



PRESS RELEASE

CONSOB suspends the ban on the creation or increase of net short positions

In consideration of the progressive normalisation of the Italian market's risk indicators, CONSOB has decided to suspend the exceptional measure imposing a ban on the creation of net short positions and on the increase of existing net short positions. CONSOB will closely monitor the overall situation in financial markets.

Considering that the Coronavirus outbreak and the uncertainties surrounding its impact on the economy constituted a serious threat to market confidence, on 17 March CONSOB announced its decision to ban any creation of a net short position and any increase in an existing net short position for a period of three months.

In a uniformly declining market, with considerable uncertainties about the future extent of the decline, an increase in net short positions could have had a procyclical influence that CONSOB wanted to avoid by implementing this exceptional measure.

Since the implementation of the ban, the Authority has observed a progressive normalisation in financial market conditions together with a decrease in market liquidity.

Under these circumstances, CONSOB, in consultation with ESMA and the Austrian, Belgian, Greek, French and Spanish authorities which have taken similar action, has decided the early termination of the ban on net short positions, which will expire on 18 May at 23:59 pm ([Consob Resolution no. 21367 of 15 May 2020](#)). CONSOB continues to carefully monitor the situation in financial markets and remains in close contact with other authorities. Should the markets' situation require it, the Authority calls for coordinated European action. As a reminder, ESMA's decision requiring net short positions holders to report new positions of 0.1% of the issued shares capital is still in force.

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