

25 March 2020

For the attn. Steven Maijor
Chair of the European Securities
and Markets Authority
201-203 rue de Bercy
75012 Paris
France

Re: EuropeanIssuers recommendations to ESMA regarding the effects of COVID-19 on issuers

Dear Chairman Maijor,

On behalf of EuropeanIssuers, I am writing to you to express our concerns regarding the adverse effects of COVID-19 on the real economy and on financial markets of the European Union.

Several Member States have taken action to address the current crisis and the impact of confinement measures on Annual General Meetings, whilst others have not done so. EuropeanIssuers would like to ask ESMA to recommend each Member State to provide for a higher degree of flexibility, in order to allow companies alternative methods to hold their AGMs without the physical presence of shareholders, or to postpone them if considered appropriate.

In this difficult period, where companies are assigning enormous resources to concentrate on the handling of the crisis and their business operations, including trying to hold their Annual General Meeting, we furthermore believe that European companies need to be relieved from additional regulatory requirements that would hamper their possibilities to cope with the crisis.

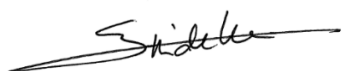
In this vein, EuropeanIssuers members have expressed concern following ESMA's recommendations on disclosing information regarding COVID-19 under the Market Abuse Regulation (MAR) regime and in the 2019 annual reports. As regards the disclosure of any relevant significant information concerning the impacts of COVID-19 on the fundamentals, prospects or financial situation of issuers, we would like to insist on the fact that issuers are solely responsible for determining what disclosure is necessary in accordance with the MAR. Issuers intend to comply with the requirements of MAR but any disclosure regarding the impacts of the pandemic can only be done after a careful assessment of the potential effects in an uncertain and difficult environment. Disclosing unreliable information could cause significant prejudice to issuers and investors.

Furthermore, ESMA recommendation reminds issuers to provide transparency on the actual and potential impacts of COVID-19 on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures. Due to the Annual reporting season, many issuers are

currently in the auditing process of their 2019 accounts and without possibility to hold meetings with auditors. The complete review of the reports is complex, and they have no time to change the content of the reports and to present it again to the auditors. We understand that the definition of the 2019 accounts “if these have not yet been finalized” applies to accounts not yet approved by the Board of Directors.

Finally, we consider that under the current circumstances, flexibility should be granted to issuers regarding the ESEF, since for many issuers the implementation of the new electronic format is on hold. As mentioned above, issuers are mobilising all their resources on handling the crisis and might not be able to meet the deadline imposed by EU regulation. We believe that the focus should be to ensure that relevant and reliable financial information is delivered to investors and markets and that the issue of the format is not – at the time being – a priority. Measures should be adopted to postpone the afore mentioned deadline.

Yours sincerely,



Florence Bindelle

Secretary General

EuropeanIssuers is a pan-European organisation representing the interests of publicly quoted companies across Europe to the EU Institutions. Our members include both national associations and companies from all sectors in 15 European countries, covering markets worth €7.6 trillion market capitalisation with approximately 8,000 companies.

We aim to ensure that EU policy creates an environment in which companies can raise capital through the public markets and can deliver growth over the longer-term. We seek capital markets that serve the interests of their end users, including issuers. For more information, please visit www.europeanissuers.eu