

## Press Release

Brussels, Belgium – 28 March 2023

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### EuropeanIssuers' comments on the European Commission's proposals to further develop the EU's Capital Markets Union

On 28 March 2023, EuropeanIssuers published its position papers on the EC's proposals to further develop the EU's Capital Markets Union published on 7 December 2022.

EuropeanIssuers commented on the European Commission's proposal for a Regulation amending the Prospectus Regulation (PR), the Market Abuse Regulation (MAR) and the Markets in Financial Instruments Regulation (MiFIR) and the European Commission's proposal for a Directive on Multiple-Vote Share Structures.

With regard to the **Proposal to amend PR and MAR**, EuropeanIssuers welcomes the opportunity to comment it as it represents a great effort of simplification in line with the goals of the Capital Markets Union.

The reform of the EU rules on capital markets is of paramount importance as one of the factors that may contribute attracting investments and improving confidence; MAR is one of the most important pieces of legislation in that respect.

EuropeanIssuers supports the intention to narrow the disclosure obligation of inside information (although suggests some important modifications to bring more clarity, less compliance risks and more consistency), the clarification of the market sounding, the higher threshold for notification of managers' transactions and the general alleviations proposed to the regime. However, EuropeanIssuers does not support the change of timing of the notification to delay the disclosure of inside information to the NCA for the reasons illustrated below.

Furthermore, the proposed simplification and alleviations of the requirements in the Prospectus Regulation for companies seeking finance through financial markets will contribute to improve the effectiveness of the prospectus framework. EuropeanIssuers supports the new exemptions the EC is proposing to introduce for the offer and admission of securities fungible with securities already admitted to trading on a regulated market or an SME growth market as well as, in particular, the proposed changes regarding the description of risk factors, the clarification of the duties of intermediaries when a supplement is published and the possibility to publish an IPO prospectus 3 days before the end of the offer. EuropeanIssuers also supports the EU Growth issuance document for companies listed on SME growth markets and enhanced harmonization of supervisory practices through the standardisation of the scrutiny of prospectuses and more frequent peer reviews by ESMA. On the contrary, EuropeanIssuers does not support the limit of the number of pages of prospectuses (300 pages for share prospectuses) and the requirement to comply with a standardised sequence for the content and order of presentation. Introducing such a limitation could be counterproductive and would not meet the objective pursued. The best way forward to reduce the volume would be to review delegated regulation (EU) 2019/980 which defines the content of prospectuses and reduce the

disclosure requirements. EuropeanIssuers also considers that extending the withdrawal right from 2 to 3 working days after publication of a supplement or of the final offer price would increase execution risks when financial markets are volatile. Moreover, in its position paper, EuropeanIssuers suggests additional changes to PR that are necessary to unlock access to capital markets and ensure that the prospectus regime is fit for purpose.

With regard to the **Proposal for a Directive on Multiple-Vote Share Structures (MVSS)**, EuropeanIssuers welcomes the proposal as it correctly acknowledges that MVSS are an effective mechanism to allow companies' owners retain decision-making powers in a company while raising funds on public markets. While agreeing with the proposed minimum harmonization approach leaving sufficient flexibility to Member States for its implementation, the proposal has some limitations that risk making it ineffective, especially in countries that already allow the use of these instruments. Therefore, EuropeanIssuers suggests that the right to adopt MVSS should apply irrespective of the venue on which listing is sought and, therefore, it should also be extended to regulated market and other MTFs. Regarding the protection of minority shareholders, EuropeanIssuers agrees that some minimum mandatory safeguards should be provided for but firmly believes that they should not harm existing national regimes already in place by imposing more stringent requirements. As to the additional optional safeguard measures, EuropeanIssuers agrees that they should be left to Member States, to the extent that they are also optional for each company. EuropeanIssuers also welcomes the disclosure requirements for companies that adopted MVSS that apply both at the point of admission to trading of the company's shares and then on an annual basis, including information relating to the structure of the company's share capital, the characteristics of the multiple-vote shares as well as the presence of other control-enhancing mechanisms in the company.

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To view the position paper on Prospectus, MAR and MiFIR, please [click here](#).

To view the position paper on MVSS, please [click here](#).

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

## NOTES TO EDITORS

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### 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](http://www.europeanissuers.eu) or on EuropeanIssuers [LinkedIn](#) and [Twitter](#) page.

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