



**London**  
**STOCK EXCHANGE**

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**For the attention of the  
chairman/senior partner/compliance officer,  
all member firms**

**N15/08**

## **STOCK EXCHANGE NOTICE**

### **FINANCIAL SERVICES AUTHORITY – SHORT SELLING**

1. Further to the Financial Services Authority (“FSA”)’s announcement in relation to short selling, this notice clarifies the position of electronic liquidity providers on the Exchange’s markets.
2. The FSA has made an exemption for market makers as follows:  
  
“A market maker is an entity ordinarily as part of their business dealing as principal in equities, options or derivatives (whether OTC or exchange-traded) to fulfil orders received from clients, to respond to a client’s requests to trade or to hedge positions arising out of those dealings.”
3. FSA has confirmed that its rule is not intended to prevent Exchange member firms that regularly provide two way liquidity on the Exchange’ s electronic order books from trading in the affected stocks.
4. Firms providing liquidity anonymously on the Exchange’s markets should register with the Exchange by emailing [clientimplementation@londonstockexchange.com](mailto:clientimplementation@londonstockexchange.com)
5. Any queries on this Notice should be addressed to Nick Bayley, Trading Services, telephone +44 20 7797 4214 (STX 34214) email: [nbayley@londonstockexchange.com](mailto:nbayley@londonstockexchange.com).

Nick Bayley  
Head of Trading Services

This Stock Exchange Notice will be available on the website at  
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnotices/stockexchangenotices2008.htm>

Calls to London Stock Exchange plc may be recorded to enable the Exchange to carry out its regulatory responsibilities.