and De Nederlandsche Bank N.V. (the Dutch central bank - DNB) hereby give notice that the AFM, in view of the current exceptional market conditions and also with regards to the pending legislative proposal to amend the Financial Supervision Act (Wet financieel toezicht – Wft), announces new measures concerning the holding of a short position in financial enterprises. This concerns financial enterprises as referred to in the Financial Enterprises appendix to this measure. Therefore, the measure of 21 September 2008 will no longer apply with effect from 5 October 2008, without prejudice to the provisions in section 2(IV) of the present measure.</p>

DNB welcomes this announcement from the perspective of financial stability.

1.Short selling in Financial Enterprises

(I)An entity that enters into a transaction or places a trading order which, (either by itself or in combination with other transactions or trading orders) has the following effect:

- a. to create a net short position¹ in a Financial Enterprise; or
- b. to increase a net short position in a Financial Enterprise, which position existed before 5 October 2008;

will be considered to fall under the prohibition of Section 5:58 (1), of the Financial Supervision Act (market manipulation).

(II)Part (I) is not applicable to an entity acting in the capacity of Market Maker².

(III)Part (I) is not applicable to a transaction entered into or trading order that has been placed before 5 October 2008.

(IV)This regulation becomes effective on 5 October 2008 and applies for a period of 30 days. Both the term and the contents of this measure can be modified in the meantime.

2.Notification of existing positions

(I)The AFM requests the entity that holds or will obtain a Notifiable short position³ in a Financial Enterprise – irrespective of how and when this position has arisen – to make proper contiguous notifications.

(II)In part (I), ‘proper contiguous notification’ means notification to the AFM not later than on the following working day after the Notifiable short position has arisen. The notification contains at least the name of the entity that holds the position, the size of the position, the name of the Financial Enterprise concerned and the date on which the Notifiable short position was held.

(III)The first notification under this measure will be made at the end of the day on Tuesday 7 October 2008. This notification concerns the positions that were held at the end of the day on Monday 6 October 2008.

(IV)The request to notify short positions on the basis of the measure of 21 September 2008 remains effective for the short positions held at the end of the day on Friday 3 October 2008.

(V)This request becomes effective on 5 October 2008 and applies for a period of 30 days. Both the term and the contents of this request can be modified in the meantime.

DEFINITIONS

- 1. Net short position: a net short position which gives rise to an economic exposure to the issued share capital of a financial enterprise. In calculating whether an entity holds a short position, the entity must include every form of economic interest related to the total issued capital of the Financial Enterprise concerned.
- 2. Market maker: an entity that, ordinarily as part of their business, deals as principal in equities and/or derivatives (whether OTC, exchange-traded or on an MTF) in a way that ordinarily has the effect of providing liquidity on a regular basis to the market on both bid and offer sides of the

	<p>market in comparable size.</p> <p>3. Notifiable short position: a Net short position that represents an economic interest in the total issued capital of the financial Enterprise concerned of a quarter percent (0.25%) or more. When calculating whether an entity holds a Notifiable short position, the entity must include every form of economic interest related to the total issued capital of the Financial Enterprise concerned, with the exception of an economic interest that it holds in its capacity of Market Maker.</p> <p>FINANCIAL ENTERPRISES APPENDIX</p> <p>AEGON N.V. NL0000303709 ING GROEP N.V. NL0000303600 FORTIS N.V. BE0003801181 BINCKBANK N.V. NL0000335578 KAS BANK N.V. NL0000362648 SNS REAAL N.V. NL0000390706 VAN DER MOOLEN HOLDING N.V. NL0000370179 VAN LANSCHOT N.V. NL0000302636</p> <p>The AFM also updated their FAQ concerning short-selling:</p> <p>http://www.afm.nl/marktpartijen/default.ashx?DocumentId=11485</p> <p>Update as of 30/10/2008</p> <p>In view of the ongoing exceptional market circumstances, the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, AFM) has decided to extend its October 5th measures against short selling until 17 January 2009 without change.</p> <p>This extension is in line with the UK Financial Services Authority's measure, which is in force until 16 January 2009.</p> <p>http://www.afm.nl/corporate/upl_documents/verlenging_triss_en.pdf</p> <p>Update as of 24/02/2009</p> <p>In view of the ongoing exceptional market circumstances, the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, AFM) has decided to extend its October 5th 2008 measures against short selling until June 1st 2009 at the latest. The AFM will, however, proceed to lift the ban prior to June 1st if market circumstances allow.</p> <p>http://www.afm.nl/corporate/default.ashx?DocumentID=12118</p>
<p>NORWAY / Kredittilsynet (Updated 09.10.2008)</p>	<p>In connection with the financial market turmoil, Kredittilsynet (the Financial Supervisory Authority of Norway) has observed unusual market movements in some shares quoted on the Oslo Stock Exchange, and cannot rule out the possibility that the volume of short sales in these quoted instruments may be substantial.</p> <p>In the present market situation, with particularly wide movements in the price of some shares issued by financial institutions, Kredittilsynet is of the view that any investment firms and investors making short sales, covered or uncovered, in such financial shares are acting in contravention of the Securities Trading Act section 3-9 on prohibition of unreasonable business methods. Kredittilsynet emphasises that this is a provisional assessment. Kredittilsynet will monitor the situation with a view to prolonging the ban and, if appropriate, to including in the ban other financial instruments quoted on the Oslo Stock Exchange.</p>

	<p>When, in Kredittilsynet's assessment, the situation is once again such that short selling in financial shares is no longer in contravention of the ban, Kredittilsynet will inform the market accordingly..</p>
POLAND / KNF – Polish FSA	<p>Short-selling, although possible, is a very uncommon activity in Poland due to relatively restrictive regulations (although some financial instruments on the WSE are eligible for being traded that way): list available here.</p> <p>http://www.gpw.pl/gpw.asp?cel=e_inwestorzy&k=6&i=/e_papiery/short_selling/short&sky=1</p>
PORTUGAL / CMVM (Updated 09.01.2009)	<p>The Executive Board of the Comissão do Mercado de Valores Mobiliários (CMVM) approved, at an Extraordinary Meeting, an Instruction (Instruction 1/2008 – Short Selling Transactions), published on Friday 19th September on the CMVM website, which makes the daily reporting of information on short-selling transactions mandatory.</p> <p>This obligation is incumbent on the members of Euronext Lisbon and members of the PEX Multilateral Trading Facility.</p> <p>The Press Release in English may be found on our website:</p> <p>http://www.cmvm.pt/NR/exeres/B39F37CF-C36F-4BCC-99C8-175ECD6396E2.htm</p> <p>The CMVM Instruction nr 1/2008 is also available through:</p> <p>http://www.cmvm.pt/NR/exeres/A0BF5A48-BA88-4CD1-82A6-173AEC445477.htm</p> <p>On 09 January 2009 the CMVM revoked its instruction number 1/2008, which required daily reporting of short-selling operations. The ban on non-covered short-selling on financials, laid down by Instruction number 2/2008 is still in force.</p>
ROMANIA / National securities Commission	-
SLOVAK REPUBLIC / National Bank of Slovakia	National Bank of Slovakia has not published any statements regarding short-selling
SLOVENIA : Securities Market Agency (Updated 09.03.2009)	No regulatory or supervisory actions have been taken by the Securities Market Agency in the past months and no press releases regarding short selling restrictions or prohibitions have been made.
SPAIN / CNMV	<p>The Executive Committee of the CNMV, on an extraordinary session held today (22/09/08), recognizing the exceptional circumstances of securities markets and the initiatives taken by securities supervisors in other jurisdictions, on short selling, has agreed to:</p> <ol style="list-style-type: none"> 1. Remind all regulated market members of the existence of rules that prohibit and penalize naked short sales and the need to observe them tightly. To this end, taking into account article 64 of the Stock Exchange Regulation, regulated market members are urged to use the powers that article 39 of the Securities Markets Act confers to them to ensure that their clients hold the securities before processing their orders to sell, either by relying on their own registers if they act as their custodians or by obtaining the explicit assurance by the client that they are not conducting a naked short sale. 2. Watch closely the observance of these rules by members of regulated markets and their clients to avoid any conduct that might alter the orderly functioning

of markets or constitute market abuse.

3. After establishing the limitations of the accuracy of existing public information on securities lending, the CNMV considers it necessary adopt temporary measures, in the current market context, aimed at reinforcing the public information on short positions. Therefore, according to article 85.5 of the Securities Markets Act (SMA), we have agreed to require any natural or legal person holding short positions over shares or *cuotas participativas* issued by the issuers listed in Annex 1 (that might be modified at any time by the CNMV) to disclose any short position exceeding 0.25% of the listed stock of any of those issuers. Increases or decreases of those short positions from 0.25% are also subject to public disclosure before 19:00h of the day after each change. This agreement will be forwarded to all members of regulated markets, investment firms, collective investment managing companies with the Central Securities Depository (CSD) forwarding it, immediately, to all their clients or participants.

The disclosure mentioned above will be made through a statement addressed to the Dirección General de Mercados (General Markets Directorate) of the CNMV, stating the date, the entity making the disclosure and the resulting net positions, expressed in number of securities and percentage of the listed capital (or *cuotas*).

This measure is adopted on a temporary basis, starting at 00:01 h Madrid time of the 24th September and it will be maintained until market conditions that motivated it fade away and the CNMV so declares.

4. For the purpose of this agreement, a *naked short sale* is a sale in which the seller does not hold previously the securities it is selling, either by means of a previous purchase, a securities loan agreed or signed before the sale or the irrevocable exercise of a convertible security, option or any kind of derivative instrument. In particular, at the settlement level, a sale justified on its theoretical settlement date with a securities loan registered after the sale date will be considered a naked short sale unless the seller demonstrates sufficient holding of the relevant securities before the order to sell was placed.

For the sole purposes of point 3, a short position will be the net result of all positions in financial instruments, including shares or *cuotas* and any derivative that has them as underlying, that give the firm or person a positive (profit) exposure to downward movements in the price of the shares (or *cuotas*) over which the disclosure is required.

5. The content of this agreement is without prejudice to the mechanisms established by Iberclear (Spanish CSD) to ensure settlement finality, including penalties for undelivered sales.
6. Hiding disclosable short positions and transmitting false information to market members regarding the fact that the client is not conducting a naked short sale will be regarded by the CNMV as an indication of a possible market manipulation. To this effect, the CNMV will take into account the operating needs of market makers and liquidity providers, understood as firms that trade on a principal basis to provide liquidity, hedge or process clients trades and hedging of derivative instruments positions.

Without prejudice to the above mentioned measures, the CNMV will reinforce its supervision and monitoring powers on financial instruments trading conducts and in particular those that could constitute market abuse.

Any clarification request in relation to this agreement can be sent to the Secondary Markets Directorate of the CNMV.

	 ShortSellingCNMVEng lishVersion220908.pdf
<p>SWEDEN : Finansinspektionen (Updated 09.03.2009)</p>	<p>Following actions were taken in September 2008</p> <ul style="list-style-type: none"> • FI continually requested that the banks and other financial market participants submitted statistics on share loans. • FI increased its focus on market surveillance of trading in financial companies. Suspected market manipulations are immediately reported to the Swedish National Economic Crimes Bureau. • FI compiled statistics on the settlement quality of securities transactions from the Swedish Securities Register Centre. <p>A ban on short selling in Sweden would probably require legislative changes. At the present time, Finansinspektionen sees no reason to limit short selling.</p> <p>Using short selling to unlawfully influence the price of a security is already prohibited today through the regulation contained in the Financial Instruments Trading (Market Abuse Penalties) Act (SFS 2005:377).</p>
<p>UK / FSA (Updated 06.03.2009)</p>	<p>On 16 January 2009, the Financial Services Authority (FSA) extended its temporary disclosure regime for significant net short positions in the stocks of UK financial sector companies until 30 June 2009 on the grounds that continuing to require disclosure would reduce the potential for abusive behaviour and disorderly markets. The ban on short selling of these stocks was not renewed, but the FSA is prepared to reintroduce it, without consultation if necessary.</p> <p>On 5 February 2009, the FSA published a Discussion Paper outlining policy options for the regulation of short selling in the long-term, and asked for comments within 90 days.</p> <p>Press release: http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/023.shtml</p> <p>Short selling Discussion Paper: http://www.fsa.gov.uk/pubs/discussion/dp09_01.pdf</p> <p>Frequently asked questions: http://www.fsa.gov.uk/pubs/other/Short_selling_FAQs_V2.pdf</p>