

## New Greek Ban on Shorting Shares of Five Greek Banks

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On September 30, the Greek national financial regulator, the Hellenic Capital Markets Commission (HCMC), announced that it has imposed an extended ban on the short-selling of Greek bank shares--by any persons anywhere in the world--as a means of stabilizing their share prices.

A prohibition on short-selling Greek-listed shares was imposed by the HCMC in June 2015 at the same time as a number of capital controls were put in place when concerns about Greece being pushed out of the Eurozone caused a run on bank deposits. Since June, Greece has subsequently agreed a €86 billion (approximately \$96 billion) bail-out with Germany and its other creditors, €25 billion of which is earmarked for bank recapitalization. Greek banks are due to be recapitalized before December, in advance of new pan-EU bank rescue regulations coming into effect in 2016.

Discussing the new ban on shorting Greek banks, the HCMC said in a statement that the measure will be in force from October 1 to November 9, noting that “any additional pressure on the listed stocks of credit institutions could have consequences.” Alluding to the recent elections and government changes in Greece, which many hope will provide more stability to Greece’s recent volatile situation, the HCMC went on to say that recent political developments didn’t merit an ongoing broad prohibition on short-selling, and consequently it had “decided to prohibit only the short-selling of shares of the credit institutions.”

The ongoing ban applies to the shares of the country’s four largest banks and one smaller bank: National Bank of Greece, Alpha Bank, Eurobank Ergasias SA and Piraeus Bank, as well as Attica Bank.

For the HCMC statement please click [here](#).

For the European Securities and Markets Authority’s official opinion agreeing to the HCMC’s measures please click [here](#).

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