

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Publication of a Legal Notice and Guidance Notes on Short Selling Regulation

The EU Regulation on short selling and certain aspects of credit default swaps will be applicable from the 1st of November, 2012. The purpose of this circular is to provide the general public with an update regarding the implementation of this Regulation in Malta.

The EU Regulation sets three broad categories of requirements:

- [i] Transparency requirements applicable to short selling in shares and sovereign debt, and transactions in sovereign credit default swaps;
- [ii] Requirements which set restrictions on uncovered short sales; and
- [iii] Requirements on intervention in financial markets by financial supervisors in exceptional market circumstances.

Legal Notice

The EU Regulation has been implemented in Malta through **Legal Notice [L.N. 344 of 2012] – Financial Markets Act (Short Selling) Regulations, 2012**. The Legal Notice appoints the MFSA as competent authority for the purposes of the EU Regulation, with the power to monitor compliance with relevant requirements in Malta. An electronic version of the legal notice can be downloaded from the MFSA's website - [link](#).

Guidance notes

Moreover, the MFSA has issued Guidance Notes on the short-selling regulation, which provides brief guidance on the transparency requirements and the restrictions applicable with regards to the short selling in shares and sovereign debt and transactions in sovereign credit default swaps - [link](#).

Dedicated Sections to Short Selling on the MFSA's Website

The MFSA has updated its website to include the Legal Notice and the Guidance Notes. It has also created a dedicated section on its website for the uploading of notifications required in terms of the EU Regulation - [link](#).

Any queries concerning the EU Regulation may be addressed to Mr Christopher P. Buttigieg, Deputy Director, Securities and Markets Supervision Unit [e-mail: cbuttigieg@mfsa.com.mt], Mr Edward Grech, Analyst, Securities and Markets Supervision Unit [e-mail: egrech@mfsa.com.mt] or Mr Nathan Fenech, Analyst, Securities and Markets Supervision Unit [e-mail: nfenech@mfsa.com.mt].

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