

GUIDANCE ON SHORT-SELLING REGULATION

Euronext guidance following AMF short-selling ban of 17 March 2020

19 March 2020



This guidance of Euronext is meant to help market participants identify necessary steps following the AMF general ban of short-selling officially published on 17 March with effect from 18 March to 16 April.

It does not constitute legal advice nor should form solely the basis of any decisions. The information and materials contained in this guidance are provided 'as is' and Euronext does not warrant the accuracy, adequacy or completeness and expressly disclaims liability for any errors or omissions. Firms should refer to their legal advisors and seek any official confirmation of interpretation from the AMF.

On March 18, the AMF published further guidance to explain the practical implementation of the general ban of short positions in share they supervise. The Q&A can be accessed [here](#).

A generic address has been providing for submitting any related queries:

directiondelacommunication@amf-france.org

Q: What is the scope regarding shares/indices?

A: All shares admitted to trading on a trading venue operated by Euronext Paris and for which the AMF is the relevant competent authority for SSR purposes, and any index composed of more than 50% by such shares (e.g. CAC40).

Q: If the share is multi-listed/traded on several trading venues, how can I identify that AMF is the relevant competent authority?

A: It is advisable to use the FIRDS data base available on ESMA [website](#). The ISIN code for a given share allows to access details and see what jurisdiction is referenced as the "upcoming NCA". The information will be relevant also for the other authorities having implemented similar general bans.

Q: What about derivatives?

A: It is not possible to initiate new/increased short positions via any derivative (listed or OTC, contract or securitized derivative), neither overnight nor intraday. The global position derivative + underlying is to be considered. Short positions initiated before the ban can be rolled-over and delta hedges can be adjusted if they result mechanically from market conditions. For more details on derivatives, please refer to the AMF Q&A and expose any particular scenario to their generic address.

Q: How can a member avail itself of the market-making exemption?

A: The market-making exemption for SSR purposes is available only for trading venue members acting on a principal basis. It is valid only after the applicant has notified the competent authority (its home country for an EU firm or the AMF for a non-EU firm) of its intention to act as market-maker for SSR purposes, exposing its strategy of intervention and specifying the list of financial instruments considered for market-making. Under normal circumstances, the notification should take place 30 days before the implementation of the market-making strategy but it is expectable that in the current context authorities concerned may apply expedited processes.

A contract with the trading venue is not in itself mandated.

Members should check if they already appear on the official list on ESMA website: “a list of market makers and authorised primary dealers [PDF](#); [Excel](#)”

If not and more generally in the event of doubt about their status and the list of financial instruments for which they have been registered, to register as an MM under SSR, here are links to the AMF webpage:

PROCEDURES FOR REQUESTING EXEMPTION IF AMF IS YOUR COMPETENT AUTHORITY

Notifications of intent to use the exemption (and an appendix detailing the list of securities concerned) shall be returned to the address intermediaires@amf-france.org

- [Exemption by virtue of Article 17\(1\)](#)
- [Format of the appendix to be attached to requests for notification](#)

For any questions or problems, please contact the AMF at the address intermediaires@amf-france.org.