

Press Release

Brussels, Belgium – 25 May 2021

EuropeanIssuers welcomes the Final Report of the Technical Expert Stakeholder Group on SMEs

On 25 May, the European Commission's Technical Stakeholder Group (TESG) on SMEs published its final report on 'Empowering EU Capital Markets for SMEs – Making Listing Cool Again'.

EuropeanIssuers welcomes the general approach and focus of the TESG on SME's final report which acknowledges the particularly burdensome regulatory framework and the costs associated with listing for SMEs. As such, EuropeanIssuers supports the recommendations which are based on the key principles of simplification, proportionality and flexibility for SMEs.

Mr Luc Vansteenkiste, Chair of EuropeanIssuers, expressed: *"I welcome the recommendations of the TESG on SMEs, especially in light of the work conducted by the Capital Markets Union High-Level Forum. It is important that, in order to build a strong Capital Markets Union, the regulatory framework for SMEs is adapted according to their needs. Therefore, I very much support the recommendations on alleviations for SMEs, which focus on simplification and proportionality."*

In particular, following the Capital Markets Union High-Level Forum's (CMU HLF) recommendation, EuropeanIssuers supports the TESG's advice to revisit the SME definition and to build up on the concept of Small and Medium Capitalisation Companies (SMCs). Therefore, EuropeanIssuers welcomes the approach according to which "all publicly listed companies on any type of market whose market capitalisation is lower than 1 billion euros should be defined as SMCs." This definition is aligned with long-standing EuropeanIssuers' position in the context of the various ESMA and European Commission's consultations.

Moreover, EuropeanIssuers welcomes the concrete recommendations on Prospectus which are in line with the principle of proportionality, such as having English as the customary language for SMC issuers, and the simplified prospectus similar to the Recovery Prospectus to be adopted on a permanent basis. EuropeanIssuers advocated for simplified prospectus in the context of the COVID-19 pandemic, and considers these measures fully aligned with the aims of reducing compliance costs for issuers, and alleviating the administrative burdens on SMEs.

In addition, the recommendations on the simplification of the market abuse regime, which build up on the CMU HLF's advice and aim at clarification and establishment of a proportionate sanction regime, are a step in the right direction for the creation of a better

environment for SMEs. EuropeanIssuers acknowledges that SMEs encounter various obstacles as a result of the Market Abuse Regulation requirements, such as burdensome investigation costs, high costs of remain listed, and high compliance risk. Therefore, EuropeanIssuers believes that the measures proposed will facilitate the easier access to the public capital markets, and supports the recommendations which align also with the priorities of the CMU Action Plan 2020.

Ms Caroline Weber, Co-Chair of the Smaller Issuers Committee of EuropeanIssuers, commented: *“We observe that, while the final report brings forward measures which could have an actual impact and positive change for SMEs, the international context in which the report was adopted must be taken into account, and support from the Member States should be prioritised. As such, this should not be a one-time report, but continuous work must be done in order to alleviate the burdens on SMEs and to create a better environment for SMEs, as they are the backbone to the EU economy.”*

As an observer within the TESG on SMEs, EuropeanIssuers reiterates its support for the work of the TESG on SMEs and will continue to contribute to the development of initiatives that work for companies, investors and the overall EU ecosystem.

To view this press release online, please click [here](#).

Please click [here](#) for the Final Report of the Technical Expert Stakeholder Group on SMEs.

NOTES TO EDITORS

About EuropeanIssuers

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 of all sizes—from emerging growth companies to the large blue chip companies—can easily raise capital through the public markets and deliver growth over the longer term. Published in 2019, [EuropeanIssuers Vision](#) presents key priorities and policy recommendations in a number of areas to support the EU policy makers during their mandate. More information on our positions can be found at www.europeanissuers.eu or on EuropeanIssuers [LinkedIn](#) and [Twitter](#) page.

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EU Transparency No : 20935778703-23