



2018/0165(COD)

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AMENDMENTS

26 - 62

Draft report

Anne Sander

(PE627.044v01-00)

Promotion of the use of SME growth markets

Proposal for a regulation

(COM(2018)0331 – C8-0212/2018 – 2018/0165(COD))

Amendment 26
Paloma López Bermejo

Proposal for a regulation
Recital 1

Text proposed by the Commission

(1) The Capital Markets Union initiative aims at reducing dependence on bank lending, at diversifying market-based sources of financing for all smaller and medium-sized enterprises ('SMEs') and at promoting the issuance of **bond** and shares by SMEs on public markets. Companies established in the Union that seek to raise capital on trading venues are facing high one-off and ongoing disclosure and compliance costs which can deter them from seeking an admission to trading on Union trading venues in the first place. In addition, shares issued by SMEs on Union trading venues tend to suffer from lower levels of liquidity and higher volatility, which increases the cost of capital, making this source of funding too onerous.

Amendment

(1) The Capital Markets Union initiative aims at reducing dependence on bank lending, at diversifying market-based sources of financing for all smaller and medium-sized enterprises ('SMEs') and at promoting the issuance of **bonds** and shares by SMEs on public markets. Companies established in the Union that seek to raise capital on trading venues are facing high one-off and ongoing disclosure and compliance costs which can deter them from seeking an admission to trading on Union trading venues in the first place. In addition, shares issued by SMEs on Union trading venues tend to suffer from lower levels of liquidity and higher volatility, which increases the cost of capital, making this source of funding too onerous. ***A horizontal European policy for SMEs is absolutely vital: it needs to be inclusive, coherent and effective, and must take into account the various subgroups of SMEs and their different needs. To this end, additional regulations are required to ensure that SMEs can be matched up with arrangements such as business angels, seed capital, risk capital, etc. Loan diversification on the part of SMEs is a guarantee for the economic health of the Union.***

Or. es

Amendment 27
Paloma López Bermejo

Proposal for a regulation
Recital 2

(2) Directive 2014/65/EU of the European Parliament and of the Council²⁴ has created a new type of trading venues, the SME growth markets, a subgroup of Multilateral Trading Facilities ('MTFs'), in order to facilitate access to capital for SMEs and to facilitate the further development of specialist markets that aim to cater for the needs of SME issuers. Directive 2014/65/EU also anticipated that 'attention should be focused on how future regulation should further foster and promote the use of that market so as to make it attractive for investors, and provide a lessening of administrative burdens and further incentives for SMEs to access capital markets through SME growth markets'.

(2) Directive 2014/65/EU of the European Parliament and of the Council²⁴ has created a new type of trading venues, the SME growth markets, a subgroup of Multilateral Trading Facilities ('MTFs'), in order to facilitate access to capital for SMEs and to facilitate the further development of specialist markets that aim to cater for the needs of SME issuers. Directive 2014/65/EU also anticipated that 'attention should be focused on how future regulation should further foster and promote the use of that market so as to make it attractive for investors, and provide a lessening of administrative burdens and further incentives for SMEs to access capital markets through SME growth markets'. ***In its resolution on this proposal for a regulation the European Economic and Social Committee stated that: 'the low level of communication and bureaucratic approaches are significant barriers and much more effort must be put into overcoming these obstacles. Communication should always target the bottom of the chain by involving SME associations, social partners, chambers of commerce etc.'***

²⁴ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

²⁴ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

Or. es

Amendment 28
Kay Swinburne

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) Directive 2014/65/EU of the European Parliament and of the Council²⁴ has created a new type of trading venues, the SME growth markets, a subgroup of Multilateral Trading Facilities ('MTFs'), in order to facilitate access to capital for SMEs and to facilitate the further development of specialist markets that aim to cater for the needs of SME issuers. Directive 2014/65/EU also anticipated that "attention should be focused on how future regulation should further foster and promote the use of that market so as to make it attractive for investors, and provide a lessening of administrative burdens and further incentives for SMEs to access capital markets through SME growth markets".

²⁴ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

Amendment

(2) Directive 2014/65/EU of the European Parliament and of the Council²⁴ has created a new type of trading venues, the SME growth markets, a subgroup of Multilateral Trading Facilities ('MTFs'), in order to facilitate access to capital for SMEs ***to enable them to grow*** and to facilitate the further development of specialist markets that aim to cater for the needs of SME issuers ***that have genuine growth potential***. Directive 2014/65/EU also anticipated that "attention should be focused on how future regulation should further foster and promote the use of that market so as to make it attractive for investors, and provide a lessening of administrative burdens and further incentives for SMEs to access capital markets through SME growth markets".

²⁴ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

Or. en

Amendment 29
Neena Gill

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) It has however been noted that issuers admitted to trading on an SME growth market benefit from relatively few regulatory alleviations compared to issuers admitted to trading on MTFs or regulated markets. Most of the obligations set out in

Amendment

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Regulation (EU) No 596/2014 European Parliament and of the Council²⁵ apply in the same manner to all issuers, irrespective of their size or the trading venue where their financial instruments are admitted to trading. That low level of differentiation between SME growth markets and MTF issuers acts as a disincentive for MTFs to seek a registration as an SME growth market, which is illustrated by the low uptake of the SME growth market status to date. It is therefore necessary to introduce additional alleviations to adequately foster the use of SME growth markets.

²⁵ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1).

Regulation (EU) No 596/2014 European Parliament and of the Council²⁵ apply in the same manner to all issuers, irrespective of their size or the trading venue where their financial instruments are admitted to trading. That low level of differentiation between SME growth markets and MTF issuers acts as a disincentive for MTFs to seek a registration as an SME growth market, which is illustrated by the low uptake of the SME growth market status to date. It is therefore necessary to introduce additional *proportionate* alleviations to adequately foster the use of SME growth markets.

²⁵ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1).

Or. en

Amendment 30

Paloma López Bermejo

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) The attractiveness of SME growth markets should be reinforced by further reducing the compliance costs and administrative burdens faced by SME growth market issuers. To maintain the highest standards of compliance on regulated markets, the alleviations provided for in this Regulation should be limited to companies listed on SME growth markets, irrespective of the fact that not all SMEs are listed on SME growth markets

Amendment

(4) The attractiveness of SME growth markets should be reinforced by further reducing the compliance costs and administrative burdens faced by SME growth market issuers. To maintain the highest standards of compliance on regulated markets, the alleviations provided for in this Regulation should be limited to companies listed on SME growth markets, irrespective of the fact that not all SMEs are listed on SME growth markets

and not all companies listed on SME growth markets are SMEs. Pursuant to Directive 2014/65/EU, up to 50 % of non-SMEs can be admitted to trading on SME growth markets to maintain the profitability of the SME growth markets' business model through, inter alia, liquidity in non-SMEs securities. In view of the risks involved in applying different sets of rules to issuers listed on the same category of venue, namely SME growth markets, the changes set out in this Regulation should not be limited to SME issuers only. For the sake of consistency for issuers and clarity for investors, the alleviation of compliance costs and administrative burdens should apply to all issuers on SME growth markets, irrespective of their market capitalisation. Applying the same set of rules to issuers also ensures that companies are not penalised because they are growing and are no longer SMEs.

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Or. es

Amendment 31
Neena Gill

Proposal for a regulation
Recital 4

Text proposed by the Commission

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reducing the compliance costs and administrative burdens faced by SME growth market issuers. To maintain the highest standards of compliance on regulated markets, the alleviations provided for in this Regulation should be limited to companies listed on SME growth markets, irrespective of the fact that not all SMEs are listed on SME growth markets and not all companies listed on SME growth markets are SMEs. Pursuant to Directive 2014/65/EU, up to 50% of non-SMEs can be admitted to trading on SME growth markets to maintain the profitability of the SME growth markets' business model through, inter alia, liquidity in non-SMEs securities. ***In view of the risks involved in applying different sets of rules to issuers listed on the same category of venue, namely SME growth markets, the changes set out in this Regulation should not be limited to SME issuers only. For the sake of consistency for issuers and clarity for investors, the alleviation of compliance costs and administrative burdens should apply to all issuers on SME growth markets, irrespective of their market capitalisation. Applying the same set of rules to issuers also ensures that companies are not penalised because they are growing and are no longer SMEs.***

reducing the compliance costs and administrative burdens faced by SME growth market issuers ***whilst at the same time ensuring that investors protection rules should not be lowered . In this respect, SME growth markets should ensure fair prices and transparency around conflict of interests.*** To maintain the highest standards of compliance on regulated markets, the alleviations provided for in this Regulation should be limited to companies listed on SME growth markets, irrespective of the fact that not all SMEs are listed on SME growth markets and not all companies listed on SME growth markets are SMEs. Pursuant to Directive 2014/65/EU, up to 50% of non-SMEs can be admitted to trading on SME growth markets to maintain the profitability of the SME growth markets' business model through, inter alia, liquidity in non-SMEs securities. ***To avoid a different set of rules applied to issuers listed on the same category of venue, namely SME growth markets, the changes set out in this Regulation should not be limited to SME issuers only but should be applied to all issuers on SME growth markets, irrespective of their market capitalisation. Applying the same set of rules to issuers also ensures that companies are not penalised because they are growing and are no longer SMEs.***

Or. en

Amendment 32

Ramon Tremosa i Balcells, Petr Ježek, Lieve Wierinck, Thierry Cornillet

Proposal for a regulation

Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) It is relevant to acknowledge the inclusion in Regulation (EU) 2017/1129[1] of the EU Growth

Prospectus, which applies to SMEs that issue capital on the markets. The EU Growth Prospectus is a condensed form of the full Prospectus, which includes essential information and documentation. The EU Growth Prospectus is shorter and therefore cheaper to produce, reducing costs for SMEs. SMEs may choose to use the EU Growth Prospectus. Moreover, in offers of securities up to EUR20 million any issuer may also choose to use the EU Growth Prospectus unless they are going for admission to trading to a regulated market. This covers issuers whose public offers might be admitted to trading on an SME Growth Market, as well as issuers that make public offers that will not be traded on an exchange. Alternatively, issuers may choose to draw up full Prospectus under the Regulation.

[1] Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC Text with EEA relevance

Or. en

Amendment 33
Anne Sander

Proposal for a regulation
Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) In order to better take into account the real-life situations of SMEs in the texts relating to the regulation of financial services, Regulation (EU) 2017/1129 and Directive 2014/65/EU should be amended. The thresholds should be raised in order to bring these definitions more into line with economic reality in the Union, which has evolved

since the Commission published recommendation 2003/361/EC. This Regulation should also propose the introduction of a variable threshold in the definition of an SME in Directive 2014/65/EU in order to better take into account the diversity of SMEs in the Union. It should also introduce criteria allowing for pro rata calculations to be made where the most recent annual or consolidated accounts do not cover a period of 12 months.

Or. fr

Amendment 34
Neena Gill

Proposal for a regulation
Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) small and medium-sized enterprises' or 'SMEs' means any of the following:

(i) companies, which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: an average number of employees during the financial year of less than 250, a total balance sheet not exceeding EUR 43 000 000 and an annual net turnover not exceeding EUR 50 000 000;

Or. en

Amendment 35
Kay Swinburne

Proposal for a regulation
Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The success of an SME growth market should not be measured simply by the number of companies listed, but rather by the rate of growth achieved by the listed companies. Regulatory alleviation should be for the benefit of those smaller companies with real growth potential.

Or. en

Amendment 36

Neena Gill

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) According to Article 11 of Regulation (EU) No 596/2014, a market sounding comprises the communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors. During the negotiation phase of a private placement of bonds, SME growth market issuers enter into discussions with a limited set of potential qualified investors (as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council²⁶) and negotiate all the contractual terms and conditions of the transaction with those qualified investors. The communication of information in that negotiation phase of a private placement of bonds aims at structuring and completing the entire transaction, and not at gauging the interest of potential investors as regards a pre-defined transaction. Imposing market sounding on private placements of bonds can ***thus*** be burdensome and act as a disincentive to enter into discussions for such transactions for both issuers and

Amendment

(5) According to Article 11 of Regulation (EU) No 596/2014, a market sounding comprises the communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors. During the negotiation phase of a private placement of bonds, SME growth market issuers enter into discussions with a limited set of potential qualified investors (as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council²⁶) and negotiate all the contractual terms and conditions of the transaction with those qualified investors. The communication of information in that negotiation phase of a private placement of bonds aims at structuring and completing the entire transaction, and not at gauging the interest of potential investors as regards a pre-defined transaction. Imposing market sounding on private placements of bonds can ***sometimes*** be burdensome and act as a disincentive to enter into discussions for such transactions for both issuers and

investors. In order to increase the attraction of private placement of bonds on SME growth markets, those transactions should be excluded from the scope of the market sounding regime, provided that an adequate non-disclosure agreement is in place.

²⁶ Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12).

investors. In order to increase the attraction of private placement of bonds on SME growth markets, those transactions should be excluded from the scope of the market sounding regime, provided that an adequate non-disclosure agreement is in place.

²⁶ Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12).

Or. en

Amendment 37

Neena Gill

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) Some liquidity in an issuer's shares can be achieved through liquidity mechanisms such as market-making arrangements or liquidity contracts. A market-making arrangement involves a contract between the market operator and a third party who commits to maintaining the liquidity in certain shares and benefits from rebates on trading fees in return. A liquidity contract involves a contract between an issuer and a third party who commits to providing liquidity in the shares of the issuer, and on its behalf. To ensure that market integrity is fully preserved, liquidity contracts should be available for all SME growth markets issuers across the Union, subject to a number of conditions. Not all competent authorities have, pursuant to Article 13 of Regulation (EU) No 596/2014, established

Amendment

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accepted market practices in relation to liquidity contracts pursuant to Article 13 of Regulation (EU) No 596/2014, which means that not all SME growth market issuers have currently access to liquidity schemes across the Union. That absence of liquidity schemes can be an impediment to the effective development of SME growth markets. It is therefore necessary to create a Union framework that will enable SME growth market issuers to enter into a liquidity contract with a liquidity provider in another Member State in the absence of an accepted market practice established at national level. The Union framework on liquidity contracts for SME growth markets should however not replace, but rather complement, existing or future accepted market practices. Competent authorities should keep the possibility to establish accepted market practices on liquidity contracts to tailor their conditions to local specificities *or to extend such agreements to illiquid securities other than SME growth market shares.*

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Or. en

Amendment 38 **Kay Swinburne**

Proposal for a regulation **Recital 6**

Text proposed by the Commission

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commits to providing liquidity in the shares of the issuer, and on its behalf. To ensure that market integrity is fully preserved, liquidity contracts should be available for all SME growth market issuers across the Union, subject to a number of conditions. Not all competent authorities have, pursuant to Article 13 of Regulation (EU) No 596/2014, established accepted market practices in relation to liquidity contracts pursuant to Article 13 of Regulation (EU) No 596/2014, which means that not all SME growth market issuers have currently access to liquidity schemes across the Union. That absence of liquidity schemes can be an impediment to the effective development of SME growth markets. It is therefore necessary to create a Union framework that will enable SME growth market issuers to enter into a liquidity contract with a liquidity provider in another Member State in the absence of an accepted market practice established at national level. The Union framework on liquidity contracts for SME growth markets should however not replace, but rather complement, existing or future accepted market practices. Competent authorities should keep the possibility to establish accepted market practices on liquidity contracts to tailor their conditions to local specificities or to extend such agreements to illiquid securities other than SME growth market shares.

commits to providing liquidity in the shares of the issuer, and on its behalf. To ensure that market integrity is fully preserved, liquidity contracts should be available for all SME growth market issuers across the Union, subject to a number of conditions. Not all competent authorities have, pursuant to Article 13 of Regulation (EU) No 596/2014, established accepted market practices in relation to liquidity contracts pursuant to Article 13 of Regulation (EU) No 596/2014, which means that not all SME growth market issuers have currently access to liquidity schemes across the Union. That absence of liquidity schemes can be an impediment to the effective development of SME growth markets. It is therefore necessary to create a Union framework that will enable SME growth market issuers to enter into a liquidity contract with a liquidity provider in another Member State in the absence of an accepted market practice established at national level. The Union framework on liquidity contracts for SME growth markets should however not replace, but rather complement, existing or future accepted *domestic* market practices. Competent authorities should keep the possibility to establish accepted market practices on liquidity contracts to tailor their conditions to local specificities or to extend such agreements to illiquid securities other than SME growth market shares

Or. en

Amendment 39

Ramon Tremosa i Balcells, Petr Ježek, Lieve Wierinck, Thierry Cornillet

Proposal for a regulation

Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) The use of SME growth markets should be actively promoted. Many SMEs

are still not aware of the existence of this new category trading venue. To solve this situation, the Commission, in close cooperation with the competent national authorities and organisations representing SMEs should conduct awareness-raising campaigns to inform the SMEs about the possibilities that the SMEs growth markets offer.

Or. en

Amendment 40
Kay Swinburne

Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) According to Article 17(4) of Regulation (EU) No 596/2014, issuers can decide to delay the public disclosure of inside information if their legitimate interests are likely to be prejudiced. Issuers are however required to notify the competent authority thereof and to provide an explanation of the rationale supporting the decision. The obligation for SME growth market issuers to document in writing the reasons why they have decided to delay the disclosure can be burdensome. It is considered that a lighter requirement for SME growth markets issuers consisting in an obligation to only explain the reasons for the delay upon request by the competent authority would have no significant impact on the ability of the competent authority to monitor the disclosure of inside information, while significantly reducing the administrative burden for SME growth markets issuers, provided that competent authorities **would** be still notified of the decision to delay and are in a position to open an investigation if they have doubt as regards that decision.

Amendment

(8) According to Article 17(4) of Regulation (EU) No 596/2014, issuers can decide to delay the public disclosure of inside information if their legitimate interests are likely to be prejudiced. Issuers are however required to notify the competent authority thereof and to provide an explanation of the rationale supporting the decision. The obligation for SME growth market issuers to document in writing the reasons why they have decided to delay the disclosure can be burdensome. It is considered that a lighter requirement for SME growth markets issuers consisting in an obligation to only explain the reasons for the delay upon request by the competent authority would have no significant impact on the ability of the competent authority to monitor the disclosure of inside information, while significantly reducing the administrative burden for SME growth markets issuers, provided that competent authorities are still notified of the decision to delay and are in a position to open an investigation if they have doubt as regards that decision.

Amendment 41**Ramon Tremosa i Balcells, Petr Ježek, Thierry Cornillet****Proposal for a regulation****Recital 9***Text proposed by the Commission*

(9) The current less stringent requirements for SME growth markets issuers to produce, in accordance with Article 18(6) of Regulation (EU) No 596/2014, an insider list only upon the request of the competent authority, is of limited practical effect, because those issuers are still subject to ongoing monitoring of the persons who qualify as insiders in the context of ongoing projects. The existing alleviation should therefore be replaced by the possibility for SME growth markets issuers to maintain only a list of permanent insiders, which should include persons who have regular access to inside information due to their function or position within the issuer.

Amendment

(9) The current less stringent requirements for SME growth markets issuers to produce, in accordance with Article 18(6) of Regulation (EU) No 596/2014, an insider list only upon the request of the competent authority, is of limited practical effect, because those issuers are still subject to ongoing monitoring of the persons who qualify as insiders in the context of ongoing projects. The existing alleviation should therefore be replaced by the possibility for SME growth markets issuers to maintain only a list of permanent insiders, which should include persons who have regular access to inside information due to their function or position within the issuer. ***The listing alleviation rules should also be in the form of a list of selected criteria and voluntary best practices that all trading venues may follow. Calibration of each criterion should remain at local level under the responsibility of market operators together with their regulators.***

Or. en

Amendment 42**Paloma López Bermejo****Proposal for a regulation****Recital 9***Text proposed by the Commission*

(9) The current less stringent

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Amendment

(9) The current less stringent

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Or. es

Amendment 43 **Neena Gill**

Proposal for a regulation **Recital 9**

Text proposed by the Commission

(9) The current less stringent requirements for SME growth markets issuers to produce, in accordance with Article 18(6) of Regulation (EU) No 596/2014, an insider list only upon the request of the competent authority, is of limited practical effect, because those issuers are still subject to ongoing monitoring of the persons who qualify as insiders in the context of ongoing projects. The existing alleviation should therefore be replaced by the possibility for SME growth markets issuers to maintain only a list of permanent insiders, which should include

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persons who have regular access to inside information due to their function or position within the issuer.

persons **and direct family of persons** who have regular access to inside information due to their function or position within the issuer. ***This list should be kept up to date on a yearly basis and be communicated to the competent authority.***

Or. en

Amendment 44
Kay Swinburne

Proposal for a regulation
Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) Reflecting less stringent requirements elsewhere, punitive sanctions applied should reflect the economic realities of smaller companies.

Or. en

Amendment 45
Kay Swinburne

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 596/2014
Article 13 – paragraph 12 – introductory part

Text proposed by the Commission

Amendment

An issuer whose financial instruments are admitted to trading on an SME growth market shall be authorised to enter into a liquidity contract for its shares where all of the following conditions are met:

An issuer whose financial instruments are admitted to trading on an SME growth market shall be authorised to enter into a liquidity contract ***either at national or European level***, for its shares where all of the following conditions are met:

Or. en

Amendment 46
Neena Gill

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 596/2014
Article 13 – paragraph 12 – subparagraph 2

Text proposed by the Commission

The issuer referred to in the first subparagraph of this paragraph shall be able to demonstrate at any time that the conditions under which the contract was established are met on an ongoing basis. That issuer and the investment firm operating the SME growth market shall provide the relevant competent authorities with a copy of the liquidity contract ***upon their request.***

Amendment

The issuer referred to in the first subparagraph of this paragraph shall be able to demonstrate at any time that the conditions under which the contract was established are met on an ongoing basis. That issuer and the investment firm operating the SME growth market shall provide the relevant competent authorities with a copy of the liquidity contract.

Or. en

Amendment 47
Anne Sander

Proposal for a regulation
Article 1 – paragraph 1 – point 3 a (new)
Regulation (EU) No 596/2014
Article 17 – paragraph 4

Present text

4. An issuer or an emission allowance market participant, may, on its own responsibility, delay disclosure to the public of inside information provided that all of the following conditions are met:

(a) immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant;

(b) delay of disclosure is not likely to mislead the public;

Amendment

3a. Article 17(4) is amended as follows:

‘4. An issuer or an emission allowance market participant, may, on its own responsibility, delay disclosure to the public of inside information provided that all of the following conditions are met:

(a) immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant;

(b) delay of disclosure is not likely to mislead the public;

(c) the issuer or emission allowance market participant is able to ensure the confidentiality of that information.

In the case of a protracted process that occurs in stages and that is intended to bring about, or that results in, a particular circumstance or a particular event, an issuer or an emission allowance market participant may on its own responsibility delay the public disclosure of inside information relating to this process, subject to points (a), (b) and (c) of the first subparagraph.

Where an issuer or emission allowance market participant has delayed the disclosure of inside information under this paragraph, it shall inform the competent authority specified under paragraph 3 ***that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out in this paragraph were met***, immediately after the information is disclosed to the public.

Alternatively, Member States may provide that a record of such an explanation is to be provided only upon the request of the competent authority specified under paragraph 3.

(c) the issuer or emission allowance market participant is able to ensure the confidentiality of that information.

In the case of a protracted process that occurs in stages and that is intended to bring about, or that results in, a particular circumstance or a particular event, an issuer or an emission allowance market participant may on its own responsibility delay the public disclosure of inside information relating to this process, subject to points (a), (b) and (c) of the first subparagraph.

Where an issuer or emission allowance market participant has delayed the disclosure of inside information under this paragraph, it shall inform the competent authority specified under paragraph 3 in ***writing***, immediately after the information is disclosed to the public, ***that disclosure of the information was delayed***.

Alongside that written notification, the issuer or emission allowance market participant must provide a written explanation of how the conditions set out in this paragraph were met. Alternatively, Member States may provide that a record of such an explanation is to be provided only upon the request of the competent authority specified under paragraph 3.

By way of derogation from subparagraph 4, where the issuer's shares are admitted to an SME growth market, the record of the written explanations of how the conditions set out in this paragraph were met must only be submitted by that issuer if the competent authority specified in paragraph 3 so requests.'

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014R0596>

Amendment 48
Paloma López Bermejo

Proposal for a regulation
Article 1 – paragraph 1 – point 3
Regulation (EU) No 596/2014
Article 17 – paragraph 4

Text proposed by the Commission

An issuer whose financial instruments are admitted to trading on an SME growth market and which has decided to delay the public disclosure of inside information shall notify that decision to the competent authority. The explanations for the decision to delay are to be provided **only** upon request of the competent authority specified in accordance with paragraph 3. That competent authority shall **not** require that issuer to keep a record of that explanation.

Amendment

An issuer whose financial instruments are admitted to trading on an SME growth market and which has decided to delay the public disclosure of inside information shall notify that decision to the competent authority. The explanations for the decision to delay are **always** to be provided upon request of the competent authority specified in accordance with paragraph 3. That competent authority shall require that issuer to keep a record of that explanation.

Or. es

Amendment 49
Neena Gill

Proposal for a regulation
Article 1 – paragraph 1 – point 3
Regulation (EU) No 596/2014
Article 17 – paragraph 4

Text proposed by the Commission

An issuer whose financial instruments are admitted to trading on an SME growth market and which has decided to delay the public disclosure of inside information shall notify that decision to the competent authority. The explanations for the decision to delay are to be provided **only upon request of** the competent authority specified in accordance with paragraph 3.

Amendment

An issuer whose financial instruments are admitted to trading on an SME growth market and which has decided to delay the public disclosure of inside information shall notify that decision to the competent authority. The explanations for the decision to delay are to be provided **to** the competent authority specified in accordance with paragraph 3. That

That competent authority shall not require that issuer to keep a record of that explanation.

competent authority shall not require that issuer to keep a record of that explanation.

Or. en

Amendment 50

Anne Sander

Proposal for a regulation

Article 1 – paragraph 1 – point 4

Regulation (EU) No 596/2014

Article 18 – paragraph 6

Text proposed by the Commission

Issuers whose financial instruments are admitted to trading on an SME growth market shall be authorised to include in their lists of insiders only those persons who, due to the nature of their function or position within the issuer, have **regular** access to inside information. Any person acting on behalf of, or for the account of an issuer admitted to trading on an SME growth market **issuer remains subject to requirements** set out in paragraphs 1 to 5.

Amendment

Issuers whose financial instruments are admitted to trading on an SME growth market shall be authorised to include in their lists of insiders only those persons who, due to the nature of their function or position within the issuer, have **permanent** access to **all the** inside information **within the issuer. Likewise,** any person acting on behalf of, or for the account of an issuer admitted to trading on an **issuer belonging to an** SME growth market **shall be exempt from the obligations** set out in paragraphs 1 to 5.

Or. fr

Justification

The purpose of this amendment is to make it clear that the provision in question is indeed aimed at ‘permanent’ insiders. The amendment also seeks to clear up any confusion surrounding the term ‘regular access’, which might suggest that another category of insiders could be established. It also aims to bring the paragraph into line with recital 9, which refers only to the concept of ‘permanent insider’. This amendment furthermore seeks to extend the exemption to cover persons acting on behalf of, or for the account of the issuer.

Amendment 51

Kay Swinburne

Proposal for a regulation

Article 1 – paragraph 1 – point 4
Regulation (EU) No 596/2014
Article 18 – paragraph 6

Text proposed by the Commission

Issuers whose financial instruments are admitted to trading on an SME growth market shall be authorised to include in their lists of insiders only those persons who, due to the nature of their function or position within the issuer, have **regular** access to inside information. Any person acting on behalf of, or for the account of an issuer admitted to trading on an SME growth market issuer remains subject to requirements set out in paragraphs 1 to 5.

Amendment

Issuers whose financial instruments are admitted to trading on an SME growth market shall be authorised to include in their lists of insiders only those persons who, due to the nature of their function or position within the issuer, have **permanent** access to inside information **with the issuer**. Any person acting on behalf of, or for the account of an issuer admitted to trading on an SME growth market issuer remains subject to requirements set out in paragraphs 1 to 5.

Or. en

Amendment 52
Neena Gill

Proposal for a regulation
Article 1 – paragraph 1 – point 4
Regulation (EU) No 596/2014
Article 18 – paragraph 6

Text proposed by the Commission

That list shall be provided to the competent authority **upon its request.;**

Amendment

That list shall be provided to the competent authority.

Or. en

Amendment 53
Neena Gill

Proposal for a regulation
Article 2 – paragraph -1 (new)
Regulation (EU) No 2017/1129
Article 1 – paragraph 4 – point f

Present text

Amendment

(e) securities offered in connection with a takeover by means of an exchange offer, provided that a document is made available to the public in accordance with the arrangements set out in Article 21(2), **containing information** describing the transaction and its impact on the issuer;

"(f) securities offered in connection with a takeover by means of an exchange offer, provided that a document is made available to the public in accordance with the arrangements set out in Article 21(2), describing the transaction and its impact on the issuer **and ensuring greater transparency to enable that an investor can make an informed assessment.**"

Or. en

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1129&from=EN>

Amendment 54

Anne Sander

Proposal for a regulation

Article 2 – paragraph -1 (new)

Regulation (EU) 2017/1129

Article 2 – paragraph 1 – point f – point i

Present text

(f) ‘small and medium-sized enterprises’ or ‘SMEs’ means any of the following:

(i) companies, which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: an average number of employees during the financial year of less than 250, a total balance sheet not exceeding EUR **43 000 000** and an annual net turnover not exceeding EUR **50 000 000**;

Amendment

-1. Article 2(1)(f)(i) is amended as follows:

‘(f) ‘small and medium-sized enterprises’ or ‘SMEs’ means any of the following:

(i) companies which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: an average number of employees during the financial year of less than 250, a total balance sheet not exceeding EUR **53 000 000** and an annual net turnover not exceeding EUR **62 000 000**;

Or. fr

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017R1129&qid=1535814623476>

Amendment 55

Ramon Tremosa i Balcells, Petr Ježek, Thierry Cornillet

Proposal for a regulation

Article 2 – paragraph 1 – point 1 – introductory part

Règlement (UE) 2017/1129

Article 14 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

1. in the first subparagraph of paragraph 1, the following ***point d*** is added:

1. in the first subparagraph of paragraph 1, the following ***points d and d a*** are added:

Or. en

Amendment 56

Ramon Tremosa i Balcells, Petr Ježek, Thierry Cornillet

Proposal for a regulation

Article 2 – paragraph 1 – point 1

Regulation (EU) No 2017/1129

Article 14 – paragraph 1 – subparagraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) The listing alleviation rules shall be in the form of a list of selected criteria and voluntary best practices that all trading venues may follow. Calibration of each criterion shall remain at local level under the responsibility of market operators together with the competent regulatory authorities.

Or. en

Justification

See wording of Article 14 of Regulation (EU) No 2017/1129

Amendment 57

Anne Sander

Proposal for a regulation

Article 2 a (new)

Text proposed by the Commission

Amendment

Article 2a

Research on investment

Article 13 of Commission Delegated Directive (EU) 2017/593 lays down the requirements applicable to the provision of research by third parties to investment firms providing portfolio management or other investment or ancillary services to clients, and in particular the conditions to be met in order for such research not to be regarded as an inducement prohibited under Article 24(7) and (8) of Directive 2014/65/EU.

By 31 December 2019 at the latest, the Commission should assess the effects of the provisions of Article 13 of Commission Delegated Directive (EU) 2017/593 with regard to research on SMEs in the Union, and consider the need to introduce a proportionate approach to the application of those provisions on research on SMEs in order to mitigate any negative consequences thereof.

Or. fr

Justification

By the end of June 2019, the Commission is to draw up a report on the impact of the MiFID rules on investment research, in particular on research relating to SMEs. With a view to making it possible for action to be taken swiftly in response to that report, the aim of this amendment is to call on the Commission to take steps to tackle, if applicable, any adverse effects arising from the implementation of the MiFID rules.

Amendment 58

Ramon Tremosa i Balcells, Petr Ježek, Lieve Wierinck, Thierry Cornillet

Proposal for a regulation

Article 2 a (new)

Text proposed by the Commission

Amendment

Article 2a

Review clause of the MiFID II/MiFIR

framework

The Commission shall, by 31 December 2020 at the latest, draw up a report in cooperation with ESMA on the impact of the requirements of Regulation (EU) 600/2014 of the European Parliament and of the Council 1 a and Directive 2014/65/EU on the financing and access to the financial markets of SMEs, and shall submit this report to the European Parliament and the Council together with a legislative proposal, where appropriate.

The report shall, inter alia, look at whether or not the ownership of SMEs' shares and bonds on the secondary market constitutes an obstacle for the SMEs accessing public markets, and where appropriate, to submit proposals to strengthen transparency and confidence.

1a Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84)

Or. en

Amendment 59
Anne Sander

Proposal for a regulation
Article 2 b (new)

Text proposed by the Commission

Amendment

Article 2b

MiFID 2/MiFIR review clause

1. By 31 December 2021 at the latest, the Commission shall, in cooperation with EMSA, draw up a report on the impact that the requirements laid down in Regulation (EU) 600/2014 of the European Parliament and of the Council

and Directive 2014/65/EU have on SMEs' financing and access to financial markets, assessing the success of SME growth markets and the health of capital markets in general. For the purposes of that report, EMSA shall collect data on SME stock market listings and delistings on SME growth markets and trading venues, and monitor the transfer of companies between different trading venues. The report shall be submitted to the European Parliament and to the Council, together with a legislative proposal, if appropriate.

2. By 31 December 2019 at the latest, the Commission shall establish a group of experts and stakeholders whose task shall be to define and measure the success of SME growth markets. The section on SME growth markets in the report referred to in paragraph 1 shall be drawn up in cooperation with the group of experts and stakeholders.

Or. fr

Amendment 60
Kay Swinburne

Proposal for a regulation
Article 2 b (new)

Text proposed by the Commission

Amendment

Article 2 b

Review clause of the MiFID II/MiFIR framework

1. The Commission shall draw up a report in cooperation with the ESMA on the impact of the requirements of Regulation (EU) 600/2014 of the European Parliament and of the Council and Directive 2014/65/EU on the financing and access to the financial markets of SMEs, measuring success of SME Growth Markets. For the purpose of the report, ESMA shall collect data on IPOs and delistings on SME Growth Markets, other MTFs and Regulated Markets, as

well as monitor transfer of companies between different trading venues. This report shall be submitted to the European Parliament and the Council together with a legislative proposal, if appropriate.

2. The Commission shall, by 31 December 2019 at the latest, set up an expert stakeholder group to monitor the success of SME Growth Markets. The section on SME Growth Markets in the report referred to in para 1 of this Article shall be prepared in cooperation with the expert stakeholder group.

Or. en

Amendment 61
Kay Swinburne

Proposal for a regulation
Article 2 a (new)

Text proposed by the Commission

Amendment

Article 2a

Review clause of Directive 2009/138/EC of the European Parliament and the Council

1. The Commission shall, draw up a report on the impact of own fund requirements, investment ratios and any other measures that may have a restrictive impact on insurance and reinsurance companies in financing listed and unlisted SMEs, and submit this report to the European Parliament and the Council together with a legislative proposal, where appropriate

2. For the purposes of paragraph 1, the European supervisory authority (the European Insurance and Occupational Pensions Authority, EIOPA) shall report to the Commission on the following:

(a) an analysis of the evolution of investing by insurance and reinsurance

companies in listed and unlisted SMEs;
(b) an analysis of the regulatory and administrative barriers that limit or prevent financing and investing in listed and unlisted SMEs, such as prudential requirements and ratios, or any other provisions;
(c) the consistency of the own funds requirements set out in Directive 2009/138/EC linked to SME exposures and the conclusions of the analyses referred to in points (a) and (b).

Or. en

Amendment 62
Kay Swinburne

Proposal for a regulation
Article 2 c (new)

Text proposed by the Commission

Amendment

Article 2c

*Review clause of Directive (EU)
2016/2341 of the European Parliament
and the Council*

1. The Commission shall, draw up a report on the impact of own fund requirements, investment ratios and any other measures which may have a restrictive impact on institutions for occupational retirement provision (IORP 2) in financing listed and non-listed SMEs, and shall submit this report to the European Parliament and the Council together with a legislative proposal, where appropriate.

2. For the purpose of paragraph 1, EIOPA shall report to the Commission on the following:

(a) an analysis of the evolution of investing by occupational pension institutions in listed and unlisted SMEs

(b) an analysis of the regulatory and

administrative barriers that limit or prevent financing and investing in listed and unlisted SMEs, such as prudential requirements and ratios, or any other provisions;

(c) the consistency of the own funds requirements set out in Directive 2009/138/EC linked to SME exposures and the conclusions of the analyses referred to in points (a) and (b).

Or. en