

SUMMARY OF ACTIONS TAKEN BY EACH JURISDICTION

Australia:

- ASIC has banned **all short selling** of ASX-listed securities.
- There is a limited exemption for market makers that engage in covered short selling in these stocks.
- ASIC will reassess its position in 30 days whether to allow covered short selling of non-financial stocks.

Hong Kong:

- The SFC has not changed its existing requirements with respect to short selling, which include:
 - **Naked short selling** for Hong Kong-listed stocks is prohibited.
 - There is a disclosure requirement for covered short sales: persons seeking short sales must disclose this fact to the intermediary, who will report it to the exchange.

Italy:

- The CONSOB has issued a ban on **naked short sales** of shares issued by banks and insurance companies and traded on the Italian regulated markets, with an exception for market makers.

Japan:

- The JFSA has not changed its existing requirements with respect to short selling, which include two requirements:
 - Uptick rule: short sales at prices no higher than the latest market price are prohibited.
 - Marking requirement: broker-dealers are required to verify and mark whether the transactions are short sales.

Canada (Ontario):

- The OSC issued a temporary order to ban short selling (**naked or covered**) of the securities of certain financial sector companies that are dually listed on the TSX and US exchanges (with the exception of one issuer whose shares are exchangeable).
- This order has been updated to conform to the changes made by the SEC to its order over the weekend.
- The order expires on October 3.
- There are exemptions available, including for market makers.

Switzerland:

- The EBK issued a statement to remind market participants that **naked short sales** in specified UK and Swiss financial stocks are not permitted, either on their own behalf or on behalf of clients.
- The SWX Europe issued a market order stating that the UK FSA's order prohibiting the creation of or increase in net short positions in the securities of UK

financial institutions listed in the UK will apply as well to Swiss companies listed in the UK.

Spain:

- The CNMV issued a reminder to market participants that **naked short selling** is not permitted.
- The CNMV now requires public disclosure of any net economic short positions exceeding 0.25% of the capital of one of the financial companies specified by the CNMV.
- The CNMV also has stated that hiding short sales that should be publicly disclosed and transmitting false information to the market about whether a client is conducting a naked sale could be considered market manipulation.

UK:

- The FSA has prohibited an increase in or creation of net short positions in the securities of UK financial institutions listed in the UK (this includes **naked an covered** shot sales)
- There is an exemption for persons acting as market makers.
- The FSA requires daily disclosure of any net economic short positions exceeding 0.25% of the capital of one of the financial companies listed on UK exchanges.

United States:

- The CFTC is not taking any action currently, but is monitoring the markets.
- The SEC has banned short sales (**naked an covered**) of financial companies listed in the United States. The US national securities exchanges will put together the list of financial companies affected by this order. The order is effective for 10 days, and can be extended up to 30 days.
- The SEC also is requiring large institutional money managers to disclose their short sales in most US-listed securities and securities quoted on an automated quotation system of a registered securities association. The money managers affected by this order are those that manage more than \$100 million in US publicly traded securities. The information will be non-public for two weeks, and then will be disclosed to the public.
- The SEC also imposed a hard T+3 close-out for short sales of all equity securities.

France:

- The AMF has prohibited short sales of shares in credit institutions and insurance insurance companies traded on French regulated markets.
- There is an exemption for certain investment service providers, including market makers.
- The AMF requires disclosure of any net economic short positions exceeding 0.25% of the capital of one of the 15 banks and insurance companies for which short sales are prohibited.

Germany:

- The BaFIN has banned **naked short sales** in relation to shares of 11 banks and insurance companies listed on the DAX and MDAX.
- There is an exemption for certain activities, including market makers.

Mexico:

- The CNBV already has in place a ban on **naked short selling** for all securities listed in Mexico.
- The CNBV also has an uptick rule for short sales.

Portugal

- The CMVM established that the members of Euronext and PEX should refuse the short sales of shares and other relevant securities relating to financial firms listed on Euronext Lisbon.
- The CMVM requires daily reporting to the CMVM of naked short sales by members of Euronext Lisbon and PEX.

Belgium

- The CBFA has banned short selling of financial instruments issued by financial institutions traded on Euronext Brussels.
- There is an exemption for certain investment service providers, including market makers.
- The CBFA requires disclosure of any net economic short positions exceeding 0.25% of the capital of the financial institutions concerned.

Netherlands:

- The AFM has banned **naked short sales** of shares issued by financial companies which are traded on the Euronext Amsterdam stock exchange.
- There is an exception to this rule for intermediaries who act as market makers or as counterparties to a block trade.
- The AFM requires disclosure to the AFM of any net economic short positions exceeding 0.25% of the capital of one of the financial companies listed on the Euronext Amsterdam stock exchange.