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## The AMF urges market participants to notify it of any anomalies found in net short position notifications

The European Regulation on short selling, which came into force on 1 November 2012, introduced transparency obligations for accumulated net short positions. These obligations are designed to support the regulator's market supervision role and enable the market to monitor trends in short positions. Following the closing of an investigation into this issue, the AMF has reviewed these requirements and the steps that market participants should take if they detect any anomalies.

European Regulation 236/2012 on short selling requires holders of net short positions accumulated above certain thresholds to report their positions to the regulator and the market. A market participant must report its position to the regulator as soon as it exceeds the 0.1% threshold. The market participant must then notify the regulator when any of the successive supplementary thresholds set at 0.1% steps is crossed, whether upwards or downwards. This notification must be made within one trading day. As soon as the net short position is equal to or greater than 0.5% of the capital, the AMF makes this information public (see link below).

Failure to comply with this reporting obligation may result in sanctions. The AMF urges market participants to report any anomalies they detect.

The AMF recently closed an investigation into one specific case in which a holder of a net short position voluntarily notified the AMF after identifying, during an internal review, anomalies in its notifications sent to the regulator. The AMF took the holder's conscientious

behaviour into account when determining what action to take. After ensuring that these anomalies were not significant and that almost all of them were below the 0.5% threshold requiring disclosure to the market, the AMF made allowances for the fact that the holder concerned had approached the regulator voluntarily. It also took into consideration the holder's involvement and active cooperation during the investigation and during the phase in which corrective measures were defined and implemented, to prevent these anomalies from recurring in the future. Given the context of the investigation and the above-mentioned factors, the AMF decided to send a simple letter of observations to the holder concerned, reminding them of the importance of complying with the relevant regulations for the proper functioning of the market and investor protection.

The AMF urges market participants to behave in the same way as the market participant concerned: to inform the AMF if anomalies are identified in the net short position notifications reported and to cooperate actively in implementing corrective actions and remedial measures.


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