Question for written answer E-002725/2023
to the Commission
Rule 138
Michiel Hoogeveen (ECR)

Subject: Short Selling Regulation – follow-up question to Written Question E-001175/2023

In July 2023, the UK Government announced targeted changes to the UK's Short Selling Regulation, which it inherited from the EU's 2012 Short Selling Regulation[1]. The UK Government also announced that the threshold for the private disclosure of short sales to the Financial Conduct Authority would increase from 0.1 % to 0.2 % to ease the compliance burden on market participants.

1. Does the Commission recognise that the UK and the US adopting different standards for short sale disclosure could risk putting EU capital markets at a competitive disadvantage?

2. Is the Commission aware of research showing that short selling volume is unrelated to market sentiment and that the aggressive liquidation of long positions is the primary cause of downward spirals, thus refuting the Commission's statement, in its reply to Written Question E-001175/2023, that 'short selling might aggravate a downward spiral in share prices' during market turbulence?

3. In light of research showing that the presence of short sellers improves the behaviour of corporate management, does the Commission recognise that public disclosure by individual firms has a chilling effect on short selling and that removing it to promote greater short selling activity would help to systemically mitigate instances of corporate fraud?

Submitted: 20.9.2023

1 Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (OJ L 86, 24.3.2012, p. 1).