

22-2012
July, 2012

TEMPORARY SHORT-SALE BAN

On July 23, 2012, due to the extreme volatility of the European securities markets, the CNMV has agreed to ban, as a temporary preventive measure with immediate effect, any legal or natural person from entering into transactions which might constitute or increase a net short position on stocks admitted to trading in a Spanish regulated market for which the CNMV is the competent authority.

1. TERM OF THE PROHIBITION

Will be effective during the next 3 months following its publication (July 23, 2012), until the closing of the market session of 23 October 2012, inclusive, and could be renewed or lifted as needed.

2. TRANSACTIONS AFFECTED

Any trade on equities or indices, including cash equities transactions, derivatives in regulated markets or OTC derivatives that has the effect of creating a net short position or increasing a previous one, even on an intraday basis. A net short position means any position resulting in a positive economic exposure to falls in the price of the stock.

3. TRANSACTIONS EXEMPTED

Positions arising from market making activities. For this purpose, market making covers investment firms that incur in a transitory (especially intraday) net short position either as a response or a hedge to a client order or as a result of quoting bid and ask prices on a continuous way as market members, with or without a public commitment with the issuer or the market.

4. ADMINISTRATIVE SANCTION

The development of any of these transactions prohibited shall be considered a very serious infringement, that could derive in any of the sanctions of article 102 of the Securities Markets Act including, among others, a fine of up to the highest of the following amounts: five times the gross profit obtained as a result of the acts or omissions comprising the infringement; 5 per cent of the infringing firm's own funds; five per cent of the total funds, owned by the firm or third parties, that were used in the infringement; or 600,000 euro.

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