

Financial markets: short selling and certain aspects of credit default swaps

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The Council was briefed by the presidency on ongoing work on a draft regulation on short selling and credit default swaps. The short selling of securities is a practice whereby an investor sells a security he doesn't own with the intention of buying it back when the price has fallen. A credit default swap is a financial instrument with the characteristics of insurance, guaranteeing the creditworthiness of a loan.

The Council asked the Permanent Representatives Committee rapidly to resolve the remaining outstanding issues so as to establish a general approach that will enable the presidency to start negotiations with the European Parliament.