

## Frequently Asked Questions (FAQs)

### 1. *What is short selling?*

Short selling is the sale of securities that the seller does not own at the time of the sale.

### 2. *Why regulate short selling activities?*

Short selling enables efficient price discovery, increases market liquidity, and facilitates risk management and the development of hedging activities. However, in times of significant market uncertainty, short selling can result in increased market volatility and disorderly markets. Short selling may also constitute market abuse, especially where it is accompanied by false or misleading information encouraging others to sell.

By requiring disclosure on short selling activities, such information can be collected and published to inform investors' trading decisions. It can also help deter market abuse by alerting regulators to activities that may potentially disrupt market orderliness, and aid investigation and enforcement.

### 3. *What is a short sell order?*

A short sell order arises where a seller does not have an interest in the securities at the time the sell order is made. Investors are required to disclose short sell orders, directly or indirectly through a broker, to SGX at the point of order submission.

### 4. *What is a short position?*

A short position arises where the quantity of securities that a person has is less than the quantity of securities that the person has an obligation to deliver. Investors are required to report short positions, directly or indirectly through a reporting agent, to MAS if their positions hit a short position threshold (refer to question 8) on Position Day (refer to question 9).

### 5. *What is the difference between information on short sell orders and short positions?*

Short sell order information aggregates the amount of short sell transactions in a particular stock or capital markets products, done on a particular trading day.

Short position information indicates the extent of outstanding short interests in a particular stock or capital markets products, on a given day.

A short sell order does not necessarily result in a short position. For example, a person who made a short sell order, followed by an offsetting buy trade, would not have a short position at the end of the market day.

### 6. *Where can I find information on short sell orders and short positions?*

SGX publishes aggregate short sell order information on its website on a daily basis ([here](#)).

MAS publishes aggregate short position information on the SPRS on a weekly basis ([here](#)).

**7. What are the securities subject to short sell order disclosure and short position reporting?**

The following securities listed on SGX:

- a. any share of a corporation;
- b. any unit in a business trust; and
- c. any unit in a real estate investment scheme.

**8. When is a short position reportable to MAS?**

A short position has to be reported to MAS if it reaches or exceeds the *lower* of:

- a. 0.2% of total issued shares or units; or
- b. S\$ 2,000,000.

**9. When do I determine whether I have a reportable short position?**

Short positions are determined on Position Day, which is the lasting trading day of the week. This would generally be every Friday.

**10. When do I report a short position?**

If you have a reportable short position, you must log in to your SPRS user account and submit a short position report within 2 business days from Position Day.

**11. How do I report short positions?**

Short positions must be reported online via the Short Position Reporting System (SPRS) (<https://sprs.mas.gov.sg>). For first time users, you need to set up an SPRS user account before you can submit short position reports.

Step-by-step user guides are available on the SPRS.

**12. How long does it take to set up an SPRS user account?**

It only takes about 5 minutes to set up an SPRS user account under User Registration.

**13. Can I make amendments to a short position report that I have already submitted?**

Yes, if the re-submission is made before the reporting cut-off date. If Position Day is a Friday, any re-submissions made by the following Tuesday (2 business days later) will overwrite the original submission.

**14. What do I need to do before allowing a third party (i.e. reporting agent) report short positions on my behalf?**

Please ensure that your reporting agent has an SPRS user account and a valid SPRID. You will need to perform a one-time set up under Manage Delegation to assign reporting to your reporting agent's SPRID.

Please refer to the User Guide on User Account Management.