



EU Short Selling Regulation – EU Minimum Threshold Change to 0.1%

Of particular interest to:

- *Investment Firms managing long/short or short strategies*
- *Firms trading equity instruments listed on EEA trading venues*

In Brief:

On the 27th September 2021, the EU Commission published a proposal to amend the notification threshold in respect of significant net short positions in relation to the issued share capital of a company whose shares are admitted to trading on an EEA trading venue from 0.2% to 0.1% of that company's issued capital.

The amending Delegated Regulation was published in the Official Journal of the European Union on 11th January 2022 and comes into effect 20 days thereafter (31st January 2022).

Firms who hold such short positions on trade date 31st January 2022 at 0.1% of issued share capital or more should notify these to the relevant EU National Competent Authority (NCA) on 1st February 2022. Firms should continue to monitor and notify EU NCA's when these positions pass any 10bps threshold above 0.1% of issued share capital thereafter.

As a reminder, as well as the short selling of equity instruments, certain aspects of credit default swaps (CDS) and sovereign debt issued by European Member States are also subject to the EU Short Selling Regulation (Reg 236/2012)".

Firms investing in instruments covered by the EU Short Selling Regulation will now need to monitor their equity short positions from the 31st January 2022 onwards inclusive of those held at 0.1% of issuers share capital and above.

Useful Links

[EU Regulation 236/2012 \(Short Selling Regulation\)](#)

[EU Commission Delegated Regulation 2022/27 - amending Regulation 236/2012](#)

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