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The Autorité des Marchés Financiers reminds of the provisions applicable to bearish speculation

Considering the increase in the amount of information disseminated on the Internet and the social networks regarding issuers subject to bearish speculation, notably through a substantial number of short sales, the AMF recalls the provisions that apply in such situation. Given the speed of its dissemination, this information is likely to influence share prices and the prices of any other related financial instrument in a rapid and substantial manner. The AMF is thus drawing attention to certain rules on the prevention of market abuse and specific rules on short selling.

Consistent with the European regulation on market abuse⁽¹⁾, the AMF recalls that it is forbidden to disseminate information – be it via the media, including the Internet, or any other channel – that gives or is likely to give false or misleading signals. Furthermore, regardless of the communication medium used, including the social networks, despite their restricted format, the information disseminated must be detailed so as to not be considered as misleading.

Like some of its European counterparts, the AMF is recommending that investors check the credibility and accuracy of the information disseminated both in the social networks and in the investment recommendations by drawing on various sources of information before making an investment or divestment decision.

The AMF is also reiterating that the European regulation on short selling⁽²⁾ forbids the short sale of a share without having borrowed it or having taken measures necessary to have a reasonable expectation that settlement can be effected when due. A regime for declaring net short positions has been implemented for shares, the transparency rules of which are set out in Article 223-37 of the AMF General Regulation⁽³⁾. According to these rules, any short position equal or superior to 0.2% of the capital of a company must be declared to the AMF. The same reporting requirement applies in the event that one of the successive additional thresholds set by levels of 0.1% is crossed upwards or downwards. Where the net short position reported is equal or superior to 0.5% of the capital, the AMF publicly discloses this information.

The AMF also reminds investors that the regulation applying to investment recommendations has been strengthened through the Market Abuse Regulation⁽⁴⁾. In particular, interests and conflicts of interest must be disclosed by any entity issuing recommendations and, where it holds a net short or long position of 0.5% (compared with 5% previously) or more of the capital of the company concerned by the recommendation, this position must be disclosed. Investment recommendations must also comply with a strict supervisory framework aimed at ensuring that sources are named and information is presented in an objective manner.

These provisions also apply to recommendations disseminated from abroad, including by individuals not qualified as an investment services provider, notably where such individuals are experts⁽⁵⁾.

In addition, in situations of bearish speculation, issuers are required to provide the market with the necessary and in some cases corrective, information in a timely manner.

Lastly, the AMF reiterates that it ensures the strict enforcement of the applicable regulatory provisions and may be led, notably in situations characterised by unusual market operations, to carry out investigations and controls where it suspects any breaches. Any such investigation or control may result in sanctions.

About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected, that investors are provided with adequate information and supervising the orderly operation of markets. Visit our website www.amf-france.org.

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[1] Regulation (EU) No. 596/2014 of 16 April 2014.


[2] Regulation (EU) No. 236/2012 of 14 March 2012.

[3] These provisions are related to Regulation (EU) No. 236/2012 of 14 March 2012.

[4] and Delegated Regulation No. 2016/958 of 9 March 2016.

[5] Delegated Regulation No. 2016/958 of 9 March 2016.

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