

STATEMENT - Short Selling Regulation Update

Market Maker & Primary Dealer Exemption Notification Procedure

The European Securities and Markets Authority (ESMA) is publishing this notice to alert financial market participants to its upcoming consultation on the market making and authorised primary dealer exemption under the EU's Short Selling Regulation (SSR) and the procedure to be followed by firms and regulators in dealing with notifications of intention to use the exemption.

The SSR becomes applicable from 1 November 2012, but allows participants to notify securities regulators of their intention to use the exemption from 1 September 2012.

To ensure a level playing field between market participants, consistency of market practice and convergence of supervisory practices across the EEA Member States ESMA intends to publish a consultation paper on guidelines on market making activities and on the common approach to the application of the exemption in mid-September, being finalised after 1 November. Without prejudice of the outcome of the consultation, the intention is that this consultation paper is used as an interim benchmark by securities regulators for the application of the exemption and by market participants in their notification to competent authorities.



Notes for editors

1. [Regulation on short selling and certain aspects of credit default swaps.](#)
2. Article 17 sets out the details of the market making and primary authorised dealer exemption.
3. ESMA is an independent EU Authority that was established on 1 January 2011 and works closely with the other European Supervisory Authorities responsible for banking (EBA), and insurance and occupational pensions (EIOPA), and the European Systemic Risk Board (ESRB).
4. ESMA's mission is to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity.

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