

SHORT SELLING RULES SOURCEBOOK INSTRUMENT 2026**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 71N (Designated activities: rules);
 - (b) section 73A (Part 6 Rules);
 - (c) section 137A (The FCA’s general rules);
 - (d) section 137T (General supplementary powers);
 - (e) section 139A (Power of the FCA to give guidance);
 - (f) section 210 (Statements of policy); and
 - (g) section 395 (The FCA’s and PRA’s procedures);
 - (2) the following provisions of the Short Selling Regulations 2025 (SI 2025/29) (“the Short Selling Regulations 2025”):
 - (a) regulation 5 (FCA rules relating to short selling of admitted shares and related transactions);
 - (b) regulation 6 (FCA rules requiring notification of a significant net short position in the issued share capital of a company);
 - (c) regulation 8 (FCA power to provide for waiver or exemption from rules and obligation to publish list of shares in relation to which rules apply); and
 - (d) regulation 9 (FCA power to exempt market making activities and stabilisation);
 - (3) the following sections of the Act, as applied by Schedule 1 of the Short Selling Regulations 2025:
 - (a) section 69 (Statement of policy);
 - (b) section 169 (Investigations etc. in support of overseas regulator);
 - (c) section 210 (Statements of policy); and
 - (d) section 395 (The FCA’s and PRA’s procedures); and
 - (4) the other rules and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 13 July 2026.

Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes in this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Supervision manual (SUP)	Annex B
Decision Procedure and Penalties manual (DEPP)	Annex C

Amendments to material outside the Handbook

- E. The Enforcement Guide (ENFG) is amended in accordance with Annex E to this instrument.

Making the Short Selling Rules sourcebook (SSR)

- F. The FCA makes the rules and gives the guidance in Annex D to this instrument.
- G. The Short Selling Rules sourcebook (SSR) is added to the Specialist sourcebooks block within the Handbook, immediately before the Recognised Investment Exchanges sourcebook (REC).

Revocation of the Financial Stability and Market Confidence sourcebook (FINMAR)

- H. The provisions of the Financial Stability and Market Confidence sourcebook (FINMAR) are revoked.

Notes

- I. In Annexes to this instrument, the notes (indicated by “**Note:**” or “*Editor’s note*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- J. This instrument may be cited as the Short Selling Rules Sourcebook Instrument 2026.

By order of the Board
26 March 2026

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

<i>admitted share</i>	(in accordance with regulation 3 of the <i>Short Selling Regulations 2025</i>) a <i>share</i> which is <i>admitted to trading</i> on a <i>UK trading venue</i> (and includes the <i>share</i> when traded outside such a <i>trading venue</i>).
<i>aggregate net short position</i>	(in accordance with regulation 7(2) of the <i>Short Selling Regulations 2025</i>) the sum of the <i>net short positions</i> in the <i>issued share capital</i> of a <i>company</i> notified to the <i>FCA</i> and held on the relevant <i>working day</i> , expressed as a percentage of the <i>company's issued share capital</i> .
<i>base notification threshold</i>	(in accordance with regulation 6(2) of the <i>Short Selling Regulations 2025</i>) 0.2% of the <i>issued share capital</i> of the <i>company</i> .
<i>issued share capital</i>	(in accordance with regulation 3(1) of the <i>Short Selling Regulations 2025</i>) in relation to a <i>company</i> , the total of ordinary <i>shares</i> and any preference <i>shares</i> issued by the <i>company</i> not including convertible debt securities.
<i>liquid share</i>	a <i>share</i> which is considered to have a liquid market in accordance with Article 1 of the <i>UK</i> version of Commission Delegated Regulation (EU) 2017/567 which is assimilated law by virtue of the <i>EUWA</i> .
<i>long position</i>	(in accordance with regulation 6(3)(c) of the <i>Short Selling Regulations 2025</i>) the position in the <i>issued share capital</i> of a <i>company</i> resulting from: <ul style="list-style-type: none"> (a) holding a <i>share</i> issued by the <i>company</i>; or (b) entering into any transaction where an effect of the transaction is to confer a financial advantage on the <i>person</i> entering into that transaction in the event of an increase in the price or value of a <i>share</i> issued by the <i>company</i>.
<i>management activity</i>	management of <i>funds</i> irrespective of their legal form and portfolio management in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more <i>financial instruments</i> .

<i>management entity</i>	a legal <i>person</i> or entity, including a division, unit or department that manages, on a discretionary basis, <i>funds</i> or portfolios pursuant to a mandate.
<i>overseas entity</i>	(in accordance with regulation 9(5)(d) of the <i>Short Selling Regulations 2025</i>) a body incorporated in, or formed under the law of, any country or jurisdiction other than the <i>United Kingdom</i> .
<i>principal country</i>	<p>(1) as provided for in <i>SSR 4.2.6R</i>, the <i>UK</i>, where an <i>admitted share</i> is only <i>admitted to trading</i> in the <i>UK</i>; or</p> <p>(2) as provided for in <i>SSR 4.2.8R</i> to <i>SSR 4.2.9R</i>, where an <i>admitted share</i> is <i>admitted to trading</i> in at least one country or territory other than the <i>UK</i>, the country or territory where the <i>admitted shares</i> of the <i>company</i> have the highest <i>trading volume</i> across each of the <i>trading venues</i> in that country or territory.</p>
<i>reportable shares list</i>	the list published by the <i>FCA</i> pursuant to regulation 8(4) of the <i>Short Selling Regulations 2025</i> .
<i>short position</i>	<p>(in accordance with regulation 6(3)(b) of the <i>Short Selling Regulations 2025</i>) the position in the <i>issued share capital</i> of a <i>company</i> resulting from:</p> <p>(a) a <i>short sale</i> of a <i>share</i> issued by the <i>company</i>; or</p> <p>(b) entering into a transaction, other than a <i>short sale</i> of a <i>share</i> issued by the <i>company</i>, where an effect of the transaction is to confer a financial advantage on the <i>person</i> entering into that transaction in the event of a decrease in the price or value of a <i>share</i> issued by the <i>company</i>.</p>
<i>short sale</i>	<p>(in accordance with regulation 3(1) of the <i>Short Selling Regulations 2025</i>) in relation to a <i>financial instrument</i>, any sale of the <i>financial instrument</i> which the seller does not own at the time of entering into the agreement to sell, including such a sale where, at the time of entering into the agreement to sell, the seller has borrowed or agreed to borrow the instrument for delivery, but not including:</p> <p>(a) a sale by either party under a repurchase agreement where one party has agreed to sell the other a security at a specified price with a commitment from the other party to sell the security back at a later date at another specified price;</p> <p>(b) a transfer of securities under a securities lending agreement; or</p> <p>(c) entry into a futures contract or other derivative contract where it is agreed to sell securities at a specified price at a future date.</p>

<i>short selling activity</i>	(in accordance with regulation 4 of the <i>Short Selling Regulations 2025</i>):
	(a) entering into a <i>short sale</i> of an <i>admitted share</i> ; and
	(b) entering into any transaction other than a <i>short sale</i> of an <i>admitted share</i> where an effect of the transaction is to confer a financial advantage on the <i>person</i> entering into that transaction in the event of a decrease in the price or value of an <i>admitted share</i> .
<i>Short Selling Regulations 2025</i>	the Short Selling Regulations 2025 (SI 2025/29).
<i>SSR</i>	the Short Selling Rules sourcebook.
<i>stabilisation exemption</i>	(in accordance with regulation 9(5)(e) of the <i>Short Selling Regulations 2025</i>) the exemption from the requirements to cover and report on transactions performed due to <i>stabilisation</i> , as defined, which appears in <i>SSR 5.3.1R</i> .
<i>trading volume</i>	in relation to an <i>admitted share</i> , the sum of all units of that <i>share</i> exchanged between buyers and sellers in the period of time set out in <i>SSR 4.2.10R</i> , <i>SSR 4.2.12G</i> and <i>SSR 4.2.13R</i> pursuant to transactions taking place on a <i>trading venue</i> .

Amend the following definitions as shown.

<i>CSDR</i>	the <i>UK</i> version of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the <i>EU</i> and on central securities depositories and amending the <i>Settlement Finality Directive</i> and <i>MiFID</i> and the <i>short selling regulation</i> , which is part of <u>assimilated</u> <i>UK</i> law by virtue of the <i>EUWA</i> .
<i>market maker</i>	... (4) ... (5) <u>(in <i>SSR</i>) a <i>person</i> undertaking <i>market making activities</i>.</u>
<i>market maker exemption</i>	an exemption from articles 5, 6, 7, 12, 13 and 14 of the <i>short selling regulation</i> for transactions performed due to <i>market making activities</i> pursuant to article 17 of the <i>short selling regulation</i> <u>the exemption from the requirements to cover and report on transactions performed due to <i>market making activities</i> provided for in <i>SSR 5.4.1R</i>.</u>
<i>market making activities</i>	as defined in article 2(1)(k) of the <i>short selling regulation</i>) means the activities of an investment firm, a credit institution, a third-

country entity, or a firm as referred to in point (ka), which is a member of a trading venue or of a market in a third country, the legal and supervisory framework of which has been declared equivalent by the Commission pursuant to article 17(2) as it had effect before *IP completion day*, or by the Treasury in accordance with that paragraph as amended, or with regulation 16 of the Short Selling (EU Exit) (Amendment) Regulations 2018, (in accordance with regulation 9(5)(c) of the *Short Selling Regulations 2025*) the activities of an *investment firm*, a *credit institution* or an *overseas entity* where it deals as principal in a ~~financial instrument~~ financial instrument, whether traded on or outside a ~~trading venue~~ trading venue, in any of the following capacities:

- (i) (a) by posting firm, simultaneous ~~two-way~~ 2-way quotes of comparable size and at competitive prices, with the result of providing liquidity on a regular and ongoing basis to the market;
- (ii) (b) as part of its usual business, by fulfilling orders initiated by clients or in response to clients' requests to trade; or
- (iii) (c) by hedging positions arising from the fulfilment of tasks under (i) and (ii) (a) or (b).

[Note: Point 2(1)(ka) of the *short selling regulation* provides: For the purposes of point (k), the firms referred to in this point are firms which provide investment services and/or perform investment activities consisting exclusively in dealing on own account on markets in financial futures or options or other derivatives and on cash markets for the sole purpose of hedging positions on derivatives markets or which deal for the accounts of other members of those markets or make prices for them and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such firms is assumed by clearing members of the same markets.]

net short position

...

(3) ...

(4) (in SSR) (in accordance with regulation 6(3)(a) of the *Short Selling Regulation 2025*) the position in the *issued share capital* of a *company* where a *person's* total *short position* in the *issued share capital* of that *company* exceeds the *person's* total *long position* in the *issued share capital* of that *company*, calculated in accordance with *SSR 2*.

trading day

...

(3) (in *FINMAR SSR*) as defined in article 2(1)(p) of the *short selling regulation*, in relation to a ~~trading venue~~ trading

		<u>venue</u> , means a day <u>day</u> during which the trading venue <u>trading venue</u> concerned is open for trading.
	...	
<i>trading venue</i>	(1)	(except in FINMAR) a regulated market, an EU regulated market, an MTF or an OTF.
	(2)	(in FINMAR SSR) (as defined in article 2(1)(1) of the short selling regulation): <u>in accordance with article 2(1)(16) of MiFIR, a regulated market as defined in article 2(1)(13) of MiFIR, a multilateral trading facility as defined in article 2(1)(14) of MiFIR or an organised trading facility as defined in article 2(1)(15) of MiFIR.</u>
	(a)	a UK regulated market within the meaning of point (13A) of article 2(1) of MiFIR;
	(b)	a UK multilateral trading facility within the meaning of point (14A) of article 2(1) of MiFIR.
<i>UK trading venue</i>	(1)	for the purposes of MAR 9 (and in accordance with article 2(1)(16A) MiFIR), a UK RIE, a UK MTF or a UK OTF.
	(2)	<u>(in SSR) (in accordance with regulation 3(1) of the Short Selling Regulation 2025):</u>
	(a)	<u>a UK regulated market within the meaning of Article 2(1)(13A) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; and</u>
	(b)	<u>a UK multilateral trading facility within the meaning of Article 2(1)(14A) of Regulation (EU) No 600/2014.</u>
<i>working day</i>	...	
	(3)	...
	(4)	<u>(in SSR) (in accordance with regulation 22(4)(f) of the Short Selling Regulations 2025) any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in England and Wales.</u>

Delete the following definitions. The text is not struck through.

authorised primary dealer (as defined in article 2(1)(n) of the *short selling regulation*) a natural or legal person who has signed an agreement with a *sovereign issuer* or who has been formally recognised as a primary dealer by or on behalf of a *sovereign issuer* and who, in accordance with that agreement or recognition, has committed to dealing as principal in connection with primary and secondary market operations relating to debt issued by that *sovereign issuer*.

authorised primary dealer exemption an exemption from articles 7, 13 and 14 of the *short selling regulation* for the activities of an *authorised primary dealer* pursuant to article 17 of the *short selling regulation*.

Annex B

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

2 **Information gathering by the FCA or PRA on its own initiative**

...

2.3 **Information gathering by the FCA on its own initiative: cooperation by firms**

...

Access to premises

- 2.3.5 R (1) A *firm* must permit representatives of the *FCA* or *persons* appointed for the purpose by the *FCA* to have access, with or without notice, during reasonable business hours to any of its business premises in relation to the discharge of the *FCA*'s functions under the *Act* or its obligations under the ~~*short selling regulation*~~ *Short Selling Regulations 2025*.

...

...

Annex C

Amendments to the Decision Procedure and Penalties manual (DEPP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

[*Editor's note:* This Annex takes into account the changes introduced by the Consumer Composite Investments Instrument 2025 (FCA 2025/52), which come into force on 6 April 2026.]

2 Statutory notices and the allocation of decision making

...

2 Annex 1 Warning notices and decision notices under the Act and certain other enactments

Note: Third party rights and access to *FCA* material apply to the powers listed in this Annex where indicated by an asterisk * (see *DEPP* 2.4)

Section of the Act	Description	Handbook reference	Decision maker
...			
207(1A)/208(1A)
<u>208A(3)/(4)</u>	<u>when the <i>FCA</i> is proposing or deciding to refuse an application under section 206B(4) for the variation or withdrawal of a prohibition or restriction imposed under section 206B*</u>		<u>RDC</u>
...			

...

The Public Offers and Admissions to Trading Regulations 2024	Description	Handbook reference	Decision maker

...			
Regulation 41(1) and (4)

<u>Short Selling Regulations 2025 (SI 2025/29)</u>	<u>Description</u>	<u>Handbook reference</u>	<u>Decision maker</u>
<u>67(1)/(4) of the Act as applied by Schedule 1 to the Regulations</u>	<u>when the FCA is proposing or deciding to take action against an individual by exercising the disciplinary powers conferred by section 66, as applied by Schedule 1 to the Regulations*</u>		<u>RDC</u>
<u>207(1)/208(1) of the Act as applied by Schedule 1 to the Regulations</u>	<u>when the FCA is proposing or deciding to publish a statement (under section 205(1)), or impose a financial penalty (under section 206(1)), or suspend a permission or impose a restriction in relation to the carrying on of a regulated activity (under section 206A), as applied by Schedule 1 to the Regulations. This applies in respect of an authorised person, or an unauthorised person to whom section 404C applies*</u>		<u>RDC</u>
<u>207(1A)/208(1A) of the Act as applied by Schedule 1 to the Regulations</u>	<u>when the FCA is proposing or deciding to publish a statement (under section 205(2)), or impose a financial penalty (under section 206(1A)), or prohibit or restrict the carrying on of a relevant designated activity (under section 206B), as applied by</u>		<u>RDC</u>

	<u>Schedule 1 to the Regulations*</u>		
<u>208A(3)/(4) of the Act as applied by Schedule 1 to the Regulations</u>	<u>when the FCA is proposing or deciding to refuse an application under section 206B(4) for the variation or withdrawal of a prohibition or restriction imposed under section 206B, as applied by Schedule 1 to the Regulations*</u>		<u>RDC</u>
<u>385(1)/386(1) of the Act as applied by Schedule 1 to the Regulations</u>	<u>when the FCA is proposing or deciding to require restitution under section 384, as applied by Schedule 1 to the Regulations*</u>		<u>RDC</u>

2 Annex 2 Supervisory notices

...

The Public Offers and Admissions to Trading Regulations 2024	Description	Handbook reference	Decision maker
Regulation 38

<u>Short Selling Regulations 2025 (SI 2025/29)</u>	<u>Description</u>	<u>Handbook reference</u>	<u>Decision maker</u>
<u>Regulation 21</u>	<u>when the FCA is exercising its powers to give, vary or revoke a direction</u>		<u>Executive procedures</u>
<u>Regulation 23</u>	<u>when the FCA is exercising its powers to</u>		<u>Executive procedures</u>

	<u>give, vary or revoke a direction</u>		
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...

Sch 4 Powers Exercised

Sch 4.1 G

The following powers and related provisions in or under the <i>Act</i> have been exercised by the <i>FCA</i> to make the statements of policy in <i>DEPP</i> :	
	...
	Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the <i>Payment Services Regulations</i> and by Schedule 1 to the <i>Short Selling Regulations 2025</i>)
	...
	Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the <i>Payment Services Regulations</i> and by Schedule 1 to the <i>Short Selling Regulations 2025</i>)
	...
	Section 210(1) (Statements of policy) (including as applied by regulation 86(6) of the <i>Payment Services Regulations</i> , by article 23(4) of the <i>MCD Order</i> , regulation 43 of the <i>Small and Medium Sized Business (Credit Information) Regulations</i> , by regulation 36(6) of the <i>Payment Accounts Regulations</i> , regulation 40 of the <i>Small and Medium Sized Business (Finance Platforms) Regulations</i> , by Part 3 of the Schedule to the <i>Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023</i> and, by Part 1 of Schedule 1 to the <i>Pisces sandbox regulations</i> and by Schedule 1 to the <i>Short Selling Regulations 2025</i>)
	...
	Section 395 (The Authority's procedures) (including as applied by Part 3 of the Schedule to the <i>Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023</i> , by paragraph 7 of Schedule 5 to the <i>Payment Services Regulations</i> , by article 24(2) of the <i>MCD Order</i> , regulation 44 of the <i>Small and Medium Sized Business (Credit Information) Regulations</i> , by paragraph 4 of Schedule 7 of the <i>Payment Accounts Regulations</i> , regulation 41 of the <i>Small and Medium Sized Business (Finance Platforms) Regulations</i> , by paragraph 12(6) of Schedule 1 to the <i>Securitisation Regulations 2024</i> and, by Part 1 of Schedule 1 to

	the <i>Pisces sandbox regulations</i> and by Schedule 1 to the <i>Short Selling Regulations 2025</i>)
	...

...

Annex D

Short Selling Rules sourcebook (SSR)

In this Annex, all the text is new and is not underlined. Insert the following new sourcebook, the Short Selling Rules sourcebook (SSR), in the Specialist sourcebooks block.

1 Introduction

1.1 Application and general provisions

- 1.1.1 G Each chapter of *SSR* has its own application provision which sets out how the *rules* and *guidance* in each chapter apply.
- 1.1.2 G *GEN* does not apply in respect of the *rules* and *guidance* in *SSR*, except as provided for in *SSR* 1.1.3R.
- 1.1.3 R For the purposes of *SSR*, the *rules* and *guidance* in *GEN* 1.2.2AR, *GEN* 1.3, *GEN* 2.1, *GEN* 2.2.1R to *GEN* 2.2.16G and *GEN* 2.2.18R to *GEN* 2.2.25G apply to *persons* subject to *SSR* as they apply to *authorised persons*, insofar as they do not already apply.

1.2 Purpose

- 1.2.1 G (1) The *Short Selling Regulations 2025* set out a framework to replace the *UK* version of 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, which is part of *UK* law by virtue of the *EUWA* and which was repealed on 13 July 2026, the *day* these *rules* came into force.
- (2) The *Short Selling Regulations 2025* confer new powers on the *FCA* to make designated activity *rules* governing *short selling*, including in relation to position reporting and covering obligations. It also enables the *FCA* to create, in *rules*, a framework for *short selling activities* in relation to the carrying out of a *stabilisation* and *market making activities*.
- (3) The *Short Selling Regulations 2025* also confer on the *FCA* new functions such as establishing and maintaining the *reportable shares list* and the *aggregate net short position* report.
- 1.2.2 G As such, the purpose of *SSR* is to set out:
- (1) relevant *rules* and *guidance* in relation to *short selling activity* under the framework set out in the *Short Selling Regulations 2025*; and
- (2) *guidance* on the *FCA*'s functions under the *Short Selling Regulations 2025*.

- 1.2.3 G In accordance with *SSR 1.2.2G*, *SSR* should be read together with the *Short Selling Regulations 2025*.
- 1.2.4 G A separate statement of policy provides further information on how and when the *FCA* may choose to exercise the emergency intervention powers set out under Part 4 of the *Short Selling Regulations 2025*.

1.3 Structure

- 1.3.1 G *SSR* is structured as follows:
- (1) *SSR 1* sets out the purpose and structure of *SSR*.
 - (2) *SSR 2* sets out *rules* and *guidance* regarding the notification of *net short positions*.
 - (3) *SSR 3* sets out *rules* and *guidance* regarding covering *short sales* of certain *admitted shares*.
 - (4) *SSR 4* sets out *rules* and *guidance* regarding:
 - (a) the circumstances in which the *FCA* may determine that requirements do not apply in relation to an *admitted share* or a description of such an *admitted share*; and
 - (b) the *FCA*'s publication of the *reportable shares list*.
 - (5) *SSR 5* sets out *rules* and *guidance* regarding:
 - (a) the *market maker exemption*; and
 - (b) the *stabilisation exemption*.
 - (6) *SSR 6* sets out *guidance* on the *FCA*'s calculation and publication of *aggregate net short positions*.
 - (7) *SSR 7* sets out *rules* and *guidance* regarding the waiver and modification of *rules* in *SSR 2*.
 - (8) *SSR TP1* sets out transitional *rules* relating to position reporting.
 - (9) *SSR TP2* sets out transitional *rules* and *guidance* relating to the *market maker exemption*.

2 Position reporting

2.1 Application

- 2.1.1 R The *rules* and *guidance* in this chapter apply to a *person* undertaking *short selling activity* anywhere in the world:

- (1) whether that *person* is domiciled or established within the *United Kingdom* or in a *third country*; and
 - (2) regardless of:
 - (a) where the *short selling activity* takes place; and
 - (b) whether the *short selling activity* takes place on or outside a *trading venue*.
- 2.1.2 R The *rules* and *guidance* in this chapter apply in relation to an *admitted share*, unless:
- (1) the *FCA* has disapplied these *rules* in respect of that *admitted share* in accordance with *SSR 4*; or
 - (2) the *market maker exemption* or *stabilisation exemption* under *SSR 5* applies to *market making activities* carried out by a *person* in respect of that *admitted share*.
- 2.1.3 G The *admitted shares* in respect of which the *rules* and *guidance* in this chapter apply are identified on the *reportable shares list*, which is updated in accordance with *SSR 4*.
- ## 2.2 Purpose
- 2.2.1 G This chapter sets out *rules* and *guidance* regarding the calculation and notification of *net short positions* in the *issued share capital* of a *company* which has *admitted shares* in accordance with regulation 6 of the *Short Selling Regulations 2025*.
- 2.2.2 G
- (1) *SSR 2.3* to *SSR 2.6* provide *rules* and *guidance* regarding when a notification may be required and practical matters regarding notifications.
 - (2) *SSR 2.7* provides *rules* and *guidance* regarding the timing for submission of a notification.
 - (3) *SSR 2.8* to *SSR 2.10* provide *rules* and *guidance* regarding the method for calculating a *net short position*.
 - (4) *SSR 2.11* provides *rules* and *guidance* regarding the calculation of *issued share capital* for the purposes of calculating *net short positions*.
 - (5) *SSR 2.12* to *SSR 2.14* provide *rules* and *guidance* regarding what constitutes a *short position* and *long position*.
 - (6) *SSR 2.15* to *SSR 2.16* provide *rules* and *guidance* regarding the calculation and notification of *net short positions* by *persons* undertaking *management activity*, and in *groups*.

- (7) *SSR 2.17 provides rules and guidance regarding the calculation and notification of net short positions held through ETFs, baskets and indices.*
- (8) *SSR 2.18 provides rules and guidance regarding using a delta-adjusted methodology for calculating net short positions.*
- (9) *SSR 2.19 provides rules and guidance regarding record retention and position verification.*

2.3 Notification of net short positions to the FCA

When notifications are required

- 2.3.1 R *A person undertaking short selling activity must notify the FCA of a net short position in the issued share capital of a company with admitted shares in accordance with SSR 2.6.1R and SSR 2.7.1R in each of the following circumstances:*
- (1) *their net short position has reached or exceeded 0.2% of the issued share capital of a company with admitted shares;*
 - (2) *their net short position has fallen below 0.2% of the issued share capital of a company with admitted shares; or*
 - (3) *having reached or exceeded 0.2%, their net short position has reached, exceeded or fallen below an additional 0.1% increment.*
- 2.3.2 R *SSR 2.3.1R has effect subject to SSR 2.15 and SSR 2.16 in its application to:*
- (1) *persons carrying on management activity, as provided for in SSR 2.15; and*
 - (2) *persons in a group and persons reporting on behalf of a group, as provided for in SSR 2.16.*

Outsourcing notification submissions

- 2.3.3 R (1) *For the purposes of SSR 2.3.1R a notification of a person's net short position may be made by a third party, including an investment firm acting on behalf of its clients.*
- (2) *Where (1) above applies, the person holding the net short position remains responsible for compliance with the rules in SSR 2.*
- 2.3.4 G *If a person is relying on a third party to make notifications on their behalf, and the third party fails to do so in the manner or time required by SSR 2, the person holding the position, not the third party, is considered to have breached the rules.*

Guidance on notification requirements when a company is removed from the reportable shares list

- 2.3.5 G In circumstances where the *FCA* has determined to disapply the *rules* in *SSR 2* in relation to *admitted shares*, *SSR 2* will take effect from the date on which the *FCA* removes the *shares* from the *reportable shares list* (see *SSR 4.1.5G*). In terms of further notifications:
- (1) if a *person* has previously notified a *net short position* under *SSR 2.3.1R*, that *person* is not required to submit any additional notifications under *SSR 2* from the date on which the *admitted share* is removed from the *reportable shares list*; and
 - (2) if a *person* is required under *SSR 2.3.1R* to notify a *net short position* but, the next *working day*, the *admitted shares* to which the notification relates are removed from the *reportable shares list*, the *person* would not be required to submit the notification.

Guidance on notification thresholds

- 2.3.6 G In relation to *SSR 2.3.1R(3)*:
- (1) a *person* would need to notify the *FCA* when their *net short position* reaches, exceeds or falls below a successive multiple of 0.1% above the *base notification threshold*, for example 0.3%, 0.4%, 0.5% or 0.6%;
 - (2) a change from 0.31% to 0.39% would not require notification as it does not reach, exceed or fall below a 0.1% increment, but a change from 0.39% to 0.41% would require notification, as the *net short position* exceeds an additional 0.1% increment.
- 2.3.7 G (1) In accordance with regulation 13(1) of the *Short Selling Regulations 2025*, the *FCA* may require *net short positions* to be notified at a different threshold to that specified in *SSR 2.3.1R(1)*, for example, 0.1%.
- (2) The *FCA*'s statement of policy provides further information on the use of the power in regulation 13(1) of the *Short Selling Regulations 2025*.

2.4 Information required in the notification of net short positions

- 2.4.1 R (1) When a *person* is making a notification under *SSR 2.3.1R* for the first time, the notification must contain all the information specified in both *SSR 2 Annex 1R* and *SSR 2 Annex 2R*.
- (2) In all other cases, the information in *SSR 2 Annex 2R* must be provided.

- (3) The requirement in (1), with respect to the information in *SSR 2 Annex 1R*, does not apply to a *person* who has already provided the information in *SSR 2 Annex 1R* before 13 July 2026, under:
- (a) Article 5 of the *UK* version of 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, which was part of *UK* law by virtue of the *EUWA*; or
 - (b) Article 5 of 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.

- 2.4.2 R Where the *reportable shares list* is updated and a *person* becomes obliged to notify under *SSR 2.3.1R*, the notification must specify the position date as the date on which the *admitted shares* were added to the *reportable shares list* even if that position existed before the addition to the *reportable shares list*.

2.5 Correction and deletion of net short position notifications

- 2.5.1 R A *person* who has submitted a notification under *SSR 2.3.1R* which contains incorrect details must, immediately on becoming aware of those incorrect details, submit to the *FCA* an updated notification that contains the correct information using *SSR 2 Annex 3R*.
- 2.5.2 R A *person* who has submitted a notification under *SSR 2.3.1R* in error must, immediately on becoming aware of that error, submit to the *FCA* a cancellation notification to delete the previous notification using *SSR 2 Annex 4R*.
- 2.5.3 G In view of *SSR 2.5.1R* and *SSR 2.5.2R* respectively:
- (1) *SSR 2 Annex 3R* should be used when information about the *net short position* in an *admitted share* is wrong – for example, the true position is 0.3%, but the position notified is erroneously 0.4%; and
 - (2) *SSR 2 Annex 4R* should be used when information about the *admitted share* is wrong – for example, the notification lists the wrong *company's* name.

2.6 How to submit a notification

- 2.6.1 R A *person* submitting notifications required by *SSR 2.3.1R*, *SSR 2.5.1R* or *SSR 2.5.2R* must do so via *electronic means* specified on the short selling section of the *FCA* website.

2.7 Timing for submission of a notification

- 2.7.1 R A *person* must submit their notification under *SSR 2.3.1R* to the *FCA* no later than 23:59 on the *working day* after the *working day* on which the relevant *net short position* was first held.
- 2.7.2 G If a *person's net short position* in the *issued share capital* of a *company* is equal to or exceeds the *base notification threshold* as calculated at midnight on the *day* on which the relevant *company* is included on the *reportable shares list* as per *SSR 4.1.2G*, the *person* is required to submit a notification under *SSR 2.3.1R(1)*.

Late notifications

- 2.7.3 G The *FCA* will treat a position report as being submitted late when it is received after the deadline specified in *SSR 2.7.1R*. The *FCA* may take supervisory or enforcement action in relation to the *person* subject to the notification requirement in *SSR 2.3.1R*.

2.8 Calculation of a net short position: general

Method for calculating net short position

- 2.8.1 G For the purposes of *SSR*:
- (1) A *person* has a *net short position* in the *issued share capital* of a *company* with *admitted shares* if the *person's total short position* in the *issued share capital* of that *company* exceeds the *person's total long position* in the *issued share capital* of that *company*.
 - (2) A *short position* in the *issued share capital* of a *company* is the position resulting from:
 - (a) a *short sale* of a *share* issued by the *company*; or
 - (b) entering into a transaction, other than a *short sale* of a *share* issued by the *company*, where an effect of the transaction is to confer a financial advantage on the *person* entering into that transaction in the event of a decrease in the price or value of a *share* issued by the *company*.
 - (3) A *long position* in the *issued share capital* of a *company* is the position resulting from:
 - (a) holding a *share* issued by the *company*; or
 - (b) entering into any transaction where an effect of the transaction is to confer a financial advantage on the *person* entering into that transaction in the event of an increase in the price or value of a *share* issued by the *company*.

- 2.8.2 R For the purpose of calculating a *net short position*, the methodology in *SSR 2.18.1R* must be used.

2.9 Timing for the calculation of a net short position

- 2.9.1 R A *person* must calculate their *net short position* as it is held at midnight on the *working day* on which the *person* holds the relevant position, accounting for:
- (1) all transactions that occurred on that *working day*, irrespective of whether the transactions have taken place during normal trading hours; and
 - (2) any change in the *issued share capital* of the *company* concerned.
- 2.9.2 G A *person* does not need to calculate their *net short position* at midnight itself on the *working day* on which the relevant position is held.
- 2.9.3 G A *person* should calculate the *issued share capital* using the information that is available at midnight on the *working day* on which the relevant position is held.

2.10 Net short position expressed as a percentage value

- 2.10.1 R (1) When making a notification of a *net short position* under this chapter, a *person* must express their *net short position* as a percentage of the relevant *company's issued share capital*.
- (2) The *net short position* expressed as a percentage of the *company's issued share capital* must be calculated by dividing the *net short position* in equivalent *shares* by the total *issued share capital* of the *company* and multiplying this figure by 100.
- 2.10.2 R The percentage *net short position* figure must be expressed and abridged to 2 decimal places by truncating the other decimal places.
- 2.10.3 G For example, for a notification under *SSR 2.3.1R(1)*:
- (1) if the *net short position* is 0.3199 %, the notification should provide a position of 0.31%; or
 - (2) if the *net short position* is 0.1999%, this would truncate to 0.19%, hence no notification would be required.

2.11 Calculation of issued share capital for the purposes of calculating net short positions

What comprises issued share capital

- 2.11.1 G For the purposes of *SSR*, *issued share capital* means the total of ordinary *shares* and any preference *shares* issued by the *company* but does not include convertible debt securities.
- 2.11.2 G (1) For the purpose of calculating a *net short position*, both the numerator (the *net short position* in equivalent *shares*) and the denominator (the total *issued share capital*) should include all classes of issued *shares*, irrespective of their characteristics (common stock, preferred, treasury *shares* etc) and irrespective of any voting rights attached.
- (2) Where a *company* has several *share* classes, the total number of *shares* issued in each class should be taken into account and added together to calculate the *company's* total *issued share capital* and a *person's* *net short position* in equivalent *shares*.
- 2.11.3 R New *shares* issued from a capital increase must be accounted for in the calculation of *issued share capital* from the *day* they are *issued*.
- 2.11.4 G (1) Changes to the *issued share capital* of a *company* with *admitted shares* may change a *person's* *net short position* and trigger notification obligations under *SSR* 2.3.1R.
- (2) For example:
- (a) an increase in the *issued share capital* of a *company* could lead to a decrease of a *person's* *net short position* (as expressed in accordance with *SSR* 2.10.1R) in that *company*, all other things being equal; or
- (b) a decrease in the *issued share capital* of a *company* could lead to an increase of a *person's* *net short position* (as expressed in accordance with *SSR* 2.10.1R) in that *company*, all other things being equal.

Sources of information to be used when determining issued share capital

- 2.11.5 G (1) In determining the *issued share capital* of a *company* for the purpose of calculating a *net short position*, a *person* should act reasonably having regard to publicly available information about the *issued share capital*.
- (2) For the purposes of (1), 'publicly available information' refers to information which is readily accessible free of charge.
- 2.11.6 G (1) For the purposes of *SSR* 2.11.5G, a *person* may use information from various sources, including:

- (a) the total number of voting rights and capital disclosed by *companies* under *DTR 5.6.1R* or *DTR 5.6.1AR*;
 - (b) filings at Companies House (such as SH01 and SH06 filings); and
 - (c) information provided by commercial or market data providers.
- (2) Where a *person* relies on the total number of voting rights and capital disclosed by a *company* under *DTR 5.6.1R* or *DTR 5.6.1AR*, the *person* should only use that figure where a *person* acting reasonably considers that the total number of voting rights and capital published under *DTR 5.6.1R* or *DTR 5.6.1AR* is a fair and reasonable representation of all of the *company's issued share capital*. Where this is not the case, the *person* should only use the figure disclosed under *DTR 5.6.1R* or *DTR 5.6.1AR* as a source to determine the *issued share capital*, and not as an equivalent substitute for the *issued share capital* itself.

2.12 What constitutes a short position

Meaning of short sale

- 2.12.1 G For the purposes of *SSR*, a *short sale* in relation to a *financial instrument* means any sale of an instrument which the seller does not own at the time of entering into the agreement to sell, including such a sale where at the time of entering into the agreement to sell the seller has borrowed or agreed to borrow the instrument for delivery at settlement.
- 2.12.2 R Where there is a combination of legal and beneficial interests in a *financial instrument*, the instrument is owned by the beneficial owner who assumes the economic risk of acquiring it, including where the instrument is held by a nominee.
- 2.12.3 R A *short sale* does not include:
- (1) a sale by either party under a repurchase agreement where one party has agreed to sell the other a security at a specified price with a commitment from the other party to sell the security back at a later date at another specified price;
 - (2) a transfer of securities under a securities lending agreement;
 - (3) entry into a futures contract or other derivative contract where it is agreed to sell securities at a specified price at a future date;
 - (4) the sale of *financial instruments* that have been transferred under a stock lending or repurchase agreement, provided either that the

securities will be returned or that the transferor recalls the securities so that settlement can be effected when it is due;

- (5) the sale of a *financial instrument* by a *person* who has purchased the *financial instrument* prior to the sale but has not taken delivery of that *financial instrument* at the time of the sale, provided that the *financial instrument* will be delivered at such time that settlement may be effected when due; or
- (6) the sale of a *financial instrument* by a *person* who has exercised an option or a similar claim on that *financial instrument*, provided that the *financial instrument* will be delivered at such a time that settlement may be effected when due.

Transactions other than short sales to consider when calculating a short position

- 2.12.4 R *Short selling activities* undertaken in *financial instruments* through any one or more of the instruments listed SSR 2.14.1R, which could confer a financial advantage in the event of a decrease in the price of the *share*, must also be taken into account in the calculation of a *short position*.
- 2.12.5 R *Short positions* in *financial instruments* that give rise to a claim to unissued *shares*, such as subscription rights, convertible bonds and other comparable instruments, must not be considered as *short positions* when calculating a *net short position*.

2.13 What constitutes a long position

When a person is considered to hold a share

- 2.13.1 R A *person* is considered to hold a *share* in the following circumstances:
 - (1) the *person* owns the *share* in accordance with SSR 2.12.2R; or
 - (2) the *person* has an enforceable claim to be transferred ownership of the *share* in accordance with the law applicable to the relevant transaction, including where the *share* is held by a nominee.

Instruments giving claims to shares not yet issued (subscription rights, convertible bonds etc)

- 2.13.2 R *Financial instruments*, transactions or agreements that give a claim to *shares* that are not yet issued, such as subscription rights, convertible bonds, placings and other comparable instruments or transactions, must not be taken into account as *long positions* when calculating a *net short position*.

Shares received under a bonus share issue, share dividend distribution or lending agreement

- 2.13.3 R (1) *Shares* received as a consequence of a bonus *share* issue or *share* dividend distribution must be taken into account as *long positions* when calculating a *net short position*.
- (2) *Shares* received as a consequence of a *share* dividend distribution that a borrower is obligated to return to a lender under the terms of a stock lending agreement must not be included by the borrower when calculating their *net short position*.

Other transactions that may count towards long positions

- 2.13.4 R The reference to transactions which confer a financial advantage in the event of an increase in the price of a *share* in a *long position* in *SSR 2.8.1G(3)(b)* means any exposure to that *share* capital through any one or more of the instruments listed at *SSR 2.14.1R*.

2.14 Financial instruments to be considered in the calculation of long and short positions

- 2.14.1 R Transactions in the following *financial instruments* must be taken into account in the calculation of *short positions* further to *SSR 2.8.1G(2)(b)* and *long positions* further to *SSR 2.8.1G(3)(b)* irrespective of the means of trading used, including transactions executed through manual or automated trading whether on or outside a *trading venue*:
- (1) options;
 - (2) covered warrants;
 - (3) futures;
 - (4) index-related instruments;
 - (5) *contracts for differences*;
 - (6) *shares* or units of *ETFs*;
 - (7) swaps;
 - (8) spread bets;
 - (9) packaged retail or professional investment products;
 - (10) complex derivatives;
 - (11) certificates linked to shares;
 - (12) global depositary receipts; and

- (13) American depositary receipts.
- 2.14.2 R For the purpose of SSR 2.14.1R, it is irrelevant whether a cash settlement or physical delivery of underlying *assets* has been agreed.
- 2.14.3 R In the case of convertible bonds:
- (1) where a convertible bond converts into *shares* that are not yet issued, these must not be included in the *long positions* when calculating a *net short position*;
 - (2) where a convertible bond converts into *shares* which have been issued, these must be included in the *long positions* when calculating a *net short position*; and
 - (3) if a *person* does not know whether the convertible bond converts into *shares* which have been issued, the convertible bond must not be included in the *long position* when calculating a *net short position*.

2.15 Application of SSR 2 where a person carries on management activity

- 2.15.1 R Where a *person* carries on *management activity*, SSR 2.3.1R is to be treated as imposing separate notification requirements with respect to:
- (1) *short selling activity* undertaken as part of its *management activity*; and
 - (2) *short selling activity* which is not undertaken as part of its *management activity*.

Calculation of net short positions for management activity

- 2.15.2 R When calculating the *net short position* in the *issued share capital* of a *company* with *admitted shares*, in respect of its *management activity*, a *person* must:
- (1) include positions of the *funds* and portfolios the management of which has been delegated to it by a third party;
 - (2) exclude positions of the *funds* and portfolios the management of which it has delegated to a third party;
 - (3) calculate the *net short position* in a *company* for each individual *fund* and portfolio that it has under management, irrespective of legal form;
 - (4) include both cash positions and positions held by the individual *fund* through *financial instruments* referred to in SSR 2.14.1R; and

- (5) aggregate, for each *company*, only the *net short positions* held by its *funds* and/or portfolios.
- 2.15.3 R (1) In the case of umbrella structures, the calculation of the *net short position* must take place at the level of the respective sub-*funds*.
- (2) In the case of master-feeder structures, the calculation of the *net short position* must take place at the level of the respective master *fund*.
- 2.15.4 G (1) The aggregation referred to in *SSR 2.15.2R(5)* should take into account positions held at the level of entity, division, unit or department that manages the *fund* or portfolio.
- (2) As only *funds* or portfolios with *net short positions* are to be aggregated in calculating the total *net short position* across a *management entity's management activity*, the *management entity* should not take into account *funds* or portfolios with *net long positions* in a *company*.

Calculation of net short positions for non-management activity

- 2.15.5 R A *person* to whom *SSR 2.15.1R* applies must calculate the *net short position* for *short selling activity* not undertaken as part of its *management activity* in accordance with *SSR 2.4* to *SSR 2.14* and *SSR 2.17* to *SSR 2.19*.
- 2.15.6 G This means a *net short position* would occur when the aggregate *short position* across the non-management activity is greater than the aggregate *long position*.

2.16 Application of SSR 2 with respect to groups

Exemption from the notification requirement in *SSR 2.3.1R* for group members when the group position reaches or exceeds 0.2%

- 2.16.1 R Subject to *SSR 2.16.2R* and *SSR 2.16.3R*, a *person* is not required to notify the *FCA* of a *net short position* in the *issued share capital* of a *company* under *SSR 2.3.1R* where the conditions in (1) to (3) are met:
- (1) the *short selling activity* giving rise to the *net short position* is not *management activity*;
- (2) the *person* is a member of a *group*; and
- (3) the *group's* aggregate *net short position*, calculated in accordance with *SSR 2.16.7R*, has reached or exceeded 0.2% of the *issued share capital* of that *company*.

Requirement for parent undertakings or designated group members to notify group-level net short positions once the group position reaches or exceeds 0.2% of the issued share capital of a company

- 2.16.2 R (1) Subject to (2), the ultimate *parent undertaking* of a *group* which carries on *short selling activity* must notify the *FCA* of the *group's net short position* in the *issued share capital* of a *company*, calculated in accordance with *SSR 2.16.7R*, when any of the circumstances in *SSR 2.3.1R* apply to the *group's aggregate net short position* in that *company*.
- (2) Where a *group* has designated a different member of the *group* to notify the *FCA* for the purposes of (1), this *rule* applies to that *person* instead of the ultimate *parent undertaking*.
- (3) *SSR 2.4* to *SSR 2.14* and *SSR 2.17* to *SSR 2.19* apply to notifications required by (1) as they apply to notifications required by *SSR 2.3.1R*.
- (4) For the purposes of the information specified in *SSR 2 Annex 2R*, the *person* notifying under (1) or (2) must specify under 'Group Notification Status' that the 'position is reported on behalf of a group'.

Requirement on a person to notify the FCA of their net short position even when the FCA is notified of a group-level position reaching or exceeding 0.2%

- 2.16.3 R (1) A *person* must notify the *FCA* of their *net short position* in the *issued share capital* of a *company* when the following circumstances apply:
- (a) the *person* has previously notified the *FCA* of a *net short position* in the *issued share capital* of a *company* that had reached or exceeded 0.2% under *SSR 2.3.1R(1)*;
- (b) the *person* has not since notified the *FCA* that their *net short position* in the *issued share capital* of the *company* has fallen below 0.2% under *SSR 2.3.1R(2)*; and
- (c) a *group-level* notification is made under *SSR 2.16.2R* that their *group's net short position* in the *issued share capital* of that *company* has reached or exceeded 0.2%.
- (2) A *person* must notify under (1) on the same *day* as the notification referred to in (1)(c).
- (3) When notifying under (1), the notification must contain the information specified in *SSR 2 Annex 2R* and must in particular specify:

- (a) the position date as the same position date as that specified in the notification made on behalf of the *group* under (1)(c); and
 - (b) that the position reporting exemption applies because *group*-level position reporting is in effect.
- (4) Other than as specified in (2) and (3), *SSR 2.4* to *SSR 2.14* and *SSR 2.17* to *SSR 2.19* apply to a notification under *SSR 2.16.1R* as they apply to a notification under *SSR 2.3.1R*.

Guidance on *SSR 2.16.1R* to *SSR 2.16.3R*

- 2.16.4 G (1) *SSR 2.16.2R* applies irrespective of whether any *net short positions* in the *issued share capital* of the *company* held by individual members of the *group* would, but for *SSR 2.16.1R*, be individually notifiable.
- (2) The purpose of the notification in *SSR 2.16.3R* is to enable the *FCA* to identify *persons* who:
- (a) had previously notified the *FCA* of a *net short position* in the *issued share capital* of a *company* at or above 0.2% that remains open; and
 - (b) will cease making additional notifications in respect of their open position in that *company* because their position has become subsumed by a *net short position* in that *company* at or above 0.2% calculated at *group* level in accordance with *SSR 2.16.1R*.
- (3) As per *SSR 2.16.3R(2)*, such a *person* must notify this to the *FCA* on the same *day* as the *group*-level notification in relation to the *group*-level position is made under *SSR 2.16.2R*.
- (4) If, following the circumstances in (2), the *group*-level position then falls below 0.2% but that *person*'s position remains at or above that threshold, that *person* must further notify this to the *FCA* under *SSR 2.16.5R* and revert to reporting their individual position to the *FCA* under *SSR 2.3.1R*.
- (5) Unless *SSR 2.16.3R* applies, where a *person*'s *net short position* meets or exceeds 0.2% of the *issued share capital* of a *company* on the same *day* as their *group*'s *net short position* meets or exceeds 0.2% of the *issued share capital* of that *company*, only a *group*-level position must be notified because:

- (a) with respect to a *person's* individual notification requirement under *SSR 2.3.1R*, the conditions in *SSR 2.16.1R* are met; and
 - (b) a notification on behalf of the *group* needs to be made because the circumstances in *SSR 2.16.2R* apply to the *group-level* position.
- (6) Even if a *person* is not required to notify under *SSR 2.16.1R*, it will still be necessary for them to calculate *net short positions* on an ongoing basis given the *group-level* position may fall below 0.2% of the *issued share capital* of the *company* concerned.

Requirement to notify the FCA of an individual net short position over 0.2% in the issued share capital of a company when the group-level position falls below 0.2%

- 2.16.5 R Where a *group's* aggregate *net short position* in the *issued share capital* of a *company* falls below 0.2% but the individual *net short position* of a *person* within the *group*, with respect to the same *company*, reaches or exceeds 0.2%, that *person* must notify the *FCA* of their *net short position* under *SSR 2.3.1R(1)* as follows:
- (1) on the same *day* as the *day* on which a notification is made on behalf of the *group* under *SSR 2.16.2R* that the circumstances in *SSR 2.3.1R(2)* apply to the *group's net short position*; and
 - (2) for the purposes of *SSR 2 Annex 2R*, specifying the position date as the same position date as that specified in the notification made on behalf of the *group* under *SSR 2.16.2R*.
- 2.16.6 G Where the *person* to whom *SSR 2.16.5R* applies is also the *person* responsible for reporting at a *group* level under *SSR 2.16.2R*, they will accordingly need to make 2 notifications on the same *day*:
- (1) a notification under *SSR 2.16.2R* in respect of the *group-level* position falling below 0.2%; and
 - (2) a notification under *SSR 2.3.1R* and *SSR 2.16.5R* in respect of their individual position being at or above 0.2%.

Calculation of net short positions within groups, in respect of activity other than management activity

- 2.16.7 R An aggregate *net short position* in the *issued share capital* of a *company* held by a *group* is calculated as follows:
- (1) each *person* within a *group* calculates their individual *short position* and *long position* in the *issued share capital* of the *company* in

accordance with *SSR 2*, excluding their positions held by virtue of carrying on *management activity*; and

- (2) the individual *short positions* and *long positions* are then aggregated and netted to arrive at the *group net short position*.

Management entities within groups

- 2.16.8 G *Persons* carrying on *management activity* within *groups* must separately calculate their *net short position* in respect of *management activity* in accordance with *SSR 2.15*.

2.17 Requirements for calculating net short positions held through ETFs, baskets and indices

- 2.17.1 R (1) Subject to *SSR 2.17.4R*, any transaction that confers a financial advantage in the event of a change in the price or value of an *admitted share* held as part of a basket, index or *ETF* must be included when calculating the position in the *admitted share*.
- (2) Positions in these *financial instruments* must be calculated taking into account the weight of that *share* in the underlying basket, index or *ETF*.
- 2.17.2 R When calculating *net short positions* in *shares* held indirectly by a *person* through baskets, indices, or units of an *ETF*, a *person* must act reasonably having regard to publicly available information on the composition of the relevant index, the basket of securities or the interests held by the relevant *ETF*.
- 2.17.3 G (1) The *person* is not required to obtain real-time information on the composition or weightings of an index, basket of securities or *ETF*, to the extent that it is not readily accessible free of charge.
- (2) *Persons* should instead use the most recent publicly available information for look-through purposes. Such information, notably on indices, is generally available free of charge when provided with a certain delay.
- 2.17.4 R Where a *person* holds units of an *ETF* which is managed on a discretionary basis, that *person* is not required to account for positions in the *shares* held as part of that *ETF* as these will be included in the calculation and notification performed by the *management entity* that has made the relevant investment decisions in accordance with *SSR 2.15.1R*.
- 2.17.5 R Where a *person* holds units of an *ETF* which is managed on a passive basis, that *person* is required to account for the positions in the *shares* held as part of that *ETF*.

- 2.17.6 G In accordance with *SSR 2.17.5R*, where an *ETF* is managed on a passive basis, the *person* holding the units in the *ETF*, and not the manager, is treated as having made the relevant investment decision in the underlying *shares*.
- 2.17.7 R Where a *person* makes an investment decision to *short sell* units of an *ETF* so as to adopt a contrary position to that of *persons* holding units of the *ETF*, that *person* is required to account for the resulting position when calculating their *net short position*, regardless of whether the *ETF* is managed by a *management entity*.

2.18 Requirements for calculating net short positions: delta-adjusted methodology for all instruments

- 2.18.1 R (1) In accordance with *SSR 2.8.2R*, a *person* must account for any position in a *financial instrument* on a delta-adjusted basis when calculating their *net short position*.
- (2) To calculate a *net short position* including equity or cash investments and derivatives, a *person* must calculate the individual delta-adjusted position of every derivative that is held in the portfolio, adding or subtracting all cash positions as appropriate.
- (3) For the purpose of (1):
- (a) any cash positions must have a delta of 1;
- (b) to calculate the delta of a derivative, the *person* must take into account the current implied volatility of the derivative and the closing price or last price of the underlying instrument; and
- (c) the *person* must calculate *net short positions* by netting long and short delta-adjusted positions in a given *company*.
- (4) A *person* must ensure that the same methods are used for calculating both *long positions* and *short positions* in relation to the same *shares*.
- (5) A nominal cash *short position* must not be offset by an equivalent nominal *long position* taken in derivatives.
- (6) A delta-adjusted *long position* in derivatives may not compensate an identical nominal *short position* taken in other *financial instruments* due to the delta adjustment.
- (7) A *person* that enters into derivatives contracts giving rise to *net short positions* that must be notified in accordance with *SSR 2.3.1R* must calculate changes to a *net short position* in their portfolio arising from changes in the delta.

2.19 Record retention and position verification

Position recording requirements

- 2.19.1 R A *person* who has a *net short position* notifiable in accordance with *SSR 2.3.1R* must keep, for a period of 5 years, records of the gross positions which make up that *net short position*.
- 2.19.2 G The *FCA* may request additional information from *persons* on the purpose and nature of their *net short positions* and their compliance with *SSR* (including covering arrangements) to support the *FCA*'s monitoring of the impact of *short selling activity* on the functioning of the *UK* market, pursuant to regulation 25(1) of the *Short Selling Regulations 2025*.

2 Annex 1 List of fields and information to be included for Position Holder Registration purposes

2 Annex 1 R
1

Field identifier	Description
Full company or individual name	The full legal name of a company as it is registered, where it is incorporated, or full individual name.
Firm Reference Number (FRN)*	The identification code issued to registered firms by the FCA, if available.
Legal Entity Identifier (LEI)*	The identification code used to differentiate separate legal entities, if available.
Bank Identification Code (BIC)*	The code used to identify different financial institutions, if available.
Address of the position holder	Address of position holder, including street, city, state/province, ZIP/postal code and country.
Contact details of the position holder	Telephone number and email address.
Name of contact or reporting person	First and last name of the contact or reporting person.
Contact details of the contact or reporting person	Direct line telephone number, not a switchboard number.

	Individual work email address, not a group or consolidated email address.
* If applicable, depending on the legal status of the position holder	

2 Annex List of fields and information to be included for Position Notification purposes

2 Annex R
2

Field identifier	Description
Position holder name	For natural persons: the first name and the last name. For legal persons: the full name including legal form as provided for in the register where it is incorporated, if applicable.
Full name of the share issuer	The full name of the company that has shares admitted to trading on a trading venue.
Issuer ISIN code	The ISIN of the issuer's main class of ordinary share as specified by the reportable shares list. If there are no ordinary shares admitted to trading, the ISIN of the class of preference shares (or of the main class of preference shares admitted to trading if there are several classes of such shares).
Position date	The date on which a reportable position was created, changed, or ceased to be held.
Net short position in percentage of issued share capital	The percentage (abridged to 2 decimal places) of the issued share capital.
Number of equivalent shares	The number of shares that the net short position represents.
Group notification status	This is a drop-down menu with 3 options: 'position is reported on behalf of a group', 'position reporting exemption applies because group position reporting is in effect' or 'N/A'.

2 Annex List of fields and information to be included for Position Notification
3 Correction purposes

2 Annex R

3

Field identifier	Description
Position holder name	For natural persons: the first name and the last name. For legal persons: full name including legal form as provided for in the register where it is incorporated, if applicable.
Full name of the share issuer	The full name of the company that has shares admitted to trading on a trading venue.
Issuer ISIN code	The ISIN of the issuer's main class of ordinary share as specified by the reportable shares list. If there are no ordinary shares admitted to trading, the ISIN of the class of preference shares (or of the main class of preference shares admitted to trading if there are several classes of such shares).
Position date	Position date of the date of the notification being amended.
Net short position in percentage of issued share capital	The percentage (abridged to 2 decimal places) of the issued share capital contained in the notification being amended.
Number of equivalent shares	The number of shares that the net short position represents.
Amendments	Details to be amended to correct the position.
Date of the amendment	Date when the notification is corrected.
Comments	Free text – reason for correction.
Group notification status	This is a drop-down menu with 3 options: 'position is reported on behalf of a group', 'position reporting exemption applies because group position reporting is in effect' or 'N/A'.

2 Annex List of fields and information to be included for Position
4 Notification Cancellation purposes

2 Annex R
4

Field identifier	Description
Position holder name	For natural persons: the first name and the last name. For legal persons: the full name including legal form as provided for in the register where it is incorporated, if applicable.
Issuer full name	The full name of the company that has shares admitted to trading on a trading venue.
Issuer ISIN code	The ISIN of the issuer's main class of ordinary share as specified by the reportable shares list. If there are no ordinary shares admitted to trading, the ISIN of the class of preference shares (or of the main class of preference shares admitted to trading if there are several classes of such shares).
Position date	Position date of the date of the notification being cancelled.
Net short position in percentage of issued share capital	The percentage (abridged to 2 decimal places) of the issued share capital contained in the notification being cancelled.
Number of equivalent shares	The number of shares that the net short position being cancelled represents.
Cancellation date	Date when the notification is cancelled.
Comments	Free text – reason for cancellation.

3 Covering requirements

3.1 Application

3.1.1 R The *rules* in this chapter apply to a *person* entering into a *short sale* of an *admitted share* anywhere in the world:

- (1) whether the *person* is domiciled or established within the *United Kingdom* or in a *third country*; and

- (2) regardless of:
 - (a) where the *short sale* takes place; and
 - (b) whether the *short sale* takes place on or outside a *trading venue*.
- 3.1.2 R The *rules* in this chapter do not apply in respect of an *admitted share* for which:
 - (1) the *FCA* has disapplied these *rules* in respect of that *admitted share* in accordance with *SSR 4*; or
 - (2) the *market maker exemption* or *stabilisation exemption* under *SSR 5* applies to *market making activities* carried out by a *person* in respect of that *admitted share*.
- 3.1.3 G The requirement to cover *short sales* of *admitted shares* in *SSR 3.3.1R* relates only to *admitted shares*. Transactions in instruments which give claims as to as yet unissued *shares* such as subscription rights and convertible bonds, for example performed as part of a capital increase, are not subject to the covering requirements in this chapter.
- 3.1.4 G For the purposes of *SSR*, the covering requirements in this chapter do not apply to *short sales* of global depository receipts, American depository receipts or *ETFs* as they are not *shares*.
- 3.1.5 G The *admitted shares* in respect of which the *rules* and *guidance* in this chapter apply are identified on the *reportable shares list*, which is updated in accordance with *SSR 4*.
- 3.1.6 G *Guidance* on the meaning of *short sale* is contained in *SSR 2.12*.

3.2 Purpose

- 3.2.1 G The purpose of this chapter is to set out *rules* made in accordance with regulation 5(2) of the *Short Selling Regulations 2025*:
 - (1) requiring a *person* entering into a *short sale* of an *admitted share* to make arrangements, such as borrowing the *admitted share* or entering into an agreement or arrangement to borrow the *admitted share*, to ensure or create a reasonable expectation that settlement of those transactions can be effected when due; and
 - (2) about the type or features of an agreement or arrangement that satisfy such a requirement.

3.3 Arrangements for covering short sales so settlement can be effected when due

3.3.1 R A *person* may enter into a *short sale* of an *admitted share* only where one of the following conditions is fulfilled:

- (1) the *person* has:
 - (a) borrowed the *admitted share*; or
 - (b) made alternative provisions resulting in a similar legal effect so that settlement of the *short sale* can be effected when due;
- (2) the *person*:
 - (a) has entered into an agreement to borrow the *admitted share*; or
 - (b) has another absolutely enforceable claim under contract or property law to be transferred ownership of a corresponding number of securities of the same class so that settlement of the *short sale* can be effected when it is due; or
- (3) the *person* has an arrangement with a third party, as defined in SSR 3.5.7R, under which that third party has confirmed that:
 - (a) the *admitted share* has been located; and
 - (b) the third party has taken measures in relation to other third parties necessary for the *person* to have a reasonable expectation that settlement of the *short sale* can be effected when it is due.

3.3.2 G *Persons* carrying out the *short sale* should fulfil the conditions for the agreements or arrangements in SSR 3.3.1R themselves, which may involve the *person* entering into an agreement or arrangement with another *person* within the same *group*. SSR 3.3.1R cannot be complied with by a *person* relying on an agreement or arrangement entered into by another *person* within the same *group*.

3.4 Arrangements to borrow and other arrangements under SSR 3.3.1R(2)

3.4.1 R For the purposes of SSR 3.3.1R(2), an agreement to borrow or other enforceable claim must be any of the following types of agreement, contract or claim, which are legally binding for the duration of the *short sale*:

- (1) futures and swap contracts:
 - (a) leading to a physical settlement of the relevant *admitted shares*;

- (b) covering at least the number of *admitted shares* proposed to be *sold short*;
 - (c) entered into prior to, or at the same time as, the *short sale*; and
 - (d) specifying a delivery or expiration date so that settlement of the *short sale* can be effected when it is due;
- (2) options contracts:
- (a) leading to a physical settlement of the relevant *admitted shares*;
 - (b) covering at least the number of *admitted shares* proposed to be *sold short*;
 - (c) entered into prior to, or at the same time as, the *short sale*; and
 - (d) specifying an expiration date so that settlement of the *short sale* can be effected when it is due;
- (3) repurchase agreements:
- (a) covering at least the number of *admitted shares* proposed to be *sold short*;
 - (b) entered into prior to, or at the same time as, the *short sale*; and
 - (c) specifying a repurchase date so that settlement of the *short sale* can be effected when it is due;
- (4) standing agreements or rolling facilities:
- (a) entered into prior to, or at the same time as, the *short sale*, of a predefined amount of specifically identified *admitted shares*;
 - (b) for the duration of the *short sale* covering at least the number of *admitted shares* proposed to be *sold short*; and
 - (c) specifying a delivery or execution date so that settlement of the *short sale* can be effected when it is due.
- (5) agreements relating to subscription rights:
- (a) where the *person* is already in possession, or by the time of the *short sale* will be in possession, of rights to subscribe

for new *admitted shares* of the same *company* and of the same class;

- (b) covering at least the number of *admitted shares* proposed to be *sold short*; and
 - (c) provided that the *person* is entitled to receive the *admitted shares* on or before settlement of the *short sale* so that settlement of the *short sale* can be effected when it is due; or
- (6) other claims or agreements leading to delivery of the *shares* which:
- (a) are agreements or claims which cover at least the number of *admitted shares* proposed to be *sold short*;
 - (b) are entered into prior to, or at the same time as, the *short sale*; and
 - (c) specify a delivery or execution date that ensures settlement of the *short sale* can be effected when it is due.

- 3.4.2 G (1) Claims to *shares* that are not yet issued (for example, subscription rights, convertible bonds and placements) may only cover a *short sale* if the newly *admitted shares* will be made available so that settlement of the *short sale* can be effected when due, for example where the concerned rights or convertible bonds can be converted into *admitted shares* that would be made available so that settlement of the *short sale* can be effected when it is due.
- (2) Rights to subscribe for new *admitted shares* cannot be used to cover a *short sale* in accordance with SSR 3.4.1R(5) where, at the time when the *short sale* is entered into, there is uncertainty as to whether the new *admitted shares* subscribed for will be available for settlement of the *short sale* in due time. That would be the case at least where:
- (a) the final details of the capital increase are not yet known;
 - (b) it is not certain that the new *admitted shares* resulting from the capital increase are fungible with the existing *admitted shares sold short*;
 - (c) there is uncertainty as to whether a sufficient number of new *admitted shares* will be allocated to the subscriber that undertakes the *short sale* of the existing *admitted shares*; or
 - (d) the delivery of the new *admitted shares* in the context of the concerned capital increase cannot be effective before or

on the date of settlement of the *short sale* of the existing *admitted shares*.

Guidance on rolling repurchase agreements

- 3.4.3 G In relation to SSR 3.4.1R(3), the resulting *short positions* may exist well after the *short sale* has been settled. Nothing precludes the rolling of the repurchase agreement after the *short sales* have been executed and settled.

3.5 Arrangements with third parties under SSR 3.3.1R(3)

- 3.5.1 R The following arrangements are required to meet the conditions of SSR 3.3.1R(3):

Standard Locate Arrangements

- (1) Where the settlement of the *short sale* is not undertaken on the same *day* as the proposed *short sale*, and where (3) does not apply, a third party must, before the *short sale* is entered into, have given to the *person* entering into the *short sale*:
- (a) a locate confirmation confirming that it considers that it can make the *admitted shares* available for settlement in due time taking into account the amount of the possible sale and market conditions, indicating the period for which the *admitted share* is located; and
 - (b) a put on hold confirmation confirming that it has at least put on hold the requested number of *admitted shares* for that *person*;

Standard Same Day Locate Arrangements

- (2) Where settlement of the *short sale* is to be undertaken on the same *day* as the proposed *short sale*, each of the following is required:
- (a) subject to SSR 3.5.2R, a request for confirmation must be made by the *person* entering into the *short sale* to the third party which states that *person's* intention that the *short sale* will be covered by purchases during the *day* on which the *short sale* takes place;
 - (b) the third party must, prior to the *short sale* being entered into, have given to the *person* entering into the *short sale*:
 - (i) a locate confirmation that confirming that the third party considers that it can make the *admitted shares* available for settlement in due time taking into account the amount of the possible sale and market conditions, indicating the period for which the *admitted shares* are located; and

- (ii) an easy to borrow or purchase confirmation confirming that either:
 - (A) the *admitted share* is easy to borrow or purchase in the relevant quantity taking into account the market conditions and other information available to that third party on the supply of the *admitted shares*; or
 - (B) in absence of a confirmation in (A), the third party has at least put on hold the requested number of *admitted shares* for the *person*; and
- (c) the *person* proposing to enter into the *short sale* must have given an undertaking to the third party:
 - (i) to monitor the amount of the *short sale* not covered by purchases; and
 - (ii) that, in the event that executed *short sales* are not covered by purchases in the same *day*, the *person* will promptly send an instruction to the third party to procure the *admitted shares* to cover the *short sale* so that settlement of the *short sale* can be effected when it is due.

Easy to borrow or purchase arrangements

- (3) Where the *person* is entering into a *short sale* of *admitted shares* that meet the liquidity requirements established in Article 1 of Commission Delegated Regulation (EU) No 1017/567 or successor legislation, or of other *admitted shares* that are included in the FTSE 100 and are the underlying *financial instrument* for a derivative contract *admitted to trading* on a *trading venue*, the following is required:
 - (a) the third party must have, prior to the *short sale* being entered into, given to that *person*:
 - (i) a locate confirmation confirming that the third party considers that it can make the *admitted shares* available for settlement in due time taking into account the amount of the possible sale and market conditions, indicating the period for which the *admitted share* is located; and
 - (ii) an easy to borrow or purchase confirmation confirming that either:

- (A) the *admitted share* is easy to borrow or purchase in the relevant quantity taking into account the market conditions and other information available to that third party on the supply of the *admitted shares*; or
 - (B) in absence of a confirmation in (A), the third party has at least put on hold the requested number of *admitted shares* for the *person*; and
- (b) the *person* proposing to enter into the *short sale* must have given an undertaking to the third party that, when executed *short sales* will not be covered by purchases or borrowing, a prompt instruction will be sent by the *person* instructing the third party to procure the *admitted shares* to cover the *short sale* so that settlement of the *short sale* can be effected when it is due.

Modification of the requirement in SSR 3.5.1R(2)(a) to make a request for confirmation where a put on hold has been obtained

- 3.5.2 R A request for confirmation under SSR 3.5.1R(2)(a) is not required where a *person* has obtained from a third party a put on hold confirmation under SSR 3.5.1R(2)(b)(ii)(B).

Guidance on using an easy to borrow or purchase list as an easy to borrow or purchase confirmation

- 3.5.3 G (1) An easy to borrow or purchase list provided by a third party would only be considered an easy to borrow or purchase confirmation under SSR 3.5.1R(2)(b)(ii) or (3)(a)(ii) where, for each *admitted share* in the list, it provides an assessment of:
- (a) the amount of the *admitted share* that is available; and
 - (b) the market conditions at the time of providing the list, including the liquidity of the *admitted share* concerned, and any other information available on the supply of the *admitted share*.
- (2) For the list referred to in (1) to be used as an easy to borrow or purchase confirmation for subsequent *short sales*, the assessment in (1) has to be reviewed to consider the relevant quantity and any change in the market conditions.
- 3.5.4 G Third parties should update the market, such as updating the easy to borrow or purchase list referenced in SSR 3.5.3G, if there is a significant change to the availability of *shares* previously notified, where the changes mean that the third party may be less likely than previously implied to be able to obtain

and deliver those *shares* for the purposes of covering a transaction under *SSR 3.3.1R(3)*.

- 3.5.5 G For the purposes of *SSR 3.3.1R(3)*, the arrangements in *SSR 3.5.1R* are less appropriate for illiquid *shares*, given it may not be reasonable to rely on such arrangements for illiquid *shares* which may be more difficult to obtain.
- 3.5.6 G For the purposes of *SSR 3.5.1R(3)*, the *FCA* treats the FTSE 100 index as the main national equity index of the *UK*.

Third parties

- 3.5.7 R For the purpose of *SSR 3.3.1R(3)*, the third party must be one of the following:
- (1) an *investment firm* which meets the requirements set out in *SSR 3.5.8R*;
 - (2) a central counterparty which clears the relevant *admitted shares*;
 - (3) a securities settlement system as defined under the [Financial Markets and Insolvency \(Settlement Finality\) Regulations 1999 \(SI 1999/2979\)](#) which settles payments in respect of the relevant *admitted shares*;
 - (4) a *central bank* that accepts the relevant *admitted shares* as collateral or conducts open market or *repurchase transactions* in relation to the relevant *admitted shares*;
 - (5) any other *person* who is subject to authorisation or registration requirements in accordance with the *Act* and meets the requirements set out in *SSR 3.5.8R*;
 - (6) a *person* established in a *third country* who is authorised or registered and is subject to supervision by an authority in that *third country* and who meets the requirements set out in *SSR 3.5.8R*, provided that the *third country* authority is a party to an appropriate cooperation arrangement concerning exchange of information with the *FCA*;
- 3.5.8 R For the purposes of *SSR 3.5.7R(1)*, (5) and (6), the third party must be one that:
- (1) participates in the management of borrowing or purchasing of relevant *admitted shares*;
 - (2) provides evidence of such participation; and
 - (3) is able, on request, to provide evidence, including statistical evidence, of its ability to deliver, or process the delivery of,

admitted shares on the dates it commits to do so to its counterparties.

3.6 Record keeping

- 3.6.1 R A *person* who enters into the *short sale* of an *admitted share* must ensure that evidence of the existence of:
- (1) an agreement, contract or claim under *SSR 3.3.1R(2)*; or
 - (2) arrangements, confirmations and instructions under *SSR 3.3.1R(3)*,
- is provided in a *durable medium* and kept unaltered, accessible and retrievable for 5 years from the date the borrowing or locate arrangements are entered into.
- 3.6.2 G For the purposes of *SSR 3.6.1R*, telephone call registrations are considered an adequate *durable medium*.

4 Reportable shares list

4.1 Purpose

- 4.1.1 G The purpose of this chapter is to:
- (1) set out *rules* and *guidance* as to the circumstances in which the *FCA* may determine that the requirements imposed by the *rules* in *SSR 2* and *SSR 3* do not apply in relation to an *admitted share* or a description of such *admitted shares* further to regulation 8(1)(a) of the *Short Selling Regulations 2025*;
 - (2) set out *rules* and *guidance* relating to the *FCA*'s procedure for reviewing and updating these determinations; and
 - (3) provide *guidance* to market participants on how the *FCA* exercises its function under regulation 8(4) of the *Short Selling Regulations 2025* to publish and keep updated a list of *admitted shares* in relation to which *rules* and *guidance* in *SSR 2* and *SSR 3* apply – namely, the *reportable shares list*.

Reportable shares list

- 4.1.2 G The *admitted shares* in relation to which *SSR 2* and *SSR 3* apply will be included in the *reportable shares list* published by the *FCA*, in accordance with regulation 8(4) of the *Short Selling Regulations 2025*. The *admitted shares* for which the *FCA* has made a determination that the *rules* and *guidance* in *SSR 2* and *SSR 3* do not apply under this chapter will not be included on the *reportable shares list*.
- 4.1.3 G The *reportable shares list* will include the *ISIN* of each class of *admitted share* issued by a *company* and denote which of these is the main class of

ordinary *share* for the purpose of identifying the *admitted shares* in the notifications required under *SSR 2*.

- 4.1.4 G (1) For the purposes of *SSR 2*, the *reportable shares list* can be relied upon to identify the *companies* in relation to which *persons* are required to calculate and notify their *net short positions*. The *reportable shares list* will identify the *admitted shares* of those *companies*.
- (2) For the purposes of *SSR 3*, the *reportable shares list* can be relied upon to identify the *admitted shares* in relation to which the covering requirements apply.
- 4.1.5 G (1) Where the *FCA* determines to disapply the *rules* under *SSR 4.2* relating to an *admitted share* that is on the *reportable shares list*, that decision will be made to take effect on the *day* the relevant *admitted share* is removed from the *reportable shares list*.
- (2) Where the *FCA* determines to a revoke a disapplication decision under *SSR 4.2*, that decision will be made to take effect on the *working day* the relevant *admitted share* is added to the *reportable shares list*.

4.2 Determination of the application of *SSR 2* and *SSR 3* to an admitted share

- 4.2.1 G The *FCA* will determine whether the *rules* and *guidance* in *SSR 2* and *SSR 3* apply in relation to the *admitted shares* of a *company* in accordance with *SSR 4.2.3R* and *SSR 4.2.4R*.
- 4.2.2 G When determining whether the *rules* and *guidance* in *SSR 2* and *SSR 3* do not apply in relation to the *admitted shares* of a *company*, the *FCA* will consider:
- (1) first, the *principal country* of the *admitted share* as determined in accordance with *SSR 4.2.6R* to *SSR 4.2.13R*; and
- (2) second, whether the *admitted share* is of significant importance to the *UK* market, having regard to the factors set out in *SSR 4.2.14R*.

Disapplication of rules for shares which are principally traded outside the UK

- 4.2.3 R (1) The *FCA* will determine that the *rules* and *guidance* in *SSR 2* and *SSR 3* do not apply in relation to *admitted shares* where their *principal country* is not the *UK*, subject to (2).
- (2) The *FCA* may determine that the *rules* and *guidance* in *SSR 2* and *SSR 3* still apply in the circumstances set out in (1) where it considers the *admitted shares* are nevertheless of significant importance to the *UK* market, having regard to the factors set out in *SSR 4.2.14R*.

Disapplication of rules for shares which are principally traded in the UK but that are not of significant importance to the UK market

- 4.2.4 R (1) The *FCA* may determine that the *rules* and *guidance* in *SSR 2* and *SSR 3* do not apply in relation to *admitted shares* where their *principal country* is the *UK* if the *admitted shares* are not considered of significant importance to the *UK* market, having regard to the factors set out in *SSR 4.2.14R*.
- (2) In making a determination under (1), the *FCA* may also have regard to whether the rules of the relevant *third country* achieve similar outcomes to the *rules* in *SSR 2* and *SSR 3*.
- 4.2.5 G Where the *FCA* considers the rules of the relevant *third country* of an *admitted share* under *SSR 4.2.4R(2)* and assesses that they produce similar outcomes to the *rules* in *SSR 2* and *SSR 3*, the *FCA* may be more likely to determine that a *share* whose *principal country* is the *UK* but is not of significant importance to the *UK* should be exempt. However, this will not in and of itself be a decisive factor.

Determination of principal country

- 4.2.6 R Where the *admitted shares* of a *company* are *admitted to trading* on a *UK trading venue* only, and not *admitted to trading* on a *trading venue* in a *third country*, the *UK* will be the *principal country* of those *admitted shares*.
- 4.2.7 G For a *company* with *admitted shares* where at least one class is also *admitted to trading* on a *trading venue* in a *third country*, the *FCA* will consider the collective *trading volume* of the *admitted shares* to determine the *principal country* of the *company's admitted shares* in their totality.

Determination of principal country for trading of an admitted share admitted to trading in multiple jurisdictions

- 4.2.8 R (1) Where *admitted shares* are *admitted to trading* in at least one *third country*, the *FCA* will determine the *principal country* based on the aggregated *trading volume* of the *company's admitted shares* across all *trading venues* in each country or territory where its *admitted shares* are *admitted to trading*.
- (2) In the circumstances in (1), the *principal country* is the country or territory where the *admitted shares* have the highest aggregated *trading volume*.
- 4.2.9 G (1) When determining the *trading volume* of *admitted shares* for the purpose of establishing the *principal country*, the *FCA* will use a range of relevant information, which may include:
- (a) publicly available information;

- (b) transaction data obtained under Article 26 of the *UK* version of Regulation (EU) No 600/2014 or any successor provision;
 - (c) information from *trading venues* where *admitted shares* are *admitted to trading*;
 - (d) information provided by the supervisory authority of a *third country* which exercises functions equivalent to those exercised by the *FCA* under the *Short Selling Regulations 2025*;
 - (e) information provided by the *company* issuing the *admitted share*; and
 - (f) information from other third parties, including data providers.
- (2) In determining which information to use, the *FCA* will, so far as is reasonably possible:
- (a) use publicly available information, alongside data provided by *trading venues*, in preference to information from other sources;
 - (b) confirm that the information covers all trading sessions during the relevant period, irrespective of whether the *admitted share* traded during all of those sessions;
 - (c) confirm that transactions received and included in calculations are counted only once; and
 - (d) exclude transactions reported through a *trading venue* but executed outside that *trading venue*.

Calculation period for the purposes of determining the principal country

- 4.2.10 R To determine the *principal country*, the *trading volume* of *admitted shares* will be calculated over a period of 2 years.

The *FCA*'s biennial assessment of the principal country

- 4.2.11 G The *FCA* will assess the *principal country* of a *company's admitted shares* every 2 years, in accordance with the timing in *SSR 4.2.15G*.

Calculation period for an admitted share being admitted to trading part way through a 2-year period

- 4.2.12 G When an *admitted share* becomes *admitted to trading* in a *third country* part way through a 2-year calculation period set out in *SSR 4.2.15G*, the calculation period for the *trading volume* of that *share* will nevertheless be the full 2-year calculation period. For example, in respect of the 1 January

2026 to 31 December 2027 calculation period referred to in *SSR 4.2.15G(4)*, if a *share*, which was already an *admitted share* in the *UK* prior to the start of the calculation period, also becomes *admitted to trading* in a *third country* on 1 February 2027, the calculation period for *trading volume* will still be 1 January 2026 to 31 December 2027 and not 1 February 2027 to 31 December 2027.

Calculation for an admitted share ceasing to be admitted part way through a 2-year period

- 4.2.13 R The *trading volume* of an *admitted share* on a *trading venue* in a given country or territory will be deemed to be zero where the *share* is no longer *admitted to trading* on any *trading venue* in that *country or territory* even if the *share* was *admitted to trading* in that country or territory during the calculation period.

Determining whether an admitted share is of significant importance to the UK market

- 4.2.14 R When determining whether *admitted shares* are of significant importance to the *UK* market, the *FCA* may consider the following information in respect of the *company* that issued the *admitted share*:
- (1) whether the *company* is based (ie, headquartered/incorporated) in the *UK*;
 - (2) whether the *company* has a primary listing in the *UK* (ie, whether the *company* was first *listed* on a *UK trading venue*);
 - (3) whether the *company* is included in the *UK* FTSE 100 index or any other *UK* main equity index;
 - (4) whether the *company* is authorised or regulated by the *FCA* or any other *UK* regulator;
 - (5) whether the *admitted share* has significant *trading volume* on *UK trading venues*; and
 - (6) whether the *company* provides services that are important to the *UK* market and economy.

Assessment of admitted shares every 2 years

- 4.2.15 G (1) The *FCA* will review whether to make a determination, or to revoke a determination previously made, as to whether *SSR 2* and *SSR 3* apply, in respect of each *admitted share*, every 2 years.
- (2) Any determinations following the review in (1) will be made to take effect on 1 April (or, if 1 April is not a *working day*, the next *working day*) following the calculation period set out in (3) below, except for the initial determination, which will be made following

the calculation period in (4) to take effect on the date specified in (5).

- (3) The calculation period is the 2 calendar years following the initial calculation period referred to in (4), such as 1 January 2026 to 31 December 2027, and so on.
- (4) The calculation period for the *FCA's* initial assessment of the *principal country* for each *admitted share* for the purposes of *SSR* will be from 1 January 2024 to 31 December 2025.
- (5) In respect of the first calculation period (1 January 2024 to 31 December 2025), any determination to disapply the *rules* and *guidance* in *SSR 2* and *SSR 3* will be made to come into effect when the *FCA* publishes the *reportable shares list* on 13 July 2026 (see *SSR 4.3.1R(2)*).
- (6) The 'calculation period' is the 2-year period used to calculate the *principal country* of an *admitted share*.

Further reviews

- 4.2.16 G In addition to the reviews every 2 years referred to in *SSR 4.2.15G*, the *FCA* reserves the right to review determinations, make further determinations or revoke prior determinations made under *SSR 4.2* as appropriate.

4.3 Arrangements for updating and publishing the reportable shares list

- 4.3.1 R (1) The *reportable shares list* will be updated every 2 years on 1 April following the *FCA's* determination every 2 years under *SSR 4.2.15G(2)*, except for the first *reportable shares list*.
- (2) The first *reportable shares list* reflecting the determinations referred to in *SSR 4.2.15G(5)* will be published on 13 July 2026.
- (3) The *reportable shares list* will also be updated on the first *working day* of each *month* following a *share* becoming, or ceasing to be, an *admitted share* or following any further determinations or revocations made by the *FCA* in accordance with *SSR 4.2.16G*.
- (4) In addition to the monthly updates referred to in (3), the *FCA* may update the *reportable shares list*, on an ad hoc basis in exceptional circumstances, as a result of further determinations or revocations made by the *FCA* in accordance with *SSR 4.2.16G*.
- 4.3.2 G The *FCA* will publish the *reportable shares list* on the short selling section of the *FCA* website in a downloadable, machine-readable and electronic format in line with the template specified in *SSR 4 Annex 1G*.
- 4.3.3 G *Persons* can contact the *FCA* if they consider that an *admitted share* should or should not be included in the *reportable shares list*, including where they have information on whether a *share* is *admitted to trading* on a *trading*

venue, or information on the *trading volume* on a *trading venue*. The contact point for such queries is specified on the short selling section of the *FCA* website.

4 Reportable shares list template

Annex 1

4 G Template for the reportable shares list referred to in SSR 4.3.2G

Annex 1

Reportable shares list			
Share international securities identification number (ISIN)	Company name	Date added	Class of share (main or other class of share)

5 Market maker and stabilisation exemptions

5.1 Application

5.1.1 G This chapter provides an exemption from *SSR 2.3.1R* and *SSR 3.3.1R* where:

- (1) *short selling activity* is performed due to *market making activities* in accordance with *SSR 5.4.1R*; or
- (2) a *person* carrying out a *stabilisation*:
 - (a) enters into a *short sale* of an *admitted share*; or
 - (b) has a *net short position*.

5.2 Purpose

5.2.1 G This chapter sets out *rules* and *guidance* relating to the exemptions available for *market making activities* and *stabilisation* in accordance with regulation 9(1) of the *Short Selling Regulations 2025*.

5.3 The stabilisation exemption

- 5.3.1 R *SSR 2.3.1R and SSR 3.3.1R do not apply to a person who enters into a short sale of an admitted share or has a net short position in relation to the carrying out of a stabilisation in accordance with regulation 5(4) and (5) of the Market Abuse Regulation and Chapter III of the Buy-Back and Stabilisation Regulation.*

5.4 The market maker exemption

- 5.4.1 R Subject to the provisions in this chapter (including in particular *SSR 5.5 and SSR 5.6*), *SSR 2.3.1R and SSR 3.3.1R do not apply to short selling activity when performed due to market making activities*, provided that the *person* performing *market making activities* is:
- (1) an *investment firm, credit institution or overseas entity* (acting as an *investment firm or credit institution* in that jurisdiction); and
 - (2) a member of:
 - (a) a *UK trading venue*; or
 - (b) a *trading venue* in a country or jurisdiction other than the *UK* designated under Part 3 of the *Short Selling Regulations 2025*.
- 5.4.2 G The exemption provided in *SSR 5.4.1R* for the purposes of *SSR* is called the *market maker exemption*.

5.5 Notification requirement for new users or previously prohibited users of the market maker exemption

- 5.5.1 R (1) The *market maker exemption* will not apply unless the *person* intending to use it has first given the *FCA* 15 calendar *days*' notice of their intention to use the *market maker exemption* using the notification template in *SSR 5 Annex 1R*.
- (2) A *person* is not required to give 15 calendar *days*' notice under (1) where that *person* has:
- (a) already notified the *FCA* under (1); and
 - (b) has not subsequently:
 - (i) notified the *FCA* under *SSR 5.7.1R(1)* to remove the *market maker exemption*; or
 - (ii) been prohibited from using the *market maker exemption* under *SSR 5.8.1R*.
- (3) Where the *FCA* receives a notification under (1), the *market maker exemption* will take effect upon either:

- (a) subject to (4), the elapsing of 15 calendar *days* from the date the *FCA* receives a complete notification; or
- (b) the *FCA* issuing a non-objection notice that it will not use its powers to prohibit the use of the *market maker exemption* in *SSR 5.8.1R*,

whichever is the earlier.

- (4) Where the *FCA* has issued a notification proposing to prohibit under *SSR 5.9* in accordance with *SSR 5.8*, the *market maker exemption* will not take effect until it subsequently issues a non-objection notice.

5.5.2 G (1) Further to *SSR 5.5.1R*, having received a complete notification including all the information specified in *SSR 5 Annex 1R*, the *FCA* will consider whether the notifying *person* meets the conditions to utilise the *market maker exemption* under *SSR 5.4.1R* within 15 calendar *days* from the *day* on which the complete notification is received, with a view to determining whether to prohibit the use of the *market maker exemption* by the *person* concerned under *SSR 5.8.1R*.

- (2) If the *FCA* is satisfied that the notification contains the complete information and demonstrates that the conditions of the *market maker exemption* specified in *SSR 5.4.1R* are met, the *FCA* will provide a non-objection notice to the notifying *person* within 15 calendar *days* from the *day* on which the complete notification was received.

- (3) If the *FCA* is not satisfied that the notification submitted in accordance with *SSR 5 Annex 1R* meets the conditions of the *market maker exemption* specified in *SSR 5.4.1R*, the *FCA* will follow the procedure in *SSR 5.9*.

- (4) If the notification submitted is incomplete, the *FCA* will inform the notifying *person* and will consider the notification within the timeframe specified in (1) from the date the missing information is received.

- (5) The *FCA* aims to respond to all notifications as soon as possible. While the *FCA* aims to inform the notifying *person* of its determination within 15 calendar *days* from the *day* on which a complete notification is received, if the *FCA* is satisfied that a notification meets the conditions of the *market maker exemption*, it will provide a written non-objection notice to the notifying *person* before the expiry of 15 calendar *days*.

5.5.3 R A notification under *SSR 5.5.1R(1)* must be submitted to the *FCA* via means specified on the short selling section of the *FCA* website.

5.6 Annual attestation requirement for market maker exemption users

5.6.1 R A *person* who:

- (1) has notified the *FCA* under *SSR 5.5.1R(1)*; and
- (2) has not:
 - (a) notified the *FCA* under *SSR 5.7.1R(1)*; or
 - (b) been prohibited from using the *market maker exemption* under *SSR 5.8.1R*,

must submit to the *FCA* the attestation form in *SSR 5 Annex 2R*.

5.6.2 R A *person* subject to *SSR 5.6.1R* must submit the attestation form in *SSR 5 Annex 2R* annually, by the first *working day* of June.

5.6.3 R An attestation made under *SSR 5.6.2R* must be signed by a senior *person* who is the *person* responsible for the entity's regulatory obligations in relation to *short selling* for its *market making activities*.

5.6.4 G (1) A *person* who intends to submit the attestation form in *SSR 5 Annex 2R* is encouraged to do so ahead of the first *working day* of June.

(2) In accordance with *SSR 5.7.1R(1)(c)* and (2), a *person* who is unsure about whether they meet the conditions of the *market maker exemption* should contact the *FCA* via email to the address specified on the short selling section of the *FCA* website as early as possible.

5.6.5 R An attestation form required under *SSR 5.6.1R* must be submitted to the *FCA* via means specified on the short selling section of the *FCA* website.

5.6.6 G The *FCA* will provide an acknowledgement of receipt to the attesting *person* within 15 calendar *days* from the *day* on which the attestation form in *SSR 5 Annex 2R* was received.

Persons who do not provide an annual attestation

5.6.7 G (1) Where a *person* does not provide an attestation, the *FCA* will take this as an indication that the *person* no longer considers themselves to qualify for the *market maker exemption*.

(2) Without prejudice to any other action available to the *FCA*, where a *person* does not provide an attestation in accordance with *SSR 5.6.1R*, the *FCA* will initiate the process to prohibit use of the *market maker exemption* as set out in *SSR 5.9.1G* and modified by *SSR 5.9.2G*.

5.7 Requirement to notify a change in circumstances and update contact details

- 5.7.1 R (1) A *person* to whom the *market maker exemption* applies must notify the *FCA* as soon as practicable if:
- (a) they no longer need the *market maker exemption*; or
 - (b) they have concluded that they no longer meet the conditions for the *market maker exemption*; or
 - (c) they become aware of changes in their circumstances which may affect their eligibility to meet the conditions for the *market maker exemption*.
- (2) When notifying the *FCA* further to (1)(a), (b) or (c), a *person* must contact the *FCA* via means specified on the short selling section of the *FCA* website.
- 5.7.2 R If a notice under *SSR 5.7.1R(1)(a)* or (b) is submitted, the *market maker exemption* will cease to apply to the notifying *person* upon receipt of the notification by the *FCA*.
- 5.7.3 G The *FCA* will issue a confirmation of receipt of a notification received under *SSR 5.7.1R(1)(a)* or (b).
- 5.7.4 R With respect to a notification under *SSR 5.7.1R(1)(c)*, the *FCA* will consider whether the *person* still qualifies for the *market maker exemption* and will either:
- (1) confirm that, in the *FCA*'s opinion, the *person* concerned still qualifies for the exemption; or
 - (2) confirm that, in the *FCA*'s opinion, the *person* concerned does not qualify for the exemption, and issue a notification proposing to prohibit under *SSR 5.8.1R*.
- 5.7.5 G The *FCA* aims to respond to a notification under *SSR 5.7.1R(1)(c)* within 15 calendar *days* of receipt of the notification.
- 5.7.6 G If a *person* notifying the *FCA* under *SSR 5.7.1R(1)(c)* subsequently considers that they do not qualify for the *market maker exemption* – for instance, on receipt of a notification proposing to prohibit – that *person* should submit a notification under *SSR 5.7.1R(1)(a)* or (b) to terminate the application of the *market maker exemption*.

Updating contact details

- 5.7.7 R A *person* to whom the *market maker exemption* applies must notify the *FCA*, via means specified on the short selling section of the *FCA* website, as soon as practicable when the contact details previously provided by the *person* in *SSR 5 Annex 1R* change.

5.8 Arrangements for the prohibition of market maker exemptions: rejecting notifications or otherwise

- 5.8.1 R The *FCA* may decide to prohibit the use of the *market maker exemption* if it is not satisfied that the *person* using or intending to use the *market maker exemption* satisfies the conditions in *SSR 5.4.1R*.
- 5.8.2 R In deciding whether to prohibit the use of the *market maker exemption*, the *FCA* will consider whether the *person* concerned has adequately responded to information requests under *SSR 5.11.1R*.
- 5.8.3 G The *FCA* may use the power in *SSR 5.8.1R* at any time – including, for example:
- (1) after receipt of notice under *SSR 5.5.1R*;
 - (2) after receipt of notice under *SSR 5.7.1R(1)(c)*;
 - (3) following a thematic review; or
 - (4) following ad hoc supervisory processes, such as an information request under *SSR 5.11.1R*.
- 5.8.4 R The *FCA* may take into account the organisational expectations set out in *SSR 5.10.1G* when satisfying itself that a *person* is capable of meeting the conditions of the *market maker exemption*.
- 5.8.5 R In satisfying itself that the *short selling activity* for which the *market maker exemption* is claimed constitutes *market making activity* within the scope of the exemption, the *FCA* may have regard to the *guidance on market making activities* under *SSR 5.13* to *SSR 5.19*.
- 5.8.6 R When a prohibition decision under *SSR 5.8.1R* is issued to a *person*, the *market maker exemption* will cease to apply with respect to that *person* on the date specified in the notice decision.
- 5.8.7 R If a *person* is prohibited from using the *market maker exemption*, a new notification under *SSR 5.5.1R* would be required to use it subsequently, as set out in *SSR 5.5.1R(2)(b)(ii)*.

5.9 Procedure for using the prohibition power

- 5.9.1 G (1) If the *FCA* considers that a notifying *person* does not satisfy the criteria to use the *market maker exemption*, the *FCA* will inform the notifying *person* via written notice of the reasons why it is proposing to prohibit the notifying *person* from using the *market maker exemption*.
- (2) The notifying *person* will be given the opportunity to make written representations to the *FCA* in response to the notice concerning their use of the *market maker exemption*.

- (3) The *FCA* will decide whether to prohibit the notifying *person's* use of the *market maker exemption*, having regard to the notifying *person's* notification and any written representations. The decision to prohibit the use of the *market maker exemption* will be made by senior staff members of the *FCA* who were not involved in the initial consideration of the notification, and will be communicated to the *person* as a further written notice.
- (4) If the notifying *person* is not satisfied with the *FCA's* decision to prohibit their use of the *market maker exemption*, they may seek a review of the decision. This will be conducted by at least 3 senior staff members of the *FCA*. None of the staff conducting the review will have been connected with the earlier decision taken in respect of the notifying *person's* use of the *market maker exemption*. The outcome of the review will be determined within 3 *months* of the decision referred to in (3) and will be communicated to the *person* as a final written notice.

Procedure for using the prohibition power for persons not providing an attestation

5.9.2 G Where a *person* does not provide an attestation under *SSR 5.6.1R*, the process in *SSR 5.9.1G* applies as modified below:

- (1) The notice under *SSR 5.9.1G(1)* will specify that, in accordance with *SSR 5.6.6G*, the *FCA* has taken the *person's* failure to provide the attestation required by *SSR 5.6.1R* as an indication that the *person* no longer considers themselves to qualify for the *market maker exemption* and has therefore initiated the procedure to prohibit their use of the *market maker exemption*.
- (2) The *person* will be given only 15 calendar *days* to make written representations to the *FCA* in response to the notice.
- (3) Where the *person* does not respond to the notice within the period of 15 calendar *days*, the *FCA* will decide to prohibit the notifying *person's* use of the *market maker exemption*.
- (4) The decision to prohibit the use of the *market maker exemption* in these circumstances will be made by a senior staff member of the *FCA*.

5.9.3 G For the avoidance of doubt, if the *person* does respond to the notice issued under *SSR 5.9.1G(1)* within the period of 15 calendar *days*, the procedure in *SSR 5.9.1G(3)* and (4) then applies.

5.10 Organisational considerations for a person using the market maker exemption

5.10.1 G (1) Where the *market maker exemption* applies to a *person* in respect of the *market making activities* notified to the *FCA*, the *FCA* expects that *person* to put in place the following arrangements to

demonstrate effective application of the *market maker exemption* and to ensure they are able to meet their obligations under *SSR* in relation to their *short selling activities* not covered by the exemption – in particular, position reporting and covering requirements:

- (a) comply with the general rules and particular requirements for *market making activities* imposed by the *trading venue* or an equivalent *trading venue overseas* designated under Part 3 of the *Short Selling Regulations 2025*, where applicable;
 - (b) implement internal procedures with respect to the *market making activities* for which it claims the *market maker exemption* that allow these activities to be immediately identified and the records made readily available to the *FCA* upon request;
 - (c) maintain records of orders and transactions relating to its *market making activities* for which it requests the *market maker exemption* so that they can be easily distinguished from its proprietary trading activities; and
 - (d) possess effective compliance and audit resources and a framework to enable it to monitor the *market making activities* for which it requests the *market maker exemption*.
- (2) If a *person* is not able to demonstrate that it has put in place the arrangements described in (1), the *FCA* may not be satisfied that the *person* is able to meet the conditions of the *market maker exemption* – in particular, that the *person* concerned is able, operationally, to separate the *market making activities* (including the particular *financial instruments*) in respect of which the *market maker exemption* applies from its *short selling activities* to which the exemption does not apply.
- (3) The *FCA* would expect a *person* using the *market maker exemption* to maintain adequate records to be able to demonstrate correct application of the exemption for a period of up to 5 years.

5.11 Information requests by the FCA

- 5.11.1 R (1) The *FCA* may require a *person* using the *market maker exemption* to provide to the *FCA*, in writing:
- (a) information, including about positions held or activities conducted under that exemption; or
 - (b) other information, to demonstrate their compliance with the conditions of the *market maker exemption*.

- (2) The *FCA* may specify the manner in which, and the date by which, such information is to be provided.
- (3) This *rule* applies without prejudice to the generality of the *FCA*'s powers to request information under regulation 25 of the *Short Selling Regulations 2025*.

5.11.2 G A requirement under *SSR 5.11.1R(1)* may, among other things, include information about a *market maker*'s correct application of the *market maker exemption*, including:

- (1) the *financial instruments* for which the *market maker exemption* is being utilised;
- (2) the *market making activities* that are being performed in those *financial instruments*, including those set out in *SSR 5.13* to *SSR 5.19*;
- (3) records of orders and transactions in relation to the *person*'s *market making activities* that can easily be distinguished from its proprietary trading activities;
- (4) evidence that the *person* is a member of a *UK trading venue* or a *trading venue* in a country or jurisdiction other than the *UK* designated under Part 3 of the *Short Selling Regulations 2025*;
- (5) evidence that the *person* is an *investment firm* or *credit institution* (including the equivalent in an *overseas* jurisdiction);
- (6) whether and how the *person* is complying with the market making rules on a *trading venue*;
- (7) whether and how the *guidance* in *SSR 5.13* to *SSR 5.19* is being followed for the *financial instruments* for which the *market maker exemption* is being utilised in relation to the type of *market making activity* which is being undertaken; and
- (8) whether the *market maker* is registered on a *trading venue* as a *market maker* for the *financial instrument(s)* for which they are using the *market maker exemption*.

5.12 Arrangements for publishing the list of market makers

5.12.1 G Pursuant to regulation 9(4) of the *Short Selling Regulations 2025*, the *FCA* will publish and maintain a list of *persons* using the *market maker exemption* in a downloadable form on the short selling section of the *FCA* website as specified in *SSR 5 Annex 3G*.

5.13 Guidance on the performance of market making activities

- 5.13.1 G For the purposes of *SSR*, *market making activities* is defined in the *Glossary* by reference to the *Short Selling Regulations 2025*. That definition provides that, in accordance with regulation 9(5)(c) of the *Short Selling Regulations 2025*, *market making activities* means the activities of an *investment firm*, a *credit institution* or an *overseas entity* where it deals as principal in a *financial instrument*, whether traded on or outside a *trading venue*, in any of the following capacities:
- (1) by posting firm, simultaneous 2-way quotes of comparable size and at competitive prices, with the result of providing liquidity on a regular and ongoing basis to the market (paragraph (a) of the *Glossary* definition of *market making activities*; regulation 9(5)(c)(i) of the *Short Selling Regulations 2025*);
 - (2) as part of its usual business, by fulfilling orders initiated by clients or in response to clients' requests to trade (paragraph (b) of the *Glossary* definition of *market making activities*; regulation 9(5)(c)(ii) of the *Short Selling Regulations 2025*); or
 - (3) by hedging positions arising from the fulfilment of tasks under (1) or (2) (paragraph (c) of the *Glossary* definition of *market making activities*; regulation 9(5)(c)(iii) of the *Short Selling Regulations 2025*).
- 5.13.2 G As set out in *SSR* 5.4.1R, the *market maker exemption* is an activity-based exemption.
- 5.13.3 G *Market making activities* may be carried out in a *financial instrument* other than an *admitted share*, including but not limited to derivatives.
- 5.13.4 G The *market maker exemption* only applies to *short selling activity* carried out for the purpose of *market making activities*. It does not apply to the *person's* proprietary trading, which is subject to *SSR* 2 and *SSR* 3.
- 5.13.5 G (1) Arbitrage activities are not considered *market making activities* and are, therefore, not subject to the *market maker exemption*.
- (2) The activities specified in (1) also include those arbitrage activities executed between different *financial instruments* but with the same underlying *admitted share*.
- 5.13.6 G *Persons* performing *market making activities* are expected to not hold significant *short positions* other than for brief periods.
- 5.14 Guidance on activities that fall within paragraph (a) of the Glossary definition of market making activities: posting firm, simultaneous 2-way quotes**
- 5.14.1 G To demonstrate that a *person's* *market making activities* involve posting firm, simultaneous 2-way quotes, a *person* should provide evidence upon request from the *FCA* that it follows *SSR* 5.14.2G to *SSR* 5.17.

- 5.14.2 G (1) Regarding the reference to ‘providing liquidity on an ongoing basis’ in the *Glossary* definition of *market making activities*, a *person* undertaking *market making activities* should be present on the order book or be posting quotes on a *trading venue* for the relevant *financial instruments* in respect of which it is relying on the *market maker exemption* for a sufficient proportion of the mandatory trading period. In this regard, for the purposes of *SSR*, paragraph (a) of the *Glossary* definition of *market making activities* does not require an uninterrupted presence, though it provides that the presence should be regular and ongoing.
- (2) Presence on the market should consist of:
- (a) conducting *market making activities* each *day* the market is open; and
 - (b) submitting orders that meet the criteria in *SSR* 5.15.1G, *SSR* 5.16.1G and *SSR* 5.17.1G according to a reasonable frequency – that is, not interrupting the *person’s market making activity* for a significant period of time during a single trading session.

5.14.3 G As regards ‘posting firm, simultaneous 2-way quotes of comparable size and at competitive prices’ within paragraph (a) of the *Glossary* definition of *market making activities*, for the purposes of *SSR*:

- (1) the *FCA* considers that the bid–ask range proposed by the *person* conducting *market making activities* can be asymmetrical, in that it can be moved away from the central point of the market bid–ask range being posted for the relevant *financial instrument*;
- (2) the competitiveness of the prices can be different on bid and ask at a given time according to the directional side of the *person’s* strategy, as long as the *person* undertaking *market making activities* complies with the aim of providing liquidity to the market; and
- (3) in any case, the potential asymmetry should not result in either the bid or the ask price not being competitive.

5.15 Guidance on the application of paragraph (a) of the Glossary definition of market making activities to liquid shares

5.15.1 G Taking into account *SSR* 5.14.2G for *admitted shares* qualifying as *liquid shares*:

- (1) A regular and ongoing presence on the market would, in the *FCA’s* view, mean that *market making activities* should be undertaken on either a *monthly* or daily basis for at least 80% of the overall trading time. This time presence may be reduced in cases of abnormal market situations as defined under the rules of the relevant *trading venue*. For those *liquid shares* whose price is determined solely by

auction on a *trading venue*, the concept of regular and ongoing time presence does not have a meaning comparable to that prevailing for those *shares* for which trading is carried out on a continuous basis. In such cases, the regular and ongoing presence criterion will be assessed at least against the standards defined for *market makers/liquidity providers* in the *admitted share* by rules of the *trading venue* where the instrument is *admitted to trading*. To rely on the *market maker exemption* for these *admitted shares*, the *person* should issue competitive buy and sell orders during the pre-opening auction call phase such that their quotes are present when the auction concludes and the closing price for the instrument is determined.

- (2) Competitive prices should be within the maximum bid/offer spreads that are required from *market makers/liquidity providers* recognised under the rules of the *trading venue* where they are posted for the relevant *admitted share*. In cases where that *trading venue* does not provide for rules on maximum bid/offer spreads for *market makers* or *liquidity providers*, reference can be made to the requirements laid down in the rules for *market makers/liquidity providers* by another *trading venue* where the relevant *admitted share* is actively traded. Where this alternative is not possible, as a last resort, competitive price is to be measured as a proportion of the average spread observed on the concerned *admitted share* in the venue where the *admitted share* is traded. Any asymmetry between the prices of bids and offers will be considered in light of the *guidance* in *SSR 5.14.3G*.
- (3) The size of the orders posted by *market makers* on the order or quote book should not be smaller than those required from *market makers/liquidity providers* recognised under the rules of the *trading venue* where the *admitted shares* concerned are traded. In cases where that *trading venue* does not provide for rules on order or quote size for recognised *market makers* or *liquidity providers*, reference can be made to the requirements laid down in the rules for *market makers/liquidity providers* by another *trading venue* where the concerned *admitted share* is actively traded. Where this alternative is not possible, as a last resort, the size of the orders or quotes issued in the market making capacity should be assessed in relation to the average trading size for the concerned *admitted share*.

5.16 Guidance on the application of paragraph (a) of the Glossary definition of market making activities to shares that are not liquid shares and equity derivatives traded on a trading venue

- 5.16.1 G (1) For *admitted shares* that do not qualify as *liquid shares* and for equity derivatives traded on a *trading venue*:
- (a) whether someone has a regular and ongoing presence on the market should be assessed against the standards defined

in the rules of the *trading venue* where the *admitted share* and equity derivative is *admitted to trading* for recognised *market makers*/liquidity providers of such instruments;

- (b) competitive prices should be within the maximum bid/offer spreads for *market makers*/liquidity providers as laid down by the *trading venue*, and any asymmetry between the prices of bids and offers will be considered in light of the *guidance* in SSR 5.14.3G; and
 - (c) the size of the orders should not be significantly smaller than what is required from *market makers*/liquidity providers recognised under the rules of the *trading venue* where the concerned *admitted shares* and equity derivatives are traded.
- (2) For *admitted shares* which are not *liquid shares*, where the *trading venue* referred to in (1) does not provide for rules on one of the criterion set out in (1)(b) and (c) for *market makers* or liquidity providers, reference can be made to the requirements laid down in the rules for *market makers*/liquidity providers by another *trading venue* where the concerned *admitted share* is actively traded.
- (3) Where such an alternative is not possible, as a last resort and depending on the concerned criteria:
- (a) competitive prices should be measured as a proportion of the average spread observed on the concerned *admitted share* in the *trading venue* where the *admitted share* is traded or, ultimately, should be within the maximum bid/offer spreads laid down by the *trading venue*; and
 - (b) the size of the orders or quotes issued in the market making capacity should be assessed in relation to the average trading size for the concerned *admitted share* on the *trading venue* where it is traded.
- (4) For equity derivatives, where the *trading venue* referred to in (1) does not provide for rules referred to in (1)(a) to (c) for *market makers* or liquidity providers, a *person* may refer to the relevant requirements laid down in the rules for *market makers*/liquidity providers by another *trading venue* where a similar equity derivative contract is actively traded, if any.

5.16.2 G A *person* may demonstrate that it meets the criteria in SSR 5.16.1G by reference to historical trading.

5.17 Information that may demonstrate that a person is carrying on market making activity falling within paragraph (a) of the Glossary definition of market making activities

- 5.17.1 G (1) Where a *person* is party to a market making or liquidity provision contract or programme with a *trading venue* or a *company* which meets or exceeds the criteria in relation to:
- (a) presence;
 - (b) competitive prices; and
 - (c) order size,
- that will be strong evidence, but not in and of itself conclusive, that the *person* is carrying on *market making activities* for the purposes of *SSR 5.4.1R*.
- (2) Where a *person* is not party to a contract or programme as described in (1), it should provide evidence upon request from the *FCA* that it meets the criteria set out in relation to presence, competitive prices and order size and the activities within the *Glossary* definition of *market making activities*.
- 5.17.2 G To demonstrate that a *person* is carrying on *market making activities* in respect of a *financial instrument* for the purposes of the *FCA* considering whether that *person* meets the conditions for the *market making exemption*, a *person* notifying under either *SSR 5.5.1R* should be able to provide additional information or evidence upon request from the *FCA*, in particular:
- (1) evidence of the comparable size of orders;
 - (2) evidence of the competitive prices of orders; and
 - (3) evidence of their regular and ongoing presence on the market.

5.18 Guidance on market making activities that fall within paragraph (b) of the Glossary definition of market making activities: as part of its usual business

- 5.18.1 G To demonstrate that a *person's market making activities* involve, as part of its usual business, fulfilling orders initiated by clients or in response to client's request for trade, a *person* should provide evidence upon request from the *FCA* that it:
- (1) regularly provides prices to clients or maintains the ability to provide a quote in response to client demand; and
 - (2) stands ready to trade with clients upon request.
- 5.18.2 G (1) Further to *SSR 5.18.1G*, the *FCA* will consider whether, and to what extent, the *person* already deals on a frequent and systematic basis in the *financial instrument* for which the *person* is using the *market maker exemption*, when fulfilling client orders or responding to clients' requests.

- (2) If the *market making activity* is performed in *financial instruments* that are traded on an ad-hoc and infrequent basis, it is decisive if the *person* is at all business times ready and prepared to provide prices to clients and stands ready to trade in response to clients' requests with a reasonable expectation to trade in any *financial instrument* requested by a client.
- (3) A presentation of the underlying business strategy could be used as relevant evidence to support eligibility of a *person's* activity under paragraph (b) of the *Glossary* definition of *market making activities* for the *market maker exemption*; this presentation should include:
- (a) the scale of that activity (for which the *market maker exemption* is being notified) in comparison to the overall proprietary trading of the entity;
 - (b) where the *person* does not yet deal on a frequent and systematic basis in the relevant *financial instrument* to fulfil client orders or to respond to clients' requests:
 - (i) whether it has a reasonable expectation that it will do so in the future;
 - (ii) the basis for that expectation;
 - (iii) the business assumptions that justify it (including in relation to its dealing for clients in other *financial instruments*); and
 - (iv) whether reasonable expectation of dealing in a particular *financial instrument* can be referred to in a notification to the *FCA*.

5.19 Guidance on market making activities that fall within paragraph (c) of the Glossary definition of market making activities: hedging

- 5.19.1 G To qualify for the *market maker exemption* for hedging activities within paragraph (c) of the *Glossary* definition of *market making activities* for the purposes of *SSR*, either:
- (1) the size of the position acquired for the purpose of hedging should be proportionate to the size of the exposure hedged; or
 - (2) if the size of the position acquired for the purpose of hedging is not proportionate to the size of the exposure hedged, the *person* relying on paragraph (c) of the *Glossary* definition of *market making activities* should be able to justify, upon request from the *FCA*, why an exact match is not possible,

and, in both cases, any discrepancy between the size of position acquired for the purpose of hedging and the size of the exposure hedged should be insignificant.

5.19.2 G In the context of undertaking *market making activities* within paragraph (c) of the *Glossary* definition of *market making activities*, persons may undertake *short selling activity* in *admitted shares* to:

- (1) hedge risk from their *market making activities* in the same or in a different *share* for which the *FCA* has made a determination under *SSR 4*; or
- (2) hedge risk from their *market making activities* in other *financial instruments* (such as equity derivatives or bonds related to that *share*).

Anticipatory hedging

5.19.3 G (1) A *person* dealing as principal in anticipation of client orders or requests expected to materialise in the near term can benefit from the *market maker exemption* to the extent that the anticipated hedging is necessary for the performance of actual *market making activities* and is not carried out on other grounds, such as speculative trading.

- (2) Should the anticipated client orders or requests to quote not be received, the position accumulated through anticipatory hedging should be unwound in an expeditious and orderly manner (and in any event as soon as practicable).

5.19.4 G The *market maker* must be able to demonstrate to the *FCA* on request that trading in anticipation of client orders or requests correlates with transactions carried out in performance of *market making activities* at any time.

5.20 Guidance on use of the market maker exemption and membership of a trading venue

5.20.1 G A *person* to whom the *market maker exemption* applies may use that exemption for any of its *market making activities*:

- (1) on the specific *trading venue* on which they are a member, or outside of that *trading venue*;
- (2) without being recognised as a *market maker* or liquidity provider under the rules of the specific *trading venue* on which they are undertaking *market making activities*; or
- (3) without a separate contractual obligation with the specific *trading venue* to carry out *market making activities*.

5 Information required for market maker registration

Annex

1

5 R SSR-1 form - exemption notification by market makers

Annex

1

This exemption notification should be used by a person ('notifier') that is notifying the Financial Conduct Authority (FCA) of its intention to employ the exemption referred to in Regulation 9(5)(c) of the Short Selling Regulations 2025

1. Identity of the notifier	
1.1. Full name (Full legal name of the notifier as it is registered)	
1.2. Status (Mark relevant status with 'X')	Credit institution
	Investment firm
	Overseas entity (acting as an investment firm or credit institution in the relevant jurisdiction)
1.3. Address (Registered office; if registered office is not in UK, address for service in the UK)	
1.4. Country	
1.5. Phone number (Direct telephone number – include country code)	
1.6. Email address and website URL	
1.7. Bank identification code (BIC) (If applicable)	
1.8. Firm reference number (FRN)	

(If applicable)	
1.9. Legal entity identifier (LEI) (If applicable)	
2. Contact or reporting person for the purpose of the exemption notification	
2.1 Full name (Of the contact or reporting person)	
2.2 Address	
2.3 Phone number (Direct telephone number – include country code)	
2.4 Email address (Individual work email address)	
2.5 Role (Job title/functional relationship with notifier)	

3. Exemption notification
<p>3.1. Declaration:</p> <p>The notifier mentioned in (1) notifies that:</p> <ul style="list-style-type: none"> • It meets the conditions of the exemption set out in SSR 5, specifically those in SSR 5.4.1R and the guidance in SSR 5.10 to SSR 5.19. • It intends to perform market making activities as set out in, and in accordance with, the rules and guidance in SSR 5, and specifically in SSR 5.10, and in SSR 5.13 to SSR 5.19 inclusive. • It will promptly communicate to the FCA any changes in circumstances affecting eligibility or continued use of the exemption in accordance with SSR 5.7. • It will promptly communicate to the FCA any changes to contact details in accordance with SSR 5.7.7R. • It will promptly respond to any requests for information from the FCA made under SSR 5.11 to demonstrate its compliance with the rules and guidance in SSR 5.
<p>3.2. Please specify the market making activities performed according to Regulation 9(5)(c) of the Short Selling Regulations 2025:</p>

3.3. Trading venue membership

Specify the name of the trading venue(s) of which the notifier is a member: (*)

(*) Attach evidence of membership or relevant link if appropriate.

3.4. The notifier mentioned in (1) intends to use the exemption referred to in Regulation 9(5)(c) of the Short Selling Regulations 2025 from (yyyy)/(mm)/(dd) (*)

(*) The exemption notification must be sent to the FCA at least 15 calendar days before the notifier intends to use the exemption.

4. Date of notification	(yyyy) / (mm) / (dd)
5. Signature Name and signature of the notifier's contact person or reporting person	(Signature here) I am authorised to give this notification on behalf of the notifier

5 Annex Annual attestation by market makers
2

5 Annex R SSR-2 form – annual attestation by market makers
2

Identity of the notifying market maker	
1.1. Full name (Full legal name of notifier as it is registered)	
Person making the attestation on behalf of the notifying market maker	
2.1. Full name (Of the person making the attestation)	
2.2. Address	
2.3. Phone number	

(Direct telephone number – include country code)	
2.4 Email address (Individual work email address)	
2.5. Role (Job title/functional relationship with notifier)	
Annual attestation	
3.1. Declaration The notifier mentioned in (1) notifies that: <ul style="list-style-type: none"> • The firm is correctly applying the market maker exemption to its short selling activities, in accordance with the rules and guidance in SSR 5, and specifically SSR 5.4.1R, SSR 5.10, and SSR 5.13 to SSR 5.19 inclusive. • The firm continues to perform market making activities covered by the exemption and still requires the exemption for those activities. • It will promptly communicate to the FCA any changes in circumstances affecting eligibility or continued use of the exemption in accordance with SSR 5.7. • The contact details previously provided in SSR 5 Annex 1R remain correct and it will promptly communicate to the FCA any changes to contact details in accordance with SSR 5.7.7R. • It will promptly respond to any requests for information from the FCA made under SSR 5.11 to demonstrate its compliance with the rules and guidance in SSR 5. 	
4. Date of attestation	(yyyy) / (mm) / (dd)
5. Signature Name and signature of the notifier's contact person or reporting person	 (Signature here) I am authorised to give this notification on behalf of the notifier

5 Annex List of market makers

3

5 Annex G SSR-3 form – list of market makers

3

Name of the notifying market maker	ID code (eg, legal entity identifier)
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6 Aggregated net short position disclosures

6.1 Purpose

6.1.1 G This chapter provides *guidance* to market participants on how the *FCA* exercises its functions under regulation 7 of the *Short Selling Regulations 2025*, which includes a requirement for the *FCA* to calculate and publish the *aggregate net short position* in relation to the *issued share capital* of a *company* that has *admitted shares* for each *working day*.

6.2 Calculation of an aggregated net short position

- 6.2.1 G (1) Under regulation 7(2) of the *Short Selling Regulations 2025*, the *aggregate net short position* in relation to the *issued share capital* of a *company* is the sum of the *net short positions* in the *issued share capital* of the *company* notified to the *FCA* and held on the relevant *working day*, expressed as a percentage of the *company's issued share capital*.
- (2) Under regulation 7(3) of the *Short Selling Regulations 2025*, a *net short position* is held on the relevant *working day* if:
- (a) it is notified to the *FCA* by a *person* ('P') as being held on that *day*; or
 - (b) in a case where P has not notified the *FCA* of a *net short position* held on that *working day*, it is P's most recent notification of its *net short position* held on a prior *working day*.
- (3) Regulation 7(3)(b) of the *Short Selling Regulations 2025* means, for example, that where a *person* notified a *net short position* to the *FCA* a week prior and has not sent a subsequent notification, the *FCA* will continue to treat that last *net short position* notified as the *person's* position for the purpose of calculating the *aggregate net short position*.

The process of aggregation

- 6.2.2 G (1) Under regulation 7(8) of the *Short Selling Regulations 2025*, a *net short position* is 'notified to the *FCA*' if it is notified pursuant to *rules* made under regulation 6 (such *rules* are in *SSR 2*) or a requirement imposed under regulation 13(1).
- (2) As such, *aggregate net short positions* comprise:

- (a) *net short positions* notified under *SSR 2*; and
 - (b) *net short positions* notified under any requirement imposed by the *FCA* under regulation 13(1) of the *Short Selling Regulations 2025*.

- 6.2.3 G A *net short position* received by the *FCA* will not be considered a notification for the purpose of calculating the *aggregate net short position* if it is below:
 - (1) 0.2% of the *issued share capital* of the *company* pursuant to regulation 6(2) of the *Short Selling Regulations 2025*; or
 - (2) the specified threshold in cases where the *FCA* exercises powers under regulation 13(1) of the *Short Selling Regulations 2025*.

- 6.2.4 G In accordance with regulation 7(5) of the *Short Selling Regulations 2025*, when calculating the *aggregate net short position* in relation to a *company*, the *FCA* may exclude from its calculation:
 - (1) a *net short position* notified to it in a case where the *FCA* is carrying out work to verify the reliability of that notified position; and
 - (2) information received after the *working day* prior to publication (which includes a *net short position* notified to it after the deadline provided for in *SSR 2.7.1R*).

- 6.2.5 G A *net short position* notified under *SSR 2.16.3R* will be excluded when calculating the *aggregate net short position* for the relevant *admitted share* as that *person's net short position* will have been superseded by, and reflected in, the *net short position* notified by the *person's group* in accordance with *SSR 2.16.2R*.

- 6.2.6 G With respect to regulation 7(5)(b) of the *Short Selling Regulations 2025*, where the *FCA* receives a notification after the reporting deadline specified in *SSR 2.7.1R*, but prior to the publication of the *aggregate net short position* for the *day* to which it relates as specified in *SSR 6.3.4G(2)*, the *FCA* may, in exceptional circumstances, include the *net short position* in the calculation of the relevant *aggregate net short position* to ensure the disclosure is as accurate as possible for the relevant *working day*.

- 6.2.7 G The fact that the *FCA* includes a late notification in the *aggregate net short position* calculation is without prejudice to any decision by the *FCA* to take further supervisory or enforcement action in relation to the fact that a notification was submitted after the time required by *SSR 2.7.1R*.

- 6.2.8 G With respect to regulation 7(5)(a) of the *Short Selling Regulations 2025*, the *FCA* may exceptionally review notifications that contain *net short positions* significantly above the *base notification threshold* in *SSR 2.3.1R*

and any notifications which significantly increase or decrease an individual *net short position* or *aggregate net short position*.

- 6.2.9 G If the *FCA* suspects a notification is inaccurate and that such a notification may create an inaccurate or misleading *aggregate net short position*, the *FCA* may exclude this notification from its calculation of the published *aggregate net short position* until it has been verified.

6.3 Publication of aggregate net short positions

The aggregate net short position report

- 6.3.1 G (1) Pursuant to regulation 7(1) of the *Short Selling Regulations 2025*, the *FCA* is required to publish an *aggregate net short position* in relation to the *issued share capital* of a *company* that has *admitted shares*.
- (2) The *aggregate net short position* report published by the *FCA* sets out:
- (a) the size of the relevant *aggregate net short positions* expressed as a percentage of each *company's issued share capital* to 2 decimal places, the *company* name and the *ISIN* of the *company's* main class of ordinary *share* as identified in the *reportable shares list*;
- (b) the position date, which is the most recent position date included in a notification submitted to the *FCA* in relation to a *net short position* that was included in the calculation of the relevant *aggregate net short position*, irrespective of whether a less recent position date was included in a notification that was submitted to the *FCA* subsequently; and
- (c) in a separate table, historical *aggregate net short positions*.
- 6.3.2 G (1) The *aggregate net short position* report will be published using the template set out in *SSR 6 Annex 1G*.
- (2) The *ISIN* of each *company* that appears in *SSR 6 Annex 1G* is the *ISIN* of the main class of ordinary *shares*, as published on the *reportable shares list*, in relation to which a notification was sent in accordance with *SSR 2*.
- 6.3.3 G The *aggregate net short position* report published by the *FCA* will be available on the short selling section of the *FCA* website in a downloadable, machine-readable and structured format. The downloadable content will include:

- (1) a table enabling access to the current *aggregate net short positions* of *companies* in one place;
- (2) a table enabling access to historical *aggregate net short positions* of *companies* in one place;
- (3) filters to identify a particular *company*;
- (4) filters above or below an *aggregate net short position* size;
- (5) the position dates of the current and historical *aggregate net short positions* held in *companies*; and
- (6) the dates on which the historical *aggregate net short positions* of *companies* were superseded by new current *aggregate net short positions*.

Timing of the publication of the aggregate net short position report

- 6.3.4 G (1) Under regulation 7(4) of the *Short Selling Regulations 2025*, the *FCA* must publish the *aggregate net short position* no later than 2 *working days* after the *day* to which the figure relates.
- (2) The *FCA* will publish the *aggregate net short position* report identified in *SSR 6.3.1G* each *working day* from 12:00.

Accuracy of the aggregate net short position report

- 6.3.5 G The *FCA* relies on the robustness, timeliness and accuracy of notifications provided by *persons* reporting under *SSR 2* for the purposes of the publication but, in exceptional circumstances, the *FCA* may review and engage with notifying *persons* to verify notifications (see *SSR 6.2.8G*). This is without prejudice to any other action the *FCA* may take if it finds that the data is not robust or accurate.

Occasions where the FCA will not publish an aggregate net short position

- 6.3.6 G Under regulation 7(7) of the *Short Selling Regulations 2025*, the *FCA* is not required to publish the *aggregate net short position* in relation to a *company* for a *working day* on which the *aggregate net short position*, calculated in accordance with regulation 7(2) and (3) of the *Short Selling Regulations 2025* and *SSR 6.2.1G*, is zero.
- 6.3.7 G In practice, an *aggregate net short position* will not be published in respect of a *company* where data the *FCA* holds indicates that there are no *net short positions* over the *base notification threshold* or any reporting threshold set out in a requirement under regulation 13 of the *Short Selling Regulations 2025*.

Updating previously published aggregate net short positions

6.3.8 G Under regulation 7(6) of the *Short Selling Regulations 2025*, the *FCA* may amend or republish a previously published *aggregate net short position* in a *company*, including to take account of notifications received, verified or amended since publication.

6.3.9 G Following the receipt of any late notifications or correction notifications, or having verified the reliability of a notified position that was previously excluded, the *FCA* will update a previously published *aggregate net short position* in a *company* to account for and include the notified position in the *aggregate net short position* as it was held on the relevant *working day*.

6.4 Publication of historical aggregate net short positions

6.4.1 G (1) An *aggregate net short position* in a given *company* will become historical when:

(a) it is superseded by the publication of a new *aggregate net short position* to take account of a change in the *aggregate net short position* resulting from the receipt of a notification under *SSR 2*;

(b) all the constituent *net short positions* of the *aggregate net short position* fall below the *base notification threshold*;
or

(c) the *company* to which the *aggregate net short position* relates is removed from the *reportable shares list*.

(2) The *FCA* will make previous *aggregate net short positions* available via the historical *aggregate net short position* table.

(3) The *ISIN* that appears in *SSR 6 Annex 2G* is the *ISIN* of the main class of ordinary *shares* in relation to which a notification was sent in accordance with *SSR 2*.

6.4.2 G The historical *aggregate net short position* data will show the historical *aggregate net short positions* previously held in a *company*, including their position date, the *day* on which they were first assumed and the *day* on which they were superseded by new *aggregate net short positions*. For example, for a 0.6% historical *aggregate net short position* held between 3 February and 12 February, which then increased to 0.8% on 13 February, the historical report would identify the *aggregated net short position* as 0.6%, the position date as 3 February and the date the *aggregated net short position* became historical as 13 February.

6.4.3 G *Persons* can contact the *FCA* if they have queries in respect of the *aggregate net short positions* of a *company* published by the *FCA*. The contact point for such queries is specified on the short selling section of the *FCA* website.

6 Annex 1 **Template for the aggregate net short position report**

6 Annex 1 G Disclosure template for *aggregated net short positions*

Current aggregated net short position			
[dd/mm/yyyy]			
Name of company	International securities identification number (ISIN)	Aggregated net short position (%)	Position date (of latest position date notified)

6 Annex 2 G Disclosure template for historical *aggregated net short positions*

Historical aggregated net short position				
[dd/mm/yyyy]				
Name of company	International securities identification number (ISIN)	Aggregated net short position (%)	Position date	Date the aggregated net short position became historical

7 **Waiver and modification of rules**

7.1 **Application**

7.1.1 G This chapter applies to a *person* subject to the *rules* in *SSR*.

7.2 **Purpose**

- 7.2.1 G (1) For the purposes of *SSR*, under regulation 8(1)(b) of the *Short Selling Regulations 2025*, the *FCA* may dispense with, modify or reimpose (with or without modification) requirements that have been imposed under the *rule* making power in regulation 5 or 6 of the *Short Selling Regulations 2025*, in such cases or circumstances as may be determined by the *FCA* in *rules*.
- (2) This chapter sets out the cases or circumstances in which the *FCA* may dispense with, modify or reimpose requirements (with or without modifications) imposed by *rules*.

7.3 Cases in which rules can be dispensed with or modified

- 7.3.1 R (1) The *FCA* may dispense with, modify or reimpose (with or without modifications) any of the *rules* set out in *SSR 2* on its own initiative or following an application as set out in *SSR 7.4*.
- (2) The *FCA* may decide that:
- (a) a *rule* is not to apply to a *person*;
 - (b) a *rule* is to apply to a *person* with modifications; or
 - (c) a *rule* that was previously dispensed with is to be reimposed, with or without modifications.

7.4 Applications for dispensation or modification of rules

- 7.4.1 R An application to dispense with, modify or reimpose a *rule* in *SSR 2* must set out:
- (1)
 - (a) the *rules* in respect of which the applicant seeks a dispensation for;
 - (b) the modification of *rules* sought; or
 - (c) the reimposition of *rules* sought;
 - (2) a clear explanation of why the dispensation, modification or reimposition is required;
 - (3) details of any special requirements, such as the date by which the dispensation, modification or reimposition is required; and
 - (4) all relevant information relating to the *person* of which the *FCA* would reasonably expect notice.
- 7.4.2 R (1) The application in *SSR 7.4.1R* must be submitted in the manner specified on the short selling section of the *FCA* website.

- (2) The application must be accompanied by copies of any documents relevant to the application.
- 7.4.3 G (1) The *FCA* may request such further information and documents as it reasonably considers to be necessary to determine the application.
- (2) Different information may be required in relation to different applications or categories of application.
- 7.4.4 G An applicant may find it helpful to discuss the application with the contact specified on the short selling section of the *FCA* website prior to sending an application. However, the applicant should still ensure that all relevant information is included in the application.

7.5 Conditions for giving a dispensation or modification

- 7.5.1 G The *FCA* is only likely to dispense with or modify a *rule* in *SSR 2* in exceptional circumstances – for example, where a *person* is unable to comply with a *rule* in *SSR 2* due to a serious systems outage which means that the *person* is unable to calculate and notify the *FCA* of its *net short positions*.
- 7.5.2 G The *FCA* may consider other relevant factors before dispensing with or modifying a *rule*.
- 7.5.3 G (1) In some cases, the *FCA* may modify a *rule* rather than dispense with the *rule*.
- (2) The *FCA* may also impose conditions on a dispensation or modification, for example additional reporting requirements.
- (3) A dispensation may be given for a specified period of time only, after which it will cease to apply.
- (4) A *person* wishing to extend the duration of a dispensation should do so in accordance with *SSR 7.4.2R(1)*.
- (5) A dispensation will not apply retrospectively.
- 7.5.4 G (1) Where a *rule* previously dispensed with or modified is reimposed under *SSR 7.3.1R*, the *FCA* may reimpose that *rule* with modifications to require a *person* to report *net short positions* that were reportable under *SSR 2* during the time period for which the modification or dispensation was in effect.
- (2) The *FCA* will consider the nature of the exceptional circumstances that led to the granting of the modification or dispensation, and the extent to which such circumstances may prevent a *person* from reporting, under a reimposed *rule*, *net short positions* that were reportable under *SSR 2* during the time period for which the modification or dispensation was in effect.

7.6 Notification of altered circumstances relating to dispensation or modification

- 7.6.1 R A *person* who has applied for and has been granted a dispensation or modification must notify the *FCA* immediately if it becomes aware of any matter which could affect the continuing relevance or appropriateness of the application or of the dispensation or modification.
- 7.6.2 R A *person* must notify the *FCA* if false, misleading, incomplete or inaccurate information has been provided in relation to an application for a dispensation or modification.

7.7 Decisions: written notices

- 7.7.1 G A decision issued by the *FCA* under *SSR 7.3.1R* will be in writing and will indicate:
- (1) in the case of a decision on an application:
 - (a) (i) that application has been approved; or
 - (ii) if the application has been refused, the reasons for the decision; and
 - (b) if relevant:
 - (i) the date on which the decision takes effect;
 - (ii) the date on which it expires; and
 - (iii) any conditions to which the decision is subject; or
 - (2) in the case of a decision issued on the *FCA*'s own initiative:
 - (a) the reasons for the decision; and
 - (b) if relevant:
 - (i) the date on which the decision takes effect;
 - (ii) the date on which it expires; and
 - (iii) any conditions to which the decision is subject.

7.8 Publication

- 7.8.1 G A decision issued under *SSR 7.3.1R* may be published by the *FCA* in the way appearing to the *FCA* to be best calculated to bring it to the attention of *persons* likely to be affected by it.

[**Note:** regulation 8(3) of the *Short Selling Regulations 2025*]

- 7.8.2 G Where the *FCA* dispenses with or modifies a *rule* on its own initiative and considers that such a dispensation or modification should apply to a number of *persons*, the *FCA* will inform the *persons* concerned that the dispensation or modification is available by publishing details of the availability of the dispensation or modification on the *FCA* website.

7.9 Modifications or waivers under section 138A of the Act

- 7.9.1 G The *rules* in *SSR* may also be modified or waived by the *FCA* under section 138A of the *Act* (Modification or waiver of rules) where the conditions in that section are met.

TP 1 Transitional provisions: position reporting

Saving of net short positions notified prior to 13 July 2026

- TP 1.1 R *SSR TP 1.2* applies to a *person*:
- (1) who, after 31 December 2020 but before 13 July 2026, had notified the *FCA* under Article 5 of the *UK* version of 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, which was assimilated law by virtue of the *EUWA*; and
 - (2) whose last notified *net short position* in a *company* was equal to or above the relevant 0.2% notification threshold.
- TP 1.2 R In respect of a *person* described in *SSR TP 1.1*, the notification will be deemed to have been made under *SSR 2.3.1R*, *SSR 2.16.2R*, *SSR 2.16.3R* or *SSR 2.16.5R*, as appropriate, for the purposes of *SSR* and the calculation of the *aggregate net short position*.

Notifying the *FCA* when a net short position is established immediately before 13 July 2026

- TP 1.3 R Where a *person* established a *net short position* in the *issued share capital* of a *company* with *admitted shares* on the *day* immediately before 13 July 2026, that *net short position* must be notified to the *FCA*, for the purposes of *SSR 2.3.1R*, *SSR 2.16.2R*, *SSR 2.16.3R* or *SSR 2.16.5R*, as appropriate, and in accordance with *SSR 2.7.1R*, by 23:59 on 13 July 2026 notwithstanding that the position is established under predecessor legislation.

TP 2 Transitional provisions: market maker exemption

Temporary saving of existing market maker exemptions

- TP 2.1 R *SSR TP 2.2R* applies to a *person*:
- (1) who has submitted a notification to the *FCA* under:
 - (a) Article 17(5) of the *UK* version of 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, which was assimilated law by virtue of the *EUWA*; or

- (b) Article 17(5) of 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,

and, in respect of that notification or, if there has been more than one, the first notification, the 30-calendar-day period has expired, or the notifying *person* has received a non-objection notice from the *FCA*; and

- (2) where that *person's* use of the exemption under either of the versions of Article 17 referred to in (1)(a) and (b) above is not subject to a prohibition by the *FCA* or where that *person's* exemption has not otherwise ceased to be in effect as at immediately prior to 13 July 2026.

- TP 2.2 R (1) A *person* described in *SSR TP 2.1R* is treated as having notified the *FCA* under *SSR 5.5.1R*, and *SSR 5* applies to that *person* subject to the modification in (2) and (3).
- (2) The *market maker exemption* applies to that *person* from 13 July 2026 but only for a temporary period ending on 29 January 2027.
- (3) In respect of a notification submitted under *SSR 5.5.1R* for the exemption to apply after 29 January 2027, the requirement in section 3.3 of *SSR 5 Annex 1* to attach evidence of *trading venue* membership (or a relevant link if appropriate) is disappplied.

In-flight market maker exemption notifications by new notifying persons or previously prohibited

- TP 2.3 R *SSR TP 2.4R* applies to a *person* who:
- (1) immediately before 13 July 2026 was not exempt under Article 17(1) of the *UK* version of 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, which was assimilated law by virtue of the *EU* in relation to any *financial instrument*; and
- (2) had notified the *FCA* under Article 17(5) seeking to be exempt, where:
- (a) the 30 calendar-day period in respect of that notification has not expired; and

- (b) the notifying *person* has not received a non-objection notice from the *FCA*.

- TP 2.4 R A *person* described in SSR TP 2.3R is treated as having notified the *FCA* under SSR 5.5.1R, and SSR 5 applies with the following modifications:
- (1) The reference to ‘15 calendar *days*’ in SSR 5.5.1R and SSR 5.5.2G is replaced with ‘30 calendar *days* beginning with *day* on which the complete notification under Article 17(5) was made’.
 - (2) The *market maker exemption* will take effect upon the earlier of:
 - (a) subject to (3), the *day* on which the 30-*day* period in (1) ends; or
 - (b) the *day* on which the *FCA* issues a non-objection notice.
 - (3) Where the *FCA* has issued a notification proposing to object under SSR 5.9, the *market maker exemption* will not take effect until a non-objection notice is given.

Guidance on the end of the transitional provision period

- TP 2.5 G Further to SSR TP 2.2R, and for the avoidance of doubt, the *market maker exemption* applies by virtue of these provisions for a temporary period only, and will cease to apply from 29 January 2027.
- TP 2.6 G A *person* benefitting from SSR TP 2.2R who wishes to continue benefitting from the *market maker exemption* under SSR 5 will need to notify the *FCA* under SSR 5.5.1R and must submit a notification before 15 January 2027 in accordance with the 15 calendar *days*’ notice required by SSR 5.5.1R.
- TP 2.7 G In accordance with SSR TP 2.2R(3), a *person* to whom SSR TP 2.2R applies who submits a notification under SSR 5.5.1R to continue to benefit from their exempt status after the transitional period is expected to confirm the *trading venue* they are a member of but they are not required to provide evidence of their *trading venue* membership as that requirement is disapplied.

Annex E

Amendments to the Enforcement Guide (ENFG)

In this Annex, underlining indicates new text.

[*Editor's note:* This Annex takes into account the changes introduced by the Consumer Composite Investments Instrument 2025 (FCA 2025/52), which come into force on 6 April 2026.]

App 2 Non-FSMA powers

App 2.1 Statements of policy

App 2.1.1 G The table below identifies the statements of policy which the *FCA* is required to make under legislation other than the *Act*.

In each case, references in *DEPP* to the *Act*, provisions of the *Act* and *persons* regulated under or otherwise subject to the *Act* are to be read as references to that other legislation, equivalent or otherwise applicable provisions of that other legislation and *persons* regulated under or otherwise subject to that other legislation, as appropriate.

App 2.1.2 G The *FCA's* approach to the exercise of the powers listed in the table below is consistent with the use of powers under the *Act* and the *FCA's* general policy outlined in this guide, unless stated otherwise.

Legislation	Description	Policy
...		
The Public Offers and Admissions to Trading Regulations 2024 (https://www.legislation.gov.uk/ukxi/2024/105/contents)
Short Selling Regulations 2025 (www.legislation.gov.uk/ukxi/2025/29/contents/)	<u>The <i>Short Selling Regulations 2025</i> form part of HM Treasury's programme of financial services regulatory reforms. They replace the repealed UK Short Selling Regulation (UK SSR), using powers conferred by the Financial Services and Markets Act 2023. The UK SSR was assimilated</u>	<u>Public censure and penalty policy</u> <i>DEPP</i> 6. <u>Disciplinary prohibitions and restrictions</u> <i>DEPP</i> 6A. <u>Conduct of interviews in</u>

	<p>law, as incorporated into <u>UK law by the EUWA. The FCA has investigative and enforcement powers in relation to breaches of the Short Selling Regulations 2025.</u></p>	<p><u>response to overseas requests</u> <u>Procedures in DEPP 7 (as required by section 169 of the Act for the purposes of these regulations).</u></p>
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