

PRESS RELEASE**IMPROVED PROSPECTUS REGIME TO GIVE BOOST TO REAL ECONOMY
Less red tape should make it easier for companies to raise capital****22 December 2009**

EuropeanIssuers welcomes the Commission's current review of the Prospectus regime. The proposed amendments to the Prospectus Directive aim at cutting red tape for companies without making compromises on investor protection.

The Prospectus Directive is a cornerstone in maintaining and promoting welfare within the EU. Where businesses find it difficult to access capital markets, economies across the EU will quickly suffer, which in turn will have an impact on employment. Achieving the optimum level of regulation applicable to different companies in different situations is fundamental, in addition to ensuring an adequate degree of equivalence of safeguards required in each Member State.

Many of the measures proposed by the Commission are a significant step forward to alleviate the barriers that companies are facing in their search for funds. It is now of utmost importance not to miss out on this unique opportunity and do the right thing. For instance, the definition of companies with reduced market capitalisation should not be lower than 500.000.000€ so as not to disadvantage smaller companies that struggle to raise capital in the current economic climate. In the same sense, the threshold for the minimum investment beyond which the obligation to publish a prospectus does not apply, should remain at 50.000€. The minimum amount of the offer under which the Prospectus Directive does not apply, should be raised significantly to 10.000.000€ to be calculated over a period of 12 months. Last but not least, companies which are listed on alternatively regulated markets, should not be excluded outright from the exemptions granted to companies listed on securities exchanges. In most markets, alternatively listed companies are subject to strict regulations in terms of disclosure and market abuse which should not be overlooked.

EuropeanIssuers urges the European legislator to produce a legal framework which will enable the real economy to effectively access capital markets by removing those hurdles that are only expensive, time and energy consuming and do not bring any benefit to the investors.

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Notes for editors

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