



UPDATE ON MEASURES ADOPTED BY COMPETENT AUTHORITIES ON SHORT SELLING

EU securities regulators are closely monitoring the functioning of the markets and continue considering 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.

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.

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

Country / Authority	ACTIONS TAKEN / HYPERLINK TO STATEMENTS
AUSTRIA / FMA (Updated 18.11.2011)	<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 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 its 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</p>

	<p>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 29/11/10</p> <p>Austria's Financial Market Authority FMA has extended the temporary prohibition, limited to 30 November 2010, on naked short selling in the cash market of shares of Erste Group Bank AG, Raiffeisen Bank International AG, UNIQA Versicherungen AG and WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group by regulation to 31 May 2011. This measure is based on Article 48d para. 12 of the Börsegesetz (Stock Exchange Act). 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>5) Further extension</p> <p>The regulation has been extended until 30 November 2011.</p> <p>6) Further extension</p> <p>Austria's Financial Market Authority FMA will extend the temporary prohibition, limited to 30 November 2011 on naked short selling in the cash market of shares of Erste Group Bank AG, Raiffeisen Bank International AG, UNIQA Versicherungen AG and VIENNA INSURANCE GROUP Wiener Städtische Versicherung AG by regulation to 31 May 2012.</p> <p>This measure is based on Article 48d para. 12 of the Börsegesetz (Stock Exchange Act). 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 13.02.2012)</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. • 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</p>

	<p>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 (for an indefinite period of time).</p> <p>The FSMA modifies short selling rules:</p> <p>http://www.fsma.be/en/OtherNews/Article/press/div/2011-08-11_shortselling.aspx</p>  <p>250811 Press release shortselling re</p> <p>The FSMA modifies short selling rules:</p> <p>The FSMA had decided to modify the rules on short selling shares in Belgian financial institutions as from 13 February 2012, by replacing the interim ban on the holding of net short positions with a reporting obligation for significant net short positions and with the 'locate rule'.</p> <p>http://www.fsma.be/en/News/Article/press/div/2012/2012-02-13_shortselling.aspx</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 /</p>	<p>The Czech National Bank does not ban legitimate short-selling techniques and at</p>



Czech National Bank	this moment does not intend to proceed with temporary bans.
CYPRUS/ Cyprus Securities & Exchange Commission (Updated 05.12.2008)	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.
DENMARK / Finanstilsynet (Updated 13.10.2008)	<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 Securities Trading etc., cf. 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</p>

	<p>after publication in the official Law Gazette of the Faeroe Islands.</p>  <p>EO1004_101008-shortselling.pdf</p>
ESTONIA / Finantsinspektsioon	-
FINLAND / Finanssivalvonta (Updated 10.02.2009)	<p>Rahoitustarkastus 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 13.02.2012)	<p>AMF introduces disclosure for net short positions in all listed shares</p> <p>On 1st of February, the short positions disclosure regime developed by CESR will go into effect with respect to all French shares admitted to trading on Euronext Paris and Alternext Paris. The emergency measures adopted in September 2008 will no longer be applicable as of the same date.</p> <p>AMF introduces ban on taking net short positions in French securities of the financial sector:</p> <p>http://www.amf-france.org/documents/general/10111_1.pdf</p> <p>http://www.amf-france.org/documents/general/10122_1.pdf</p> <p>http://www.amf-france.org/documents/general/10149_1.pdf</p> <p>End of the short selling ban regarding French securities of the financial sector</p> <p>http://www.amf-france.org/documents/general/10310_1.pdf</p>
GERMANY / BaFin	The “Act on the Prevention of Improper Securities and Derivatives

<p>(Updated 31.01.2011)</p>	<p>Transactions” came into force</p> <p>On 27 July 2010, the Act on the Prevention of Improper Securities and Derivatives Transactions (Gesetz zur Vorbeugung gegen missbräuchliche Wertpapier- und Derivategeschäfte) entered into force. In general, naked short-selling transactions in shares and certain debt securities as well as certain naked credit derivatives are then no longer permitted. Exemptions apply to investment services enterprises engaging in such transactions as market makers, lead brokers, designated sponsors or in comparable functions. In this case, however, the investment services enterprises are required to report this activity to BaFin, providing details of all financial instruments concerned. On the same day, BaFin revoked its General Degrees issued in May 2010. For further details, please see http://www.bafin.de/cln_179/nn_720486/SharedDocs/Artikel/EN/Service/Meldungen/meldung_100727_anzeigepflicht_leerverkauf_en.html?nn=true.</p> <p>On 31 January 2011 BaFin extended the General Decree of 4 March 2010 under which market participants must notify BaFin of net short-selling positions in selected financial stocks of a threshold of 0,2% or more and publish net short-selling positions of a threshold of 0,5% or more. The notification and publication requirements relate to all transactions which, in terms of the holder’s aggregate economic interest, result in a net-short position in shares of ten companies of the financial sector. The provision will apply until 25 March 2012. For further information please see the following link:</p> <p>http://www.bafin.de/cln_179/nn_720486/SharedDocs/Artikel/EN/Service/Meldungen/meldung_110131_leerverk_transparenz_verlaengerung_en.html?nn=true</p>
<p>GREECE / CMC (Updated 26.01.2012)</p>	<p>http://www.hcmc.gr/photos/kefalaiagora/files/press%20en%20prohibition_open_sales.pdf</p> <p>http://www.hcmc.gr/photos/kefalaiagora/files/14_593_080811_eng.pdf</p> <p>http://www.hcmc.gr/photos/kefalaiagora/files/Guidance%20on%20Short%20Selling%20Ban_090811.pdf</p> <p>http://www.hcmc.gr/photos/anakoioseis/files/25.8.2011_Press_Statement_short%20selling.pdf</p> <p>http://www.hcmc.gr/photos/anakoioseis/files/29.9.2011_Press%20Statements_short%20selling.pdf</p> <p>HCMC decided on 26 January the extension of short selling prohibition until the 25th July 2012</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</p>

	<p>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 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 30.12.2011)</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/Market%20Abuse%20Rules.pdf</p> <p>End of the Ban on Short Selling of Certain Financial Instruments http://www.centralbank.ie/press-area/press-</p>



	releases/Pages/CentralBankofIrelandannouncetheendofthebanonshortsellingofcertainfinancialinstruments.aspx
ITALY / CONSOB (Updated 24.07.2012)	Disclosure regime introduced on 10/07/2011 http://www.consob.it/mainen/documenti/english/resolutions/res17862.htm Consob resolution No. 18283 of July 23, 2012 Restrictive measures on short sales of shares of the financial sector http://www.consob.it/mainen/documenti/english/resolutions/res18283.htm
LATVIA / Financial & Capital Market Commission	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. 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.
LITHUANIA / Lithuanian Securities Commission (Updated 01.10.2008)	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). This kind of activity is not wide spread on the market.
LUXEMBOURG / CSSF (Updated 23.09.2008)	Decision taken by the CSSF prohibiting naked short selling in publicly quoted banks and insurance companies http://www.cssf.lu/uploads/media/communique_short_selling190908.pdf
MALTA / MFSA (Updated 25.09.2008)	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.
THE NETHERLANDS / AFM (Updated 09.08.2011)	The Netherlands Authority for the Financial Markets (AFM) has extended the current measure that obliges investors to notify significant short positions in Dutch financial institutions to the AFM. The AFM intends to withdraw this measure as soon as market conditions allow. This disclosure obligation was first introduced on June 1st, 2009 and is currently still in force. The AFM also lifted its short selling ban as of that date.
NORWAY / Kredittilsynet (Updated 09.10.2009)	Measures regarding short selling of securities In Norway, Kredittilsynet (the Financial Supervisory Authority of Norway) announced in press releases of 8 and 9 October 2008 that investment firms and investors making short sales, covered or uncovered, in shares or primary capital certificates issued by financial institutions would in the agency's view be acting in contravention of the Securities Trading Act section 3-9 prohibiting unreasonable business methods. The announcement was prompted by the extraordinary market situation and unusual market movements. The market situation has changed and is now of such a nature that trading short in

	<p>the shares and primary capital certificates in question is no longer considered on a general basis to contravene the Securities Trading Act section 3-9. The Securities Trading Act's requirements in relation to covered short selling remain in effect.</p>
<p>POLAND / KNF – Polish FSA (Updated 19.07.2010)</p>	<p>New short selling regulations introduced by the Warsaw Stock Exchange July 1, 2010</p> <p>On July 1, 2010 the Warsaw Stock Exchange (WSE) made short sale transactions available under the new rules. The legal foundations of short selling are:</p> <ul style="list-style-type: none"> - the Polish Act on Trading in Financial Instruments with amendments which entered into force on October 21, 2009, - the amended Act on the Tax on Civil Law Transactions of September 9, 2000 and - the Regulation of the Ministry of Finance of November 20, 2009. <p>Details of the new regime are laid down in the WSE Rules and Detailed Exchange Trading Rules, as well as in the KDPW (National Depository) Rules. Both new WSE and KDPW Rules were endorsed by the KNF- Polish FSA on April 19, 2010.</p> <p>The new regime allows for short selling transactions only on eligible (most liquid) securities, fulfilling the conditions set out in the WSE Rules. The WSE publishes and updates two lists: i) securities available for short sale orders submitted not in the capacity of a market maker (clients' and dealers' transactions- shorter list); ii) securities available for short sale orders submitted in the capacity of a market maker (only applicable to market makers- longer list). All short-sale orders must be flagged when the trade is submitted to the Exchange.</p> <p>A client (seller) placing a short sale order is obliged to own in his/her investment account the securities in question at the settlement date. An investment firm (broker) is not obliged to own/borrow the security or enter into an arrangement to borrow the security when accepting a short-sale order. However, the broker may only accept for execution a short-sale order under the condition that a written contract has been concluded with the client, which establishes an obligation of delivery of securities by the client to clear the transaction within the time limit (T+3) and gives entitlement to the broker to enter into a securities loan agreement should the client fail to fulfill the obligation of timely delivery of securities. The regulations impose obligation on an investment firm to deliver instruments of the transaction in case a client fails to do so. Regulations also set out an obligation of the investment firm to analyze in advance the "category" of the client submitting the order and the client's capacity of independent delivery of securities before the clearing deadline, which shall ensure the safety of trading.</p> <p>Stability of the market remains the primary objective, therefore numerous security mechanisms have been entrenched in the new regulations, including significant penalties on broker's settlement fails and the right to suspend accepting of short sale orders by the Exchange. The suspension on short selling orders may concern individual securities eligible for short selling or all of securities available for short selling, depending on the circumstances. The decision on suspension is taken by the Exchange:</p> <ul style="list-style-type: none"> i. on its own (on the grounds of a significant decrease in the value of the WIG index or the price of individual shares during a given trading session, if the share of the value of trading in short sale transactions in the value of trading in all transactions on the market exceeds the 20% threshold); ii. upon the National Depository's request (in case of significant increase in settlement risk).

	<p>Detailed description of the new regulations, legal texts and lists of the securities available for short sale are posted on the WSE and KDPW websites: www.gpw.pl (under “Short selling on the WSE” tab) and www.kdpw.pl (under “Short selling” tab)</p>
<p>PORTUGAL / CMVM (Updated 09.06.2010)</p>	<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: http://www.cmvm.pt/NR/exeres/B39F37CF-C36F-4BCC-99C8-175ECD6396E2.htm</p> <p>The CMVM Instruction nr 1/2008 is also available through: 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> <p>On 27 May 2010 CMVM decided to submit to public consultation, between 1 and 11 June, (in order to be enacted immediately after), a Draft Regulation on the Disclosure Regime on Short Selling. The new Disclosure regime follows CESR proposals and has the following main characteristics:</p> <ul style="list-style-type: none"> – The obligation to disclose is extended to any naked short selling operation having as underlying asset any equity listed in the Portuguese regulated market; – The thresholds implying a mandatory disclosure of short selling operations are tightened – to 0.2% of the issued shares for the disclosure to the regulator and to 0.50% of the issued shares for the disclosure to the market; – Likewise, the draft regulation proposes a tightening of the criteria for the computation of the balance between short and long positions. <p>Disclosure regime came into force as of July 2011.</p> <p> FINAL.Regulamento %204-2010.pdf</p>
<p>ROMANIA / National securities Commission (Updated 09.02.2011)</p>	<p>Starting January 25, 2011, possibility to carry out short selling transaction in shares of Romanian issuers was introduced.</p> <p>Notably, short selling transactions shall be carried out for customers exclusively upon preceding loan of securities.</p> <p>The market operator is obliged to publish the list of securities admitted to trading on a regulated market which may be subject to short selling and margin purchases. The list includes (i) a section with the most liquid securities admitted to trading on the regulated market and (ii) a section with any other securities for which market making service is provided.</p>



	<p>The list of securities eligible for lending and the list of securities eligible for collateral operations associated with the loan of securities shall be determined and published by the central depository under its rules.</p> <p>The market operator is required to publish, at the end of each trading day, information on volume and number of short selling transactions executed in shares of each issuer on regulated market.</p>
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 (Updated 24.07.2012)	<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 <i>cuotas participativas</i> 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. <p>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 <i>cuotas</i>).</p> <p>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.</p> <ol style="list-style-type: none"> 4. For the purpose of this agreement, a <i>naked short sale</i> 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.



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The Executive Committee of the CNMV on an ordinary session held 27/05/2010 agreed to adapt the Spanish regime on disclosure of short position in shares adopted on 22 September 2008, to the CESR proposal for a Pan-European Short Selling Disclosure Regime (CESR 10-088) whose technical details were published on 26 May 2010 (CESR/10-453). The main changes to the former regime are the extension to all shares (not only financials) and the adoption of CESR thresholds (0,2% and 0,5%) for private and public disclosure.

The CNMV Agreement will take effect from June 10th (communications to be received from June 11th).

The full text of the agreement which includes the main elements of the new regime following the CESR proposal is attached:



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CNMV introduces ban on short positions in financial stocks:

<http://www.cnmv.es/portal/verDoc.axd?t={2d942f81-fc90-4e25-9848->

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<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 29.06.2009)</p>	<p>On 1 June 2009 the FSA published Consultation Paper (CP) 09/15 Extension of the short selling disclosure obligation which set out the FSA proposal to extend the existing disclosure obligation without time limit. The FSA consider that maintaining the disclosure of significant short positions will help continue to minimise the potential for market abuse and disorderly markets in UK financial sector stocks. It will also help to enhance transparency in that sector. The consultation closed on 12 June 2009.</p> <p>For the reasons set out in CP09/15 and after taking into account the comments received (including majority support for the extension), the FSA has decided to extend the Disclosure Obligation without time limit. The FSA does, however, note that the power under which the relevant provision of the Code of Market Conduct is made is due to expire on 31 December 2009. These changes become active at 00:00:01 hours on 30 June 2009.</p> <p>Latest Press release: http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/084.shtml</p> <p>Latest Policy Statement (PS09/10) and instrument: http://www.fsa.gov.uk/pubs/policy/ps09_10.pdf</p> <p>The previous frequently asked questions still apply: http://www.fsa.gov.uk/pubs/other/Short_selling_FAQs_V2.pdf</p>