EuropeanIssuers

aisbl -izw
Rue de la Science 21-23-25
B-1040 BRUSSELS

Tel: +32 2 216 92 47

info@europeanissuers.eu
www.europeanissuers.eu

EuropeanIssuers' Position Paper on the European Commission's Proposal for a Regulation amending the Prospectus Regulation, the Market Abuse Regulation and the Markets in Financial Instruments Regulation

March 2023

EuropeanIssuers welcomes the opportunity to comment the European Commission's Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014.

The proposals published in December 2022 represent 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 and for which EuropeanIssuers welcomes most of the proposed amendments. 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.

In this document, EuropeanIssuers provides detailed comments and suggestions on the proposed amendments to MAR and Prospectus Regulation.

Table of content

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EuropeanIssuers' Position Paper on the European Commission's Proposal for amending MAR

March 2023

EuropeanIssuers would like to thank the European Commission for the work done with the proposals published last December; they represent a great effort of simplification in line with the goals of Capital Markets Union and reflect the suggestions of several Expert groups (HLF Report CMU, Oxera Report, TESG Report, *Report* of the Next CMU *High Level Group)*.

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.

We are therefore in favour of most of the proposed amendments as we think that these point into the right direction of simplification. However, on the good basis of the proposal further clarifications and amendments will be necessary to deliver a consistent approach, reducing compliance costs and risk for issuers and reflecting their specific needs as far as possible. In that respect we also hope that the legislative process will be speeded up.

In particular:

Key messages

EuropeanIssuers supports:

- the intention to narrow the disclosure obligation of inside information set forth in art. 17.1 which aims at allowing the communication of more mature information; however, we suggest some important modifications to bring more clarity, less compliance risks and more consistency;
- the replacement of the general condition that the delay is not likely to mislead the public by a list of specific conditions (article 17.4 b); and the empowerment of the EC to adopt delegated acts to set out a non – exhaustive list of relevant information and the moment in which the issuer can be reasonably expected to disclose it may be helpful for issuers.
- the clarification of the market sounding regime (article 11)
- the higher threshold for the notification of managers' transactions as well as the general alleviations proposed to the regime.

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.

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EuropeanIssuers' comments on the proposal for a Regulation amending MAR

Comments on disclosure (art. 17)

- *The reduction of the scope of the disclosure obligation for protracted processes (article 17.1)*

The main proposed amendment pertains to art. 17.1 where the intention is to exclude intermediate steps in a protracted process from the disclosure obligation; this amendment – if slightly redrafted – will have the great merit to ensure that issuers do not have to disclose information that is not sufficiently mature, as only the final events should be communicated to the public. In order to bring more clarity, we propose a rewording of art. 17.1 along the lines as it follows:

'*An issuer shall inform the public as soon as possible of inside information which directly concerns that issuer. That requirement shall not apply to intermediate steps in a protracted process as referred to in Article 7(2) and (3)* ~~*where those steps are connected with bringing about a set of circumstances or an event.*~~***In a protracted process only the final event shall be disclosed when it has actually occurred.***

EuropeanIssuers thinks that this amendment will bring more clarity together with the non-exhaustive list to be set forth by the European Commission defining the final event in a protracted process that is subject to disclosure under art. 17.1 and the timing for disclosure. This is also relevant, because the Commission's proposal does not elaborate on the concept of 'final event' for the purpose of defining the future event in a protracted process that is subject to disclosure under art. 17.1. Clarifying this question is crucial for the success of the reform.

To help issuers to manage the establishment and approval of their financial statements the recitals or the list of the European Commission Delegated Acts could also specify that preparation and approval of financial statements constitute a protracted process where the disclosure obligation results at the point of time as it is set out in the issuers' financial calendar unless a profit warning or earnings surprise occur.

Regarding art. 17.1b, sentence 1, MAR Proposal refers to the confidentiality of intermediate steps in protracted processes that qualify as inside information under art. 7 MAR. The issuer's obligation in Article 17 (1b) to ensure confidentiality of inside information not yet due for disclosure according to Art. 17 (1) of the MAR proposal in our eyes reflects the general requirements for the treatment of inside information as set out in Art. 10 (1) MAR and is undisputed. However, the related requirement to disclose such information early if confidentiality is no longer ensured adds complexity to the proposal and creates new risks for issuers. For example, the issuer will still have to prepare and update "shadow disclosures" in order to be prepared for such a premature disclosure just in case it could be required on short notice. It is thus absolutely necessary to abolish the obligation provided in Art. 17 (1b) sentence 2 of the MAR proposal to disclose intermediate steps early in case of a leakage. This would make the proposal consistent without being a risk for market integrity, because in case of a leakage

(which will most likely be related to rumours in the market) the authorities will still have all means at hand to explore who has infringed the general obligations. The difference however would be, that a misbehaviour of a single individual or abuse rumour spreading would not result in forced disclosures for issuers that have undertaken all reasonable steps to ensure confidentiality.

- *The change of the timing of the notification to delay the disclosure of inside information to the NCA (article 17.4)*

According to paragraph 4, the notification to the NCA has to take place immediately after the decision to delay disclosure is taken instead of immediately after the information is disclosed to the public.

We strongly suggest keeping the *status quo* and to provide that it should be made only after the information is disclosed to the public and not before (art. 17.4), also to avoid delay notifications of inside information that will not be published having lost meanwhile the nature of inside information (see ESMA MAR Q&A 5.2). This regime has proven to be efficient and sufficient for purposes of market integrity. In contrast, the proposed changes will increase the administrative burden for issuers (instead of reducing it) as they will have to document their decisions of delaying during a stricter time frame in order to be able to communicate to the NCA at the point of time when the decision is taken.

- *Rumours (art. 17.7)*

One remark concerns art. 17.7 which states "'This paragraph includes situations where a rumour explicitly relates to inside information the disclosure of which has been delayed in accordance with paragraph 4 or 5, where that rumour is sufficiently accurate and reliable to indicate that the confidentiality of that information is no longer ensured";

It appears that the change is meant to help issuers allowing the use of the delay when a rumour could just be based on speculation. This approach is generally welcome. However, it is unclear how the "reliability" of a rumour should be assessed with sufficient certainty, particularly as often the source of such a rumour is unclear.

We propose, therefore, to at least specify the term "reliable" by adding that a rumour is (only) deemed reliable if it contains the most significant details of the delayed inside information and does not contain wrong or misleading information. An even better solution would be that issuers are entitled to use a "no comment" strategy (instead of prematurely publishing the delayed inside information) in the case of rumours.

Comments on Insider Lists (art. 18)

- *The requirement to establish a list of permanent insiders (article 18)*

Irrespective of the number of persons included in the lists it remains key that the volume of data that will have to be collected from each person on the list needs to be reduced, in particular with regards to personal data (such as private email addresses, secondary residences, etc.). We are convinced that in case of suspicion authorities have all means at hand to collect this data anyway.

Comments on the Managers' Transaction Regime (art. 19)

- We generally welcome, that the thresholds of the Managers' Transactions Regime have been increased. However, Art. 19.8 on the method for calculating the threshold for the managers' transactions shall be modified as to provide that once the threshold (e.g. 20.000 Euro) has been reached, the calculation of the threshold should restart from zero until a new threshold has been reached again (meaning that all the following amounts must be summed up until they reach again the threshold), in this case a manager will inform the market only when a new threshold is reached (e.g. 20/40/60.000) and clarify that transactions on different securities shall be calculated separately (art. 19.8);
- Under MAR the obligation to notify a manager transaction is triggered by the conclusion of an agreement, whereby, in the case of conditions precedent the obligation to notify arises only upon execution of the transaction, provided that the conditions are satisfied. The decisive factor is not the conclusion of the transaction, but its execution. This also results from Recital 30 of Delegated Regulation 522/2016, according to which, in the case of a conditional transaction, the requirement to notify only arises with the occurrence of the relevant condition, i.e., when the transaction in question actually takes place. According to Recital 30, a double notification – at the time of the conclusion of the contract and the time of occurrence of the condition – is expressly rejected. ESMA has clarified (MAR Q&A 7.9) that the types of transaction prohibited during a closed period under Article 19.11 of MAR are the same as those types of transaction subject to the notification requirements set out under Article 19.1 of MAR. Notwithstanding the above some commentators have argued that a PMDR may not enter into a conditional transaction during a closed period, even if the transaction is only completed after the end of the closed period. This has created a relevant incertitude on the market mainly for M&A transactions where a PDMR is both a manager and a shareholder of the issuer. We therefore suggest clarifying in Recital 30 of Delegated Regulation 522/2016 providing that PDMR may enter into an agreement (so called signing) subject to conditions precedent if the execution (closing) will occur after the expiry of the closed period;
- In order to reduce bureaucratic burden and thus follow the objectives of the listing act with more consistency, EuropeanIssuers suggests to delete the duty to draw up a list of closed associated persons and the duty on issuers to notify closed associated persons (art. 19.5) which have proven to result in significant compliance efforts for issuers;
- Also for the sake of consistency, we call for the exclusion from the notification obligation of gifts, inheritances and donations that were not included among the transactions to be notified under MAD because they are completely passive from the PDMR's point of view (see art. 10.2 let. (k), EU Delegated Regulation n. 2016/522), have no signalling value since the price field in the notification form of managers' transactions for a gift, donation or inheritance shall be populated with 0 (zero) (see ESMA MAR Q&A 7.4) and considering the difficulties to calculate the value of a donation, a gift or inheritance (see ESMA MAR Q&A 7.4);
- Finally, it should be clarified that where performance shares are allocated to PDMRs as part of a remuneration package, the obligation to notify arises only when the PDMR sells the

shares as this is the moment in which there is a real signaling value for the market; as the ESMA Q&A (see 7.5[1]) does not clarify the issue, we think that the moment in which shares are granted for free to PDMRs (meaning the moment in which shares are credited in the account of the PDMR) should not be notified (there is no discretion by the PDMR who is passive and there is no signalling value for the market) while when the shares are sold there should be a notification. A different interpretation would imply a duplication of notifications, more work to be done by the issuer's staff and the increase of indirect costs. For phantom stock, the notification duty should be excluded as the PDMR has only the right to receive cash. The above-mentioned clarifications could be included in the ESMA guidance.

Comments on Sanctions (art. 30)

- *The more proportionate regime of sanctions*

We also welcome that the EU Commission reviews the sanctions regime; but more ambitious and consistent steps are necessary to build a more proportionate framework. For issuers a maximum administrative sanction for infringements of article 17, 18 or 19 based on annual turnover could be disproportionally high especially for larger issuers. To mitigate such sanction, we suggest to provide for a fixed cap for both SMEs and other issuers.

Regarding infringements of articles 18 (insider lists) and 19 (managers' transactions), which have no impact on market integrity as they are only burdensome bureaucratic tasks, the Commission's proposal even introduces new turnover-related maximum sanctions. This appears particularly inconsistent to the overall objective of the Commission to reduce potential risks for issuers.

The Commission proposal also does not consider any intervention on sanctions for natural persons (see article 30(1)(i)). We suggest providing for a more proportionate framework also in this case. Administrative sanction for natural persons shall be based on annual compensation (instead of the total annual turnover) for infringements of article 17(1); moreover, we recommend to strongly reduce sanctions for infringements of articles 17(4) (delay) (actually 1 million Euro), 18 (insider lists) and 19 (managers transactions) (both actually 500,000 Euro). One tenths of the actual maximum amount seem appropriate to punish inadvertent breach of MAR. Finally, penal sanctions in case of infringement of articles 17(4), 18 e 19 MAR shall be repealed.

We welcome a lighter regime for SMEs but we hold that the definition included in article 30 shall abandon the old meaning included in Commission Recommendation 2003/316/EC and introduce a definition based on market capitalisation (500,000,000 or 1 billion Euro would be more appropriate), as suggested by the TESG Report and HIGH Level Forum CMU Report.

[1] See the answer: "The rationale of Article 19(1) of MAR is mainly to prevent insider dealing and to provide investors with a highly valuable source of information. A notification of entering into a remuneration package contract, according to which a PDMR is entitled to receive shares only upon the occurrence of certain conditions, is not covered by that rationale. Therefore, pursuant to Article 19(1) of MAR and Article 10(2)(i) of Commission Delegated Regulation (EU) 2016/522, the PDMR has to notify only upon the occurrence of the conditions and the actual execution of the transaction".

Some additional amendments:

- We welcome the clarification of the market sounding regime (article 11), so that compliance to market sounding requirements creates a safe harbour for market participants but remains only an option to comply with market abuse rules. We also propose to extend the exemption introduced for private placements of bonds addressed to qualified investors (art. 11, 1a) to equity placements and including, for both types of placements, investors who acquire securities for a total consideration of at least EUR 100 000;
- We would like clarifying that debt-only issuers should disclose only information that is likely to impair their ability to repay their debt; this issue was tackled in one of the questions of the Listing Act Questionnaire.

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EuropeanIssuers' Position Paper on the Review of the Prospectus Regulation (PR)

March 2023

Key messages

EuropeanIssuers (EI) welcomes the review of PR and the Commission's objective to **simplify and alleviate the requirements** for companies seeking finance through financial markets. **EI supports the new exemptions** the Commission 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**. These alleviations will contribute to improve the effectiveness of the prospectus framework. EI 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, EI 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. EI 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.

Finally, EI considers that the following additional changes to PR are necessary to unlock access to capital markets and ensure that the prospectus regime is fit for purpose:

- The exemption threshold of 150 natural or legal persons should be **raised to 500 natural or legal persons**.
- The **offer and admission of securities issued in connection with a take-over bid by way of exchange offer or in connection with merger and division transactions should be excluded from the scope of PR** because they are covered by other pieces of EU legislation.
- The **EU Follow-on prospectus should apply to the transfer of securities from an SME Growth Market to a regulated market and to base prospectuses**.
- The scope of documents that can be incorporated in a prospectus should **be extended to all documents made available previously or at the same time on the OAM**.

EuropeanIssuers' comments on the proposal for a Regulation amending PR

EuropeanIssuers (EI) welcomes the review of PR and the Commission's objective to simplify and alleviate the requirements for companies seeking finance through financial markets as well as for intermediaries selling securities. EI especially welcomes the fact that the Commission is taking into account the great amount of information disclosed by public companies in order to strike the right balance between investor protection and facilitating access to financial markets, in particular for SMEs.

Changes EI supports

- **EI supports the new exemptions** the Commission is proposing to introduce:
  - The Extension of the **exemption from the obligation to publish a prospectus to offer of securities fungible** with securities already admitted to trading on a regulated market or an SME growth market, provided that the securities offered represent, over a period of 12 months, less than a determined percentage of existing securities.
  - The increase of the percentage mentioned above, for both offer and admission to trading of securities, from **20% to 40%** of the number of securities already admitted to trading on the same market, calculated over a period of 12 months.
  - The introduction of a **new exemption from the obligation to publish a prospectus for offer and admission of securities fungible** with securities that have been admitted to trading for at least the last 18 months, subject to conditions and in particular to the filing with the National Competent Authority of an information document.

The exemptions mentioned above will **not lower investor protection** since they will apply only to companies with securities admitted to trading and **making public information regarding their activities, prospects, risks, financial situation and non-financial performance** (ESG).

- **EI also supports the EU Growth issuance document for companies listed on SME growth markets and the proposed change to the description of risk factors:**
  - Article 15 setting out the EU Growth prospectus regimes would be repealed and replaced by the new EU Growth issuance document which will be laid down in the new Articles 7(12b), 15a, 21(5c) and Annexes VII and VIII to the Prospectus Regulation. EuropeanIssuers welcomes the proposed **standardised format and sequence** of the EU Growth issuance document and the reduced information to be disclosed in the EU growth issuance document that should be proportionate to the size of the companies while enabling investors to take informed decisions.
  - **In Article 16, related to risk factors, the requirement to prioritize the risks identified would be removed**. As mentioned on several occasions, **prioritization of risks factors significantly increases complexity and liability for issuers** since not all the risks can

be identified, assessed and quantified. In particular materiality and probability of occurrence are very difficult to assess, given the different characteristics of risks and may be subjective.

- However, EI questions **the opportunity to amend Article 16 to explicitly require that risk factors should not be generic**: when generic factors are found in a prospectus it would generally be at the request of Competent Authorities. We believe therefore that this issue would be better dealt with through enhanced harmonization of supervisory practices (see below).

- Finally, **EI welcomes flexibility for the publication of prospectuses, clarification regarding the duties of intermediaries and enhanced harmonization of supervisory practices:**
  - **Clarification of the duties of intermediaries** as regards the investors who have purchased or subscribed to the securities when a supplement is published will offer legal certainty to intermediaries.
  - The **choice of the language**, provided that the summary is published in the official language of the home Member State, **the publication in an electronic format and the possibility to publish the prospectus for an IPO 3 days before the end of the offer** will also contribute to improve the effectiveness of the prospectus framework.
  - Finally, **enhanced harmonization of supervisory practices** through the standardisation of the scrutiny of prospectuses and more frequent peer reviews by ESMA is necessary to ensure consistent and effective implementation of the requirements regarding prospectuses.

Changes EI does not support

EI does not support the following changes put forward by the Commission as they would make the drafting of prospectuses more complex and financial transactions more difficult when market conditions are volatile:

- **Limit 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**. We understand and appreciate that the rationale for limiting the number of pages is to streamline prospectuses and enhance their comprehensibility and accessibility, in particular for retail investors. We consider however that in some cases, like the ones mentioned below, **introducing such a limitation could be counterproductive and would not meet the objective pursued**:
  - It is the **purpose of the summary to provide a short accessible overview** of the key material information (retail) investors need to know about the offer and/or admission.
  - **Some information** which can represent a significant volume, such as the financial consolidated statements for large companies, **cannot be summarised**. The financial

statements can be incorporated by reference but this implies that there could be no historical financial information in prospectuses – except for key indicators – and can impair the comprehensibility of such prospectuses.

- Some **other parts of prospectuses are likely to increase in terms of volume**, in particular regarding ESG topics.

EI is therefore **not in favour of introducing a limit** in terms of pages for share prospectuses and consider that 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** (see Amendments 1 and 2 in Annex 1). As an alternative, we would suggest exempting issuers from the page-limit under specific circumstances for instance when there is an international offer and additional information would be required in certain jurisdictions (eg. the USA).

Regarding the standardised sequence of the information to be disclosed in the prospectus we think that this provision goes against flexibility which is ensured by the current regime ; art. 24.4 of the EU Delegated Regulation 980/2019 allows, where the order of the information is different from the order in which that information is presented in the Annexes to this Regulation, to provide a list of cross references indicating the items of those Annexes to which that information corresponds, where required by the NCAs. This allows using the information already provided in an offering circular in case where an offer is previously made to institutional investors.

Regarding the content of prospectuses, we have noted that the Commission is also proposing new annexes defining the different sections of the standard prospectus, registration document and securities note. EI considers that **the content of prospectuses should be modified only if a major issue in terms of transparency has been identified or to streamline the disclosure requirement** but not every 5 years for the sake of change. In this regard, we welcome in Annexes I (Prospectus) and II (Registration document) the reference to the management report, which would be incorporated by reference, and the requirement to include only 2 years of historical financial information for equity prospectuses and 1 year for non-equity prospectuses. However, we consider that companies should not be required to incorporate the entire management report. They should have the choice to refer only to the parts of the report they deem necessary. As a matter of fact, management reports can include forward-looking information and including these information in prospectuses could lead to a considerable increase in the issuer's liability. We also appreciate that there is no reference to the statement of capitalisation and indebtedness in Annex III (Securities note). We are however suggesting amendments on 2 specific disclosure requirements (see Annex 2) and are concerned that the definition of the content of prospectuses through “level 2” measures would not allow a proper consultation process (see Amendment 2 in Annex 1).

- **Extend the withdrawal right from 2 to 3 working days** after publication of **a supplement** or **of the final offer price** where said final price and/or the amount of securities to be offered to

the public were not included in the prospectus. As regards the extension of the withdrawal right from 2 to 3 working days after publication of a supplement or of the final offer price, EI considers that **this extension would increase execution risks when financial markets are volatile**. **They do not support such an extension** (see Amendments 3 and 4 in Annex 1).

Additional necessary changes

EI considers that the following clarifications and additional changes to PR are necessary to unlock access to capital markets and ensure that the prospectus regime is fit for purpose:

- The exemption threshold of 150 natural or legal persons laid down in Article 1.4(b) of PR should be **raised to 500 natural or legal persons**.
- **The offer and admission of securities issued in connection with a take-over bid by way of exchange offer or in connection with merger and division transactions should not be subject to the publication of a prospectus**. These transactions currently benefit from an exemption of prospectus provided that a document is made public describing the transaction and its impact. In practice, this requirement can result in some Authorities requiring the filing of the information document before the transaction takes place and reviewing said document as they would do for a prospectus. These transactions should be **excluded from the scope of PR because they are covered by other pieces of EU legislation and subject to specific disclosure requirements** (see Amendment 5 in Annex 1).
- It should be clarified that the **EU Follow-on prospectus can apply to the transfer of securities from an SME Growth Market to a regulated market.** The alleviations introduced through the **EU Follow-on prospectus should also apply to base prospectuses**.
- The scope of documents that can be incorporated in a prospectus should be **extended to all documents made available previously or at the same time on the OAM**, provided that the language requirements of PR are met. Furthermore, there should be no obligation to incorporate by reference any document.

Regarding cross listing, the existing legislation (MiFID II) may be understood that a company may seek dual listing (i.e. admission to trading on a venue other than the original trading venue) only based on a third-party request. Therefore, we recommend providing legal clarity on the issue of dual listing by amending Article 33(7) of MiFID II to make it explicit that issuers admitted to trading on an SGM may on their own request demand to be admitted to trading on another SGM. The issues is considered in the Impact Assessment (p. 90) but not addressed «T*he overwhelming majority of respondents (59%, or 23 respondents) were in favour of further clarifying Article 33(7) of MiFID II with a view to ensuring an interpretation whereby the issuers themselves can request a dual listing*».

ANNEX 1 – Amendments

Amendment 1: issuers should have flexibility regarding the length and lay-out of prospectuses

Article 1 Amendments to Regulation (EU) 2017/1129

(6) Article 6 is amended as follows:

Commission's proposal	***EI' proposal***
(a) in paragraph 1, the introductory wording is replaced by the following:	(a) in paragraph 1, the introductory wording is replaced by the following:
'Without prejudice to Article 14b(2), Article 15a(2) and Article 18(1), a prospectus shall contain the necessary information which is material to an investor for making an informed assessment of:';	'Without prejudice to Article 14b(2), Article 15a(2) and Article 18(1), a prospectus shall contain the necessary information which is material to an investor for making an informed assessment of:';
(b) paragraph 2 is replaced by the following:	(b) paragraph 2 is replaced by the following:
'2. ***The prospectus shall be a document of a standardised format and the information disclosed in a prospectus shall be presented in a standardised sequence, in accordance with delegated acts referred to in Article 13(1)***. The information in a prospectus shall be written and presented in an easily analysable, concise and comprehensible form, taking into account the factors set out in paragraph 1, second subparagraph, of this Article.';	'2. ***(…)*** The information in a prospectus shall be written and presented in an easily analysable, concise and comprehensible form, taking into account the factors set out in paragraph 1, second subparagraph, of this Article.';
(c) the following paragraphs 4 and 5 are added:	(…)
'4. A prospectus that relates to shares or other transferrable securities equivalent to shares in companies shall be of maximum length of 300 sides of A4-sized paper when printed and shall be presented and laid out in a way that is easy to read, using characters of readable size.	

5. The summary, the information incorporated by reference in accordance with Article 19 or the additional information to be provided where the issuer has a complex financial history or has made a significant financial commitment, as referred to in Article 18 of Commission Delegated Regulation (EU) 2019/980 *1, shall not be taken into account for the maximum length referred to in paragraph 4 of this Article.

Amendment 2: issuers should have flexibility regarding the length and lay-out of prospectuses

Article 1 Amendments to Regulation (EU) 2017/1129

(10) Article 13 is amended as follows:

Commission's proposal	***EI' proposal***
(a) paragraph 1 is amended as follows:	(a) paragraph 1 is amended as follows:
(i) the first subparagraph is replaced by the following:	(i) the first subparagraph is replaced by the following:
'The Commission shall adopt delegated acts in accordance with Article 44 to supplement this Regulation regarding the ***standardised*** format ***and standardised sequence*** of the prospectus, the base prospectus and the final terms, and the schedules defining the specific information to be included in a prospectus, including LEIs and ISINs, avoiding duplication of information when a prospectus is composed of separate documents.';	'The Commission shall adopt delegated acts in accordance with Article 44 to supplement this Regulation regarding the ***(…)*** format ***(…)*** of the prospectus, the base prospectus and the final terms, and the schedules defining the specific information to be included in a prospectus, including LEIs and ISINs, avoiding duplication of information when a prospectus is composed of separate documents.';
(ii) in the second subparagraph, the following points (f) and (g) are added:	(ii) in the second subparagraph, the following points (f) and (g) are added:
'(f) whether the issuer is required to provide sustainability reporting,	'(f) whether the issuer is required to provide sustainability reporting,

together with the related assurance opinion, in accordance with Directive 2004/109/EC and Directive 2013/34/EU of the European Parliament and of the Council;	together with the related assurance opinion, in accordance with Directive 2004/109/EC and Directive 2013/34/EU of the European Parliament and of the Council;
(g) whether non-equity securities offered to the public or admitted to trading on a regulated market are advertised as taking into account environmental, social or governance (ESG) factors or pursuing ESG objectives.	(g) whether non-equity securities offered to the public or admitted to trading on a regulated market are advertised as taking into account environmental, social or governance (ESG) factors or pursuing ESG objectives.
(b) in paragraph 2, the first subparagraph is replaced by the following:	(b) in paragraph 2, the first subparagraph is replaced by the following:
'The Commission shall adopt delegated acts in accordance with Article 44 to supplement this Regulation by setting out the schedule specifying the minimum information to be included in the universal registration document.';	'The Commission shall adopt delegated acts in accordance with Article 44 to supplement this Regulation by setting out the schedule specifying the minimum information to be included in the universal registration document.';
(c) paragraph 3 is replaced by the following:	(c) paragraph 3 is replaced by the following:
'3. The delegated acts referred to in paragraphs 1 and 2 shall comply with Annexes I, II and III to this Regulation.';	'3. The delegated acts referred to in paragraphs 1 and 2 shall comply with Annexes I, II and III to this Regulation. ***Before adopting the delegated acts referred to in paragraphs 1 and 2, the Commission shall consult stakeholders.***';

Amendment 3: extend the withdrawal right after publication of the final offer price or amount of securities would increase execution risks

Article 1 Amendments to Regulation (EU) 2017/1129

(16) Article 17 is amended as follows:

Commission's proposal	***EI' proposal***
(a) in paragraph 1, point (a) is replaced by the following:	(a) in paragraph 1, point (a) is replaced by the following:
'(a) the acceptances of the purchase or subscription of securities may be withdrawn	'(a) the acceptances of the purchase or subscription of securities may be withdrawn

for not less than ***3*** working days after the final offer price or amount of securities to be offered to the public has been filed; or';	for not less than ***2*** working days after the final offer price or amount of securities to be offered to the public has been filed; or';
(b) in paragraph 2, the following subparagraph is added:	(b) in paragraph 2, the following subparagraph is added:
'Where the final offer price referred to in the first subparagraph differs by no more than 20 % from the maximum price disclosed in the prospectus as referred to in paragraph 1, point (b)(i), the issuer shall not be required to publish a supplement in accordance with Article 23(1).';	'Where the final offer price referred to in the first subparagraph differs by no more than 20 % from the maximum price disclosed in the prospectus as referred to in paragraph 1, point (b)(i), the issuer shall not be required to publish a supplement in accordance with Article 23(1).';

Amendment 4: extend the withdrawal right after publication of a supplement would increase execution risks

Article 1 Amendments to Regulation (EU) 2017/1129

(20) Article 23 is amended as follows:

Commission's proposal	***EI' proposal***
'2. Where the prospectus relates to an offer of securities to the public, investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right, exercisable within ***3*** working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in paragraph 1 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. That period may be extended by the issuer or the offeror. The final date of the right of withdrawal shall be stated in the supplement.	'2. Where the prospectus relates to an offer of securities to the public, investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right, exercisable within ***2*** working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in paragraph 1 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. That period may be extended by the issuer or the offeror. The final date of the right of withdrawal shall be stated in the supplement.

Amendment 5: exempt offers addressed to fewer than 500 persons and take-over bids by way of exchange offer, mergers and divisions to enhance effectiveness and attractiveness

Article 1 Amendments to Regulation (EU) 2017/1129

(1) Article 1 is amended as follows:

Commission's proposal	***EI' proposal***
	(aa) in paragraph 2, points (g) and (h) are inserted:
	'(g) securities issued in connection with a takeover by means of an exchange offer;
	(h) securities issued in connection with a merger or division.'
(a) paragraph 3 is deleted;	(a) paragraph 3 is deleted;
(b) paragraph 4 is amended as follows:	(b) paragraph 4 is amended as follows:
(…)	(…)
	(v) paragraphs (f) and (g) are deleted;
	(vi) paragraph (b) is replaced by the following:
	'an offer of securities addressed to fewer than 500 natural or legal persons per Member State, other than qualified investors ;'
(c) paragraph 5 is amended as follows:	(c) paragraph 5 is amended as follows:
(…)	(…)
	(iv) paragraphs (e) and (f) are deleted;

Amendment 6: clarify the scope of the EU Follow-on prospectus

Article 1 Amendments to Regulation (EU) 2017/1129

(12) the following Article 14b is inserted:

Commission's proposal	***EI' proposal***
'*Article 14b* EU Follow-on prospectus	'*Article 14b* EU Follow-on prospectus
1. The following persons may draw up an EU Follow-on prospectus in the case of an offer	1. The following persons may draw up an EU Follow-on prospectus in the case of an offer

of securities to the public or of an admission to trading of securities on a regulated market:	of securities to the public or of an admission to trading of securities on a regulated market:
(a) issuers whose securities have been admitted to trading on a regulated market or an SME growth market continuously for at least the 18 months preceding the offer to the public or the admission to trading on a regulated market of the new securities;	(a) issuers whose securities have been admitted to trading on a regulated market or an SME growth market continuously for at least the 18 months preceding the offer to the public or the admission to trading on a regulated market of the new securities;
(b) offerors of securities admitted to trading on a regulated market or an SME growth market continuously for at least the 18 months preceding the offer of securities to the public.	(b) offerors of securities admitted to trading on a regulated market or an SME growth market continuously for at least the 18 months preceding the offer of securities to the public.
	(c) issuers whose securities have been admitted to trading on an SME growth market continuously for at least the last 18 months and who are transferring to a regulated market.
By way of derogation from the first subparagraph, an issuer who has only non-equity securities admitted to trading on a regulated market or an SME growth market shall not be allowed to draw up an EU Follow-on prospectus for the admission to trading of equity securities on a regulated market.	By way of derogation from the first subparagraph, an issuer who has only non-equity securities admitted to trading on a regulated market or an SME growth market shall not be allowed to draw up an EU Follow-on prospectus for the admission to trading of equity securities on a regulated market.

(12a) Article 8 is amended as follows:

Commission's proposal	***EI' proposal***
-	'*Article 8* **The base prospectus** 1. For non-equity securities, including warrants in any form, the prospectus may, at the choice of the issuer, offeror or person asking for the admission to trading on a regulated market, consist of a base prospectus containing the necessary

information concerning the issuer and the securities offered to the public or to be admitted to trading on a regulated market. ***Notwithstanding the second subparagraph of Article 14b (1), the base prospectus may be drawn up as a EU Follow-on prospectus***.'

Amendment 7: improve incorporation by reference

Article 1 Amendments to Regulation (EU) 2017/1129

(17) Article 19 is amended as follows:

Commission's proposal	***EI' proposal***
(a) paragraph 1, first subparagraph, is amended as follows:	(a) paragraph 1, first subparagraph, is amended as follows:
(i) the introductory wording is replaced by the following:	(i) the introductory wording is replaced by the following:
'Information that is to be included in a prospectus pursuant to this Regulation and the delegated acts adopted on the basis of it, *shall* be incorporated by reference in that prospectus where it has been previously or simultaneously published electronically, drawn up in a language fulfilling the requirements of Article 27 and where it is contained in one of the following documents:';	'Information that is to be included in a prospectus pursuant to this Regulation and the delegated acts adopted on the basis of it, ***may*** be incorporated by reference in that prospectus where it has been previously or simultaneously published electronically, drawn up in a language fulfilling the requirements of Article 27 and where it is contained in ***a document available on the officially appointed mechanism or in*** one of the following documents:';

ANNEX 2 – Content of prospectuses

ANNEXES

to the Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises

ANNEX I

'ANNEX I

THE PROSPECTUS

I. Summary

II. Purpose, persons responsible, third-party information, experts' reports and competent authority approval

The purpose is to provide information on the persons who are responsible for the content of the prospectus and to provide comfort to investors on the accuracy of the information disclosed in the prospectus. In addition, this section provides information on the interests of persons involved in the offer~~, as well as the reasons of the offer, the use of proceeds and the expenses of the offer~~. Moreover, this section provides information on the legal basis of the prospectus and its approval by the competent authority.

Rationale: including disclosures regarding the purpose of the offer and the use of proceeds in this section appears confusing and inappropriate (see below Section VIII).

III. Strategy, performance and business environment

The purpose is to disclose information on the identity of the issuer, its business, strategy and objectives. Investors should have a clear understanding of the issuer's activities and the main trends affecting its performance, its organisational structure and material investments. Where applicable the issuer shall disclose in this section estimates or forecasts of its future performance.

IV. Management report, including the sustainability reporting (equity securities only)

The purpose of this section is to incorporate by reference the management reports and consolidated management reports as referred to in Article 4 of Directive 2004/109/EC, where applicable, and in Chapters 5 and 6 of Directive 2013/34/EU, for the periods covered by the historical financial information including, where applicable, the sustainability reporting. Issuers may include only the parts of the management reports they consider necessary.

Rationale: management reports can include forward-looking information and including such information in prospectuses could lead to a considerable increase in the issuer's liability.

V. Working capital statement (equity securities only)

The purpose of this section is to provide information on the issuer's working capital requirements.

VI. Risk factors

The purpose is to describe the main risks faced by the issuer ~~and their impact on the issuer's future performance,~~ as well as the main risks which are specific to the securities offered to the public or to be admitted to trading on a regulated market.

Rationale: the wording should be aligned with the wording of Article 16 of PR which does not mention the impact on the future performance.

VII. Terms and conditions of the securities

The purpose of this section is to set out the terms and conditions of the securities and provide a detailed description of their characteristics.

VIII. Purpose and details of the offer/admission to trading

The purpose of this section is to set out the reasons of the offer, the use of proceeds and the expenses of the offer, as well as the specific information on the offer of the securities, the plan for their distribution and allotment, an indication of their pricing. Moreover, it presents information on the placing of the securities, any underwriting agreements and arrangements relating to admission to trading. It also sets out information on the persons selling the securities and dilution to existing shareholders.

Rationale: including disclosures regarding the purpose of the offer and the use of proceeds in this section appears more relevant.

IX. ESG-related information (non-equity securities only, where applicable)

Where applicable, ESG-related information in accordance with the delegated act referred to in Article 13(1), second subparagraph, point (g).

X. Corporate governance

This section shall explain the issuer's administration and the role of the persons involved in the management of the company. For equity securities, it will furthermore provide information on the background of senior management, their remuneration and its potential link to the issuer's performance.

XI. Financial information

The purpose is to specify which financial statements must be included in the document covering the two latest financial years (for equity securities) or the last financial year (for non-equity securities) or such shorter period during which the issuer has been in operation and other information of a financial nature. The accounting and auditing principles that will be accepted for

use in preparation and audit of the financial statements will be determined in accordance with international accounting and auditing standards.

A. Consolidated statements and other financial information.

B. Significant changes.

Issuers shall be allowed to include financial statements covering the three latest financial years (for equity securities).

Rationale: for US offers, to be in the position to draft only one offer document instead of two i.e. the Prospectus and the offering circular, it is necessary to include 3 years of historical financial information. This could be left as an option for issuers.

XII. Shareholder and security holder information

This section shall provide information on the issuer's major shareholders, the existence of potential conflicts of interest between senior management and the issuer, the issuer's share capital as well as information on related party transactions, legal and arbitration proceedings and material contracts.

XIII. Information on the guarantor (non-equity securities only, where applicable)

The purpose is to provide, where applicable, information on the guarantor of the securities including essential information about the guarantee attached to the securities, the risk factors and financial information specific to the guarantor.

XIV. Information on the underlying securities and the issuer of the underlying securities (where applicable)

The purpose is to provide, where applicable, information on the underlying securities and, where applicable, on the issuer of the underlying securities.

XV. Information on consent (where applicable)

The purpose is to provide information on the consent where the issuer or the person responsible for drawing up a prospectus consents to its use in accordance with Article 5(1).

XVI. Documents available

The purpose is to provide information on the documents that shall be available for inspection and the website where they can be inspected.

ANNEX II

REGISTRATION DOCUMENT

I. Purpose, persons responsible, third-party information, experts' reports and competent authority approval

The purpose of this section is to provide information on the persons who are responsible for the content of the registration document and to provide comfort to investors on the accuracy of the information disclosed in the prospectus. Moreover, this section provides information on the legal basis of the prospectus and its approval by the competent authority.

II. Strategy, performance and business environment

The purpose of this section is to disclose information on the identity of the issuer, its business, strategy and objectives. By reading this section, investors should have a clear understanding of the issuer's activities and the main trends affecting its performance, its organisational structure and material investments. Where applicable the issuer shall disclose in this section estimates or forecasts of its future performance.

III. Management report, including sustainability reporting (equity securities only)

The purpose of this section is to incorporate by reference the management reports and consolidated management reports as referred to in Article 4 of Directive 2004/109/EC, where applicable, and in Chapters 5 and 6 of Directive 2013/34/EU, for the periods covered by the historical financial information including, where applicable, the sustainability reporting. Issuers may include only the parts of the management reports they consider necessary.

Rationale: management reports can include forward-looking information and including such information in prospectuses could lead to a considerable increase in the issuer's liability.

IV. Risk factors

The purpose of this section is to describe the main risks faced by the issuer ~~and their impact on the issuer's future performance~~.

Rationale: the wording should be aligned with the wording of Article 16 of PR which does not mention the impact on the future performance.

V. Corporate governance

This section shall explain the issuer's administration and the role of the persons involved in the management of the company. For equity securities, it will furthermore provide information on the background of senior management, their remuneration and its potential link to the issuer's performance.

VI. Financial information

The purpose is to specify which financial statements must be included in the document covering the two latest financial years (for equity securities) or the last financial year (for non-equity securities) or such shorter period during which the issuer has been in operation and other information of a financial nature. The accounting and auditing principles that will be accepted for use in preparation and audit of the financial statements will be determined in accordance with international accounting and auditing standards.

A. Consolidated statements and other financial information.

B. Significant changes.

VII. Shareholder and security holder information

This section shall provide information on the issuer's major shareholders, the existence of potential conflicts of interest between senior management and the issuer, the issuer's share capital as well as information on related party transactions, legal and arbitration proceedings and material contracts.

VIII. Documents available

The purpose is to provide information on the documents that shall be available for inspection and the website where they can be inspected.

ANNEX III

SECURITIES NOTE

I. Purpose, persons responsible, third-party information, experts' reports and competent authority approval

The purpose of this section is to provide information on the persons who are responsible for the content of the securities note and to provide comfort to investors on the accuracy of the information disclosed in the prospectus. In addition, this section provides information on the interests of persons involved in the offer~~, as well as the reasons of the offer, the use of proceeds and the expenses of the offer~~. Moreover, this section provides information on the legal basis of the prospectus and its approval by the competent authority.

Rationale: including disclosures regarding the purpose of the offer and the use of proceeds in this section appears confusing and inappropriate (see below Section VIII).

II. Working capital statement

The purpose of this section is to provide information on the issuer's working capital requirements.

III. Risk factors

The purpose of this section is to describe the main risks which are specific to the securities offered to the public or to be admitted to trading on a regulated market.

IV. Terms and conditions of the securities

The purpose of this section is to set out the terms and conditions of the securities and provides a detailed description of their characteristics.

V. Purpose and details of the offer/admission to trading

The purpose is to provide information regarding the reasons of the offer, the use of proceeds and the expenses of the offer, as well as the offer or the admission to trading on a regulated market

or an MTF, including the final offer price and amount of securities (whether in number of securities or aggregate nominal amount) which will be offered, the reasons for the offer, the plan for distribution of the securities, the use of proceeds of the offer, the expenses of the issuance and offer, and dilution (for equity securities only).

Rationale: including disclosures regarding the purpose of the offer and the use of proceeds in this section appears more relevant.

VI. ESG-related information (non-equity securities only, where applicable)

Where applicable, ESG-related information in accordance with the delegated act referred to in Article 13(1), second subparagraph, point (g).

VII. Information on the guarantor (non-equity securities only, where applicable)

The purpose is to provide information on the guarantor of the securities, where applicable, including essential information about the guarantee attached to the securities, the risk factors and financial information specific to the guarantor.

VIII. Information on the underlying securities and the issuer of the underlying securities (where applicable)

The purpose is to provide, where applicable, information on the underlying securities and, where applicable, on the issuer of the underlying securities.

IX. Information on consent (where applicable)

The purpose is to provide information on the consent where the issuer or the person responsible for drawing up a prospectus consents to its use in accordance with Article 5(1).

ANNEX IV

INFORMATION TO BE INCLUDED IN THE EU FOLLOW-ON PROSPECTUS FOR SHARES AND OTHER TRANSFERABLE SECURITIES EQUIVALENT TO SHARES IN COMPANIES

I. Summary

The EU Follow-on prospectus must include a summary drawn up in accordance with Article 7(12b).

II. Name of the issuer, Member State of incorporation, link to the issuer's website

Identify the company issuing shares, including its legal entity identifier (LEI), its legal and commercial name, its country of incorporation and the website where investors can find information on the company's business operations, the products it makes or the services it provides, the principal markets where it competes, its major shareholders, the composition of its administrative, management and supervisory bodies and of its senior management and, where applicable, information incorporated by reference (with a disclaimer that the information on the

website does not form part of the prospectus unless that information is incorporated by reference into the prospectus).

III. Responsibility statement and statement on the competent authority

1. Responsibility statement

Identify the persons responsible for drawing up the EU Follow-on prospectus and include a statement by those persons that, to the best of their knowledge, the information contained in the EU Follow-on prospectus is in accordance with the facts and that the EU Follow-on prospectus makes no omission likely to affect its import.

Where applicable, the statement must contain information sourced from third parties, including the source(s) of that information, and statements or reports attributed to a person as an expert and the following details of that person:
(a) name;
(b) business address;
(c) qualifications; and
(d) material interest (if any) in the issuer.

2. Statement on the competent authority

The statement must indicate the competent authority that has approved, in accordance with this Regulation, the EU Follow-on prospectus, specify that such approval is not an endorsement of the issuer nor of the quality of the shares to which the EU Follow-on prospectus relates, that the competent authority has only approved the EU Follow-on prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by this Regulation, and specify that the EU Follow-on prospectus has been drawn up in accordance with Article 14b.

IV. Risk factors

A description of the material risks that are specific to the issuer and a description of the material risks that are specific to the shares being offered to the public and/or admitted to trading on a regulated market, in a limited number of categories, in a section headed 'Risk Factors'.

~~The risks shall be corroborated by the content of the EU Follow-on prospectus.~~

Rationale: follow-on prospectus could be further streamlined considering that it is addressed to fully transparent company.

V. Financial statements

The financial statements (annual and half-yearly) published over the period of 12 months prior to the approval of the EU Follow-on prospectus. Where both annual and half-yearly financial statements have been published, only the annual statements must be required where they postdate the half-yearly financial statements.

The annual financial statements must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC of the European Parliament and of the Council and Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Where Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the annual financial statements must be audited or reported on as to whether or not, for the purposes of the EU Follow-on prospectus, they give a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the EU Follow-on prospectus:

(a) a prominent statement disclosing which auditing standards have been applied;

(b) an explanation of any significant departures from International Standards on Auditing.

Where audit reports on the annual financial statements have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.

A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, must also be included, or an appropriate negative statement must be included.

Where applicable, pro forma information must also be included except if the issuer is listed on an SME Growth Market.

Rationale: If an issuer is already listed on a SGM and has been involved in the last completed financial year in a significant gross change or significant financial commitment these transactions have been previously disclosed to the market having in mind market abuse regime and incorporated in the price. Therefore, we do not see merit to include a new set of aggregate information of (inside) information previously disclosed to the market obliging issuers to spend time and money to prepare proforma statements.

VI. Dividend policy

A description of the issuer's policy on dividend distributions and any current restrictions thereon, as well as on share repurchases. If the description of the dividend policy is already publicly available, the issuer may indicate where such information is available and, where relevant, include a link to such information.

Rationale: follow-on prospectus could be further streamlined considering that is addressed to fully transparent company.

VII. Trend information

A description of:

(a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the EU Follow-on prospectus;

(b) information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for ~~at least~~ the current financial year;

~~(c) information on the issuer's short and long term financial and non financial business strategy and objectives.~~

If there is no significant change in either of the trends referred to in points (a) or (b) of this section, a statement to that effect is to be made.

Rationale: follow-on prospectus could be further streamlined considering that it is addressed to fully transparent company. Trends should be required only for the current financial year.

VIII. Terms and conditions of the offer, firm commitments and intentions to subscribe and key features of the underwriting and placement agreements.

Set out the offer price, the number of shares offered, the amount of the issue/offer, the conditions to which the offer is subject, and the procedure for the exercise of any right of pre-emption.

To the extent known to the issuer, provide information on whether major shareholders or members of the issuer's management, supervisory or administrative bodies intend to subscribe for the offer, or whether any person intends to subscribe for more than 5 % of the offer.

Present any firm commitments to subscribe for more than 5 % of the offer and all material features of the underwriting and placement agreements, including the name and address of the entities agreeing to underwrite or place the issue on a firm commitment basis or under 'best efforts' arrangements and the quotas.

IX. Essential information on the shares and on their subscription

Provide the following essential information about the shares offered to the public or admitted to trading on a regulated market:

(a) the international security identification number (ISIN);

(b) the rights attached to the shares, the procedure for the exercise of those rights and any limitations of those rights;

(c) where the shares can be subscribed as well as on the time period, including any possible amendments, during which the offer will be open and a description of the application process together with the issue date of new shares.

Where applicable, information on the underlying securities and, where applicable, the issuer of the underlying securities.

A warning that the tax legislation of the investor's Member State and of the issuer's country of incorporation may have an impact on the income received from the shares.

X. Reasons for the offer and use of proceeds

Provide information on the reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented in order of priority of such uses.

Where the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, it must state the amount and sources of other funds needed. Details must also be given with regard to the use of the proceeds, in particular where proceeds are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.

XI. Working capital statement

Statement by the issuer that, in its opinion, the working capital is sufficient for the issuer's present requirements or, if not, how the issuer proposes to provide the additional working capital needed.

XII. Conflicts of interest

Provide information about any interests related to the issuance, including conflicts of interest, and details of the persons involved and the nature of the interests.

XIII. Dilution and shareholding after the issuance

Present a comparison of participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from the public offer, with the assumption that existing shareholders do not subscribe for the new shares and, separately, with the assumption that existing shareholders do take up their entitlement.

XIV. Documents available

A statement that for the term of the EU Follow-on prospectus the following documents, where applicable, can be inspected:

(a) the up to date memorandum and articles of association of the issuer;

(b) all reports, letters, and other documents, valuations and statements prepared by an expert at the issuer's request any part of which is included or referred to in the EU Follow-on prospectus.

An indication of the website on which the documents may be inspected.

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EuropeanIssuers is a pan-European organisation representing the interests of publicly quoted companies across Europe to the EU Institutions. There are approximately 13,225 such companies on both the main regulated markets and the alternative exchange-regulated markets. Our members include both national associations and companies from all sectors in 14 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.