THE CNMV TEMPORARILY EXTENDS THE PREVENTIVE BAN ON TRANSACTIONS WHICH MIGHT CONSTITUTE OR INCREASE A NET SHORT POSITION ON SPANISH FINANCIAL STOCKS

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The CNMV has been assessing both the impact of the measures restricting short positions on financial stocks adopted in August 2011 and the market conditions since then. This has been carried out in close cooperation with the other authorities that adopted similar measures[1] and under the coordination of ESMA.

According to that analysis, the current situation of protracted instability in European securities markets, in particular in financial stocks, does not yet make it advisable to lift the temporary restrictions on transactions that might constitute a creation or increase of net short positions in Spanish financial stocks.

Consequently, the CNMV has decided to extend the decision adopted on the 11th August, and renewed on 25th August with a deadline until the 30th September, based on article 85.2 j of Law 24/1988 of 28th July, on Securities Markets (SMA) until markets conditions allow it. That restriction will remain in place for the minimum time needed.

The ban is established in a preventive manner on any legal or natural person entering into transactions which might constitute or increase a net short position on Spanish financial stocks, in the same conditions as those set in the above mentioned 11th August 2011 decision[2].

Article 99 z) quinquies of the SMA defines as a very serious infringement the violation of preventive measures imposed by the CNMV under letter j of article 85.2 of the Law.

The CNMV wishes to stress that this measure is temporary and that its intention is to end the ban as soon as market conditions allow it, following a coordinated procedure in the framework of ESMA. To that purpose the CNMV will continue to work in a coordinated way with the above mentioned authorities to assess regularly the existing market conditions.

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[1] FSMA (Belgium), AMF (France), HCMC (Greece) and Consob (Italy).
[2] Refer also to Frequently Asked Questions that are regularly updated