

Yale University

EliScholar – A Digital Platform for Scholarly Publishing at Yale

YPFS Documents (Series 1)

[Browse by Media Type](#)

2020

Short-Selling Bans in Europe: Evidence from the COVID-19 Pandemic

Pasquale Della Corte

Robert Kosowski

Nikolaos Rapanos

Follow this and additional works at: <https://elischolar.library.yale.edu/ypfs-documents>

Recommended Citation

Corte, Pasquale Della; Kosowski, Robert; and Rapanos, Nikolaos, "Short-Selling Bans in Europe: Evidence from the COVID-19 Pandemic" (2020). *YPFS Documents (Series 1)*. 8896.

<https://elischolar.library.yale.edu/ypfs-documents/8896>

This Document is brought to you for free and open access by the Browse by Media Type at EliScholar – A Digital Platform for Scholarly Publishing at Yale. It has been accepted for inclusion in YPFS Documents (Series 1) by an authorized administrator of EliScholar – A Digital Platform for Scholarly Publishing at Yale. For more information, please contact elischolar@yale.edu.

**Preprint Research Paper*

2020

Short-Selling Bans in Europe: Evidence from the COVID-19 Pandemic

Pasquale Della Corte

Robert Kosowski

Nikolaos Rapanos

Abstract

A number of European countries - Austria, Belgium, France, Greece, Italy, and Spain - responded to the market disruption caused by the COVID-19 pandemic by introducing temporary bans on short-selling activity. These restrictions were imposed on all stocks and remained in place between March 18 and May 18 across all six countries. Other European countries, unlike the 2007-09 global financial crisis, abstained from introducing any form of short-selling constraints. We exploit this cross-country variation in short-sale regimes to identify their effects on liquidity, price discovery, and stock prices. We find that bans were detrimental for liquidity and failed to support prices, in line with the early work of Beber and Pagano (2013).

To view this article in its entirety please use the link provided below.

[View Full Article](#)

Recommended Citation

Della Corte, Pasquale, Robert Kosowski, and Nikolaos Rapanos. "Short-Selling Bans in Europe: Evidence from the COVID-19 Pandemic." 2020. Electronic copy available at: <https://ssrn.com/abstract=3692789>.