

Title: Can someone explain to me how exactly why having the float in computershare will get rid off naked shorts?

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Ive come across many comments that say that naked shorts are impossible once all the publicly tradable shares are directly registered at computershares.

I understand that normal shorting will be way harder because there wont be anyone willing to lend out these shares anymore. But I dont see how this affects naked shorting.

Correct me if Im wrong, but afaik naked shorts are simply shorts (usually made by market makers) whose shares have yet to be located. In other words a synthetic share is being created until the naked short becomes a regular short by borrowing or is being closed by covering.

When they dont locate / borrow the actual shares in time it becomes a FTD.

Which is what we actually see happening all the time.

So how will CS help fighting against naked shorting?

Can some smart ape here please help me out to get this straight? Thank you!