AMENDMENTS 001-001
by the Committee on Economic and Monetary Affairs

Report
Alfred Sant **A9-0302/2023**
Increasing the attractiveness of public capital markets and facilitating access to capital for SMEs – amending certain Regulations

Proposal for a regulation (COM(2022)0762 – C9-0417/2022 – 2022/0411(COD))

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

2022/0411 (COD)

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

(Text with EEA relevance)

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol ▌.

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,
Having regard to the proposal from the European Commission,
After transmission of the draft legislative act to the national parliaments,
Having regard to the opinion of the European Economic and Social Committee[1],
Acting in accordance with the ordinary legislative procedure,
Whereas:

(1) By developing Union capital markets and decreasing their fragmentation along national borders, the Capital Markets Union[2] project aims to enable companies to access funding sources other than bank lending and to adapt their financing structure when maturing and growing in size. More diversified financing in the form of debt and equity will decrease risks for individual companies and the overall economy as well as help Union companies, including small and mid-sized enterprises (SMEs), realise their growth potential. ***It is acknowledged that the capital markets union needs to be realised more quickly and that investment funds need to reach the levels made necessary by the Union's policy priorities related to environmental protection, digitalisation and strategic autonomy. Moving forward on the area of listing is a necessary step for the capital markets union, especially in the short term, but as a stand-alone measure it cannot be sufficient.***

(2) The Capital Markets Union requires an efficient and effective regulatory framework that supports access to public equity funding for companies, including SMEs. Directive 2014/65/EU of the European Parliament and of the Council[3] created a new type of trading venue, the SME growth market, to facilitate access to capital specifically for SMEs. Recital 132 of Directive 2014/65/EU also expressed the need to monitor how future regulation should further foster and promote the use of SME growth markets, and provide further incentives for SMEs to access capital markets through SME growth markets. ***Such measures need to ensure not only that SME growth markets provide an increasingly attractive opportunity for SMEs to raise funds but also that, with time and success, SMEs are able to access other capital markets, if they choose to do so.***

(3) Regulation (EU) 2019/2115 of the European Parliament and of the Council[4] introduced proportionate alleviations to enhance the use of SME growth markets and to reduce the regulatory requirements for issuers seeking admission of securities on SME growth markets, while preserving an appropriate level of investor protection and market integrity. Nevertheless, more needs to be done to make access to Union public markets more attractive and render the regulatory treatment of companies more flexible and

---

1 OJ C , , p. .

2 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Action Plan on Building a Capital Markets Union (COM(2015) 468 final).

3 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).

4 Regulation (EU) 2019/2115 of the European Parliament and of the Council of 27 November 2019 amending Directive 2014/65/EU and Regulations (EU) No 596/2014 and (EU) 2017/1129 as regards the promotion of the use of SME growth markets (OJ L 320, 11.12.2019, p. 1).

proportionate to their size. The High-Level Forum on the Capital Markets Union[1] recommended the Commission to remove regulatory obstacles that hold companies back from accessing public markets. The Technical Expert Stakeholder Group on SMEs[2] set out detailed recommendations on how to foster companies and, in particular, SMEs to access Union public markets.

(4) Building on a Commission's initiative within its post-Covid-19 recovery strategy, i.e. the Capital Markets Recovery Package, targeted amendments have been introduced into Regulation (EU) 2017/1129 of the European Parliament and of the Council[3], Regulation (EU) 2017/2402 of the European Parliament and of the Council[4], Directive 2014/65/EU and Directive 2004/109/EC of the European Parliament and of the Council[5] to make it easier for companies affected by the economic crisis caused by the pandemic to raise equity capital on public markets, facilitate investments in the real economy, allow for the rapid re-capitalisation of businesses, and increase banks' capacity to finance the recovery. ***Overall, however, and for a number of reasons, those measures could only have a limited impact.***

(5) On the basis of the recommendations of the Technical Expert Stakeholder Group on SMEs and building on Regulation 2019/2115 and on the measures adopted under Regulation (EU) 2021/337 of the European Parliament and of the Council[6], and as part of the Capital Markets Recovery Package, the Commission committed to put forward a legislative initiative to make access to Union public markets more attractive by reducing compliance costs, and by removing significant obstacles that hold back companies, including SMEs, from tapping public markets in the Union. To achieve its objectives, the scope of that legislative initiative should be broad and address obstacles that concern companies' access to public markets, namely the pre-initial public offering (IPO), IPO and post-IPO phases. In particular, the simplification and removal of obstacles should

---

1 Final report of the High Level Forum on the Capital Markets Union - A new vision for Europe's capital markets (10 June 2020).

2 Final report of the Technical Expert Stakeholder Group (TESG) on SMEs - Empowering EU capital markets - Making listing cool again (May 2021).

3 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).

4 Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

5 Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).

6 Regulation (EU) 2021/337 of the European Parliament and of the Council of 16 February 2021 amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries and Directive 2004/109/EC as regards the use of the single electronic reporting format for annual financial reports, to support the recovery from the COVID-19 crisis (OJ L 68, 26.2.2021, p. 1).

focus on the IPO and post-IPO phases by addressing burdensome disclosure requirements to seek admission to trading on public markets laid down in Regulation (EU) 2017/1129, and by addressing burdensome ongoing disclosure requirements laid down in Regulation (EU) No 596/2014 of the European Parliament and of the Council[1].

(6) Regulation (EU) 2017/1129 lays down requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market that is situated in or operating within a Member State. To reinforce the attractiveness of Union public markets, it is necessary to address obstacles stemming from the length, complexity and high costs of the prospectus documentation, both where companies, including SMEs, seek access to public markets for the first time (IPO), and where companies access public markets for secondary issuances of equity or non-equity securities. For the same reason, the length of the scrutiny and approval process of those prospectuses by competent authorities, and the lack of convergence of those processes across the Union should also be addressed.

(7) For small offers of securities to the public, the costs of producing a prospectus could be disproportionate in relation to the total consideration of the offer. Regulation (EU) 2017/1129 does not apply to offers of securities to the public with a total consideration in the Union of less than EUR 1 000 000. In addition, in view of the varying sizes of financial markets across the Union, Member States may exempt offers of securities to the public from the obligation to publish a prospectus where such offer stays below a certain threshold, which Member States may set between EUR 1 000 000 and EUR 8 000 000. Certain Member States have used that possibility, which has led to different exemption thresholds .

(8) ***Having a wide range of exemption thresholds across Member States is not ideal in the context of cross-border activity and the development of the capital markets union. However, in order to adapt to the different national stock market conditions within the Union, Member States should be able to exempt offers of securities to the public from the obligation to publish a prospectus where the total aggregated consideration in the Union for the securities offered is less than EUR 5 000 000 per issuer or offeror, calculated over a period of 12 months, up to a threshold of EUR 12 000 000***. In the case of such an exemption, however, Member States should be able to require ***the publication of a summary as referred to in Article 7 of Regulation (EU) 2017/1129***. ***Member States should strive to bring their different national requirements closer to each other***.

(9) Cross-border offers of securities to the public that are exempted from the obligation to publish a prospectus should be subject to the national disclosure requirements set out by the concerned Member States, where applicable. However, issuers, offerors or persons asking for the admission to trading on a regulated market of securities which are not subject to the obligation to publish a prospectus should benefit from the single passport where they choose to draw up a prospectus on a voluntary basis.

(10) Regulation (EU) 2017/1129 contains several provisions that refer to the total consideration of certain ***ongoing offers and*** offers of securities to the public to be calculated over a period of 12 months. To provide clarity to issuers, investors and

[1] Regulation (EU) No 596/2014 of the European Parliament and of the Council 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).

competent authorities and to avoid divergent approaches across the Union, it is necessary to specify how a the total consideration of those offers of securities to the public should be calculated over a period of 12 months.

(11) Article 1(5), point (a), of Regulation (EU) 2017/1129 contains an exemption from the obligation to publish a prospectus for the admission to trading on a regulated market of securities fungible with securities already admitted to trading on the same regulated market, provided that the newly admitted securities represent over a period of 12 months less than 20 % of the number of securities already admitted to trading to the same regulated market and provided such admission is not combined with an offer of securities to the public. To reduce complexity and to limit unnecessary costs and burdens, that exemption should apply to both the offer to the public and the admission to trading on a regulated market of the concerned securities and the percentage threshold that determines the eligibility for that exemption should be increased ***to 30%***. For the same reason, that modified exemption should also encompass an offer to the public of securities fungible with securities already admitted to trading on an SME growth market.

(12) Article 1(5), point (b), of Regulation (EU) 2017/1129 also contains an exemption from the obligation to publish a prospectus for the admission to trading on a regulated market of shares resulting from the conversion or exchange of other securities or from the exercise of the rights conferred by other securities, provided that the newly admitted shares represent, over a period of 12 months, less than 20 % of the number of shares of the same class already admitted to trading on the same regulated market. That 20 % should be aligned with the threshold for the exemption for securities fungible with securities already admitted to trading on the same regulated market, the scope of the two exemptions being equivalent.

(13) Companies whose securities are admitted to trading on a regulated market or on an SME growth market are to comply with the periodic and ongoing disclosure requirements that are laid down in Regulation (EU) No 596/2014, Directive 2004/109/EC or, for issuers on SME growth markets, in Commission Delegated Regulation (EU) 2017/565[1]. Where those companies issue securities fungible with securities already admitted to trading on those trading venues, they should be exempted from the obligation to publish a prospectus, as much of the required content of a prospectus will already be publicly available and investors will be able to trade on the basis of that information. However, such exemption should be subject to safeguards that do ensure that the company issuing the securities has complied with the periodic and ongoing disclosure requirements under Union law and is not in financial distress or restructuring or going through a significant transformation, including a change in control resulting from a takeover, a merger, or a division. Furthermore, to ensure the protection of investors, in particular retail investors, a short-form document with key information for investors should still be made available to the public and filed with the competent authority of the home Member State. Where the scope of the new exemption makes other existing exemptions redundant, such other exemptions should be removed. To enable successful companies to scale up and benefit from greater exposure to a broader pool of investors, that new exemption and its eligibility criteria should also be applicable to companies that are willing to make a

[1] Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.3.2017, p. 1).

transition from an SME growth market to a regulated market. However, to enable investors to take informed investment decisions, it is necessary to set out safeguards to ensure that those investors have access to sufficient information about those companies.

(14) Article 1(4), point (j) of Regulation (EU) 2017/1129 exempts credit institutions from the obligation to publish a prospectus in the case of an offer or admission to trading on a regulated market of certain non-equity securities issued in a continuous or repeated manner up to an aggregated amount of EUR 75 000 000 over a period of 12 months. Regulation (EU) 2021/337, as part of the Capital Markets Recovery Package, increased that threshold to EUR 150 000 000 for a limited period to foster fundraising for credit institutions and give those institutions breathing space to support their clients in the real economy. To continue to support fundraising through capital markets of issuers, including credit institutions, the increased threshold introduced by Regulation (EU) 2021/337 should be made permanent.

(15) To reduce the complexity of the prospectus documentation, and to make the prospectus a more harmonised document to improve its readability for investors across the Union, irrespective of the jurisdiction where securities are offered to the public or admitted to trading on a regulated market, it is necessary to introduce a standardised format for the prospectus for both equity and non-equity securities and to require that the information included in the prospectus is disclosed in a standardised sequence ***while taking care that sequences are not overloaded with redundant or marginally relevant information***.

(16) In certain cases, the prospectus or its related documents may reach massive sizes, becoming unfit for investors to take an informed investment decision ***and too expensive for issuers to produce due to the inherent expense associated with lengthy prospectuses. In addition, the length of prospectuses and their format varies greatly across the Union, which is contrary to the objective of fostering convergence within the capital markets union***. To improve the readability of the prospectus***, reduce the costs for issuers related to its drafting, create convergence across the capital markets union,*** and make it easier for investors to analyse it and navigate through it, it is necessary to set out a maximum page limit. However, such page limit should only be introduced for offers to the public or admissions to trading on a regulated market of shares. A page limit would not be appropriate for equity securities other than shares or non-equity securities, which include a broad range of different instruments, including complex ones. Furthermore, the summary, information incorporated by reference or information to be provided when the issuer has a complex financial history or has made a significant financial commitment should be excluded from the page limit.

(17) The standardised format and the standardised sequence of the information to be disclosed in the prospectus should be a requirement, irrespective of whether a prospectus, or a base prospectus, is drawn up as a single document or is composed of separate documents. It is therefore necessary that Annexes I, II and III to Regulation (EU) 2017/1129 set out the standardised sequence of the sections for the information to be disclosed in the prospectus or, separately, in the registration document and in the securities note. Those Annexes should be the basis for the Commission to amend any delegated acts that impose a standardised format and sequence of sections of the prospectus, the base prospectus and the final terms, including on disclosure items within those sections. Furthermore, it is necessary to set out the standardised sequence of the information to be disclosed in the prospectus summary.

(18) The prospectus summary is a key ***and essential*** document that serves as a guidance to support retail investors in better understanding and navigating through the whole

prospectus and thus to make informed investment decisions. To make the prospectus summary more easily readable and comprehensible for retail investors, it is necessary to allow issuers to present or summarise information in the prospectus summary in the form of charts, graphs or tables***, with a page limit of seven sides of A4-sized paper***.

(19) Regulation (EU) 2017/1129 allows issuers to extend the maximum length of the prospectus summary by one page when there is a guarantee attached to the securities, since information on both the guarantee and the guarantor needs to be provided. However, where there is more than one guarantor, an additional page may not be sufficient. It is therefore necessary to extend further the maximum length of the prospectus summary in the event of guarantees that are provided by more than one guarantor.

(20) Regulation (EU) 2017/1129 allows an issuer which has received approval for a universal registration document for 2 consecutive years to file without prior approval all subsequent universal registration documents and any amendments thereto. To reduce unnecessary burdens and incentivise the use of the universal registration document, it is necessary to reduce the requirement of receiving the competent authority's approval to obtain the status of frequent issuer and the benefit to file only all subsequent universal registration documents and any amendments thereto to 1 year. Such alleviation will not affect investor protection, as a universal registration document and any amendments thereto may not be used as the constituent part of a prospectus without being resubmitted for approval to the relevant competent authority. Furthermore, a competent authority is allowed to review a universal registration document which has been filed with it on an ex-post basis whenever that competent authority deems it necessary and, where appropriate, request amendments.

(21) To facilitate the IPO of private companies on Union's public markets and, in general, to reduce unnecessary costs and burdens for companies that are offering securities to the public or seeking admission to trading on a regulated market, the prospectus for both equity and non-equity securities should be significantly streamlined, while ensuring that a sufficient high level of investor protection is maintained.

(22) While being too prescriptive for SMEs, it appears that the level of disclosure in the EU Growth Prospectus would be fit for purpose for companies seeking admission to trading on a regulated market. It is therefore appropriate to align Annexes I, II and III to Regulation (EU) 2017/1129 to the level of disclosure of the EU Growth prospectus, by taking as reference the related Annexes laid down in Commission Delegated Regulation (EU) 2019/980[1].

(23) Due to the growing importance of sustainability considerations in investment decisions, investors are increasingly considering information on environmental, social and governance (ESG) matters when taking informed investment decisions. It is therefore necessary to prevent greenwashing, by establishing ESG-related information to be provided, where relevant, in the prospectus for equity or non-equity securities offered to the public or admitted to trading on a regulated market. That requirement should, however, not overlap with the requirement laid down in other Union law to

[1] Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (OJ L 166, 21.6.2019, p. 26).

provide that information. Companies that offer equity securities to the public or seek the admission to trading of equity securities on a regulated market should therefore incorporate by reference in the prospectus, for the periods covered by the historical financial information, the management and consolidated management reports, which include the sustainability reporting, as required by Directive 2013/34/EU of the European Parliament and of the Council[1]. Moreover, the Commission should be empowered to set out a schedule specifying the ESG-related information to be included in prospectuses for non-equity securities that are advertised as taking into account ESG factors or pursuing ESG objectives. ***The Commission should ensure consistency between the format of the sustainability disclosures under Directive 2013/34/EU and those under the opt-in templates drafted pursuant to Article 20 of Regulation (EU) 2023/... of the European Parliament and the Council[2].***

(24) Article 14 of Regulation (EU) 2017/1129 provides for the possibility to draw up a simplified prospectus for secondary issuances by companies already admitted to trading on a regulated market or a SME growth market continuously for at least 18 months. However, the level of disclosure of the simplified prospectuses for secondary issuances is still considered too prescriptive and close to a standard prospectus to make a significant difference for secondary issuances of companies whose securities are already admitted to trading on a regulated market or an SME growth market and that are subject to periodic and ongoing disclosure requirements. To make the listing documentation easier to understand, and thus to make investor protection more effective, while reducing costs and burdens for issuers, a new and more efficient EU Follow-on prospectus for such secondary issuances should be introduced. However, to limit burdens for issuers and to protect investors, it is necessary to provide for a transitional period for prospectuses approved under the simplified disclosure regime for secondary issuances before the date of application of the new regime. Such EU Follow-on prospectus should be available for issuers whose securities have been admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months, or offerors of those securities. Those criteria should ensure that such issuers have complied with the periodic and ongoing disclosure requirements laid down in Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014, or, where applicable, Delegated Regulation (EU) 2017/565. To enable issuers to fully benefit from this alleviated prospectus type, the scope of the EU Follow-on prospectus should be broad and encompass public offers or admission to trading on a regulated market of securities that are fungible or not fungible with securities already admitted to trading. However, an issuer who has only non-equity securities admitted to trading on a regulated market or an SME growth market should not be allowed to draw up an EU Follow-on prospectus for the admission to trading on a regulated market of equity securities, as an IPO of

---

1 Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

2 ***Regulation (EU) 2023/... of the European Parliament and of the Council on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L … ELI:...).***

equity securities requires the disclosure of a full prospectus to enable investors to take an informed investment decision.

(25) The EU Recovery prospectus referred to in Article 14a of Regulation (EU) ***2017/1129 of the European Parliament and of the Council*** may no longer be used after 31 December 2022. That EU Recovery prospectus had the advantage that is was composed of a single document that was limited in size, making it easy for issuers to draw it up and easy for investors to understand it. For those reasons, the EU Follow-on prospectus ***could*** follow ***a similar*** model, and should be subject to the same reduced scrutiny period as the EU Recovery prospectus. However, the requirements for the EU Follow-on prospectus should for obvious reasons not require Covid-19 crisis-related disclosures. As the EU Follow-on prospectus should replace both the simplified prospectus for secondary issuances and the EU Recovery prospectus, it should be permanent and available for both secondary issuances of equity and non-equity securities. In addition, its use should not be subject to any restrictions beyond the requirement of the minimum and continuous period of admission of the securities concerned to trading on a regulated market or an SME growth market.

(26) The EU Follow-on prospectus should contain a short-form summary as a useful source of information for investors. That summary should be set out at the beginning of the EU Follow-on prospectus and should focus on key information enabling investors to decide which offers to the public and admissions to trading of shares to study further, and subsequently to review the EU Follow-on prospectus as a whole to take an informed investment decision.

(27) In order to make the EU Follow-on prospectus a harmonised document and facilitate its readability for investors across the Union, irrespective of the jurisdiction where securities are offered to the public or admitted to trading on a regulated market, its format should be standardised for both equity and non-equity securities. For the same reason, the information in the EU Follow-on prospectus should be disclosed in a standardised sequence. To improve the readability of the EU Follow-on prospectus and to make it easier for investors to analyse it and navigate through it, the number of pages of such prospectus should be limited for secondary issuances of shares. Such a page limit would, however, be inappropriate for the broad category of equity securities other than shares or non-equity securities, which include a wide range of different instruments, including complex ones. Furthermore, the summary, information incorporated by reference or information to be provided when the issuer has a complex financial history or has made a significant financial commitment should be excluded from the page limit.

(28) One of the key objectives of the Capital Markets Union is to facilitate access of SMEs to public markets in the Union, to provide those SMEs with other sources of funding than bank lending and the opportunity to scale up and grow. The cost of producing a prospectus may be a deterrent for SMEs willing to offer securities to the public, considering the typical low size of the consideration of those offers. The EU Growth prospectus is a lighter prospectus, introduced by Regulation (EU) 2017/1129, and is available for SMEs and few other categories of beneficiaries, including companies with market capitalisation up to EUR 500 million the securities of which are already admitted to trading on an SME growth market. The EU Growth prospectus aimed to reduce the costs of preparing a prospectus for smaller issuers, while providing investors with material information to assess the offer and take an informed investment decision. While issuers who draw up an EU Growth prospectus can achieve quite substantial costs savings, the level of disclosure of an EU Growth prospectus is still considered too

prescriptive and close to a standard prospectus to make a significant difference for SMEs. There is therefore a need for an EU Growth ***prospectus*** that has light requirements to make the listing documentation for SMEs even less complex and burdensome and to enable SMEs to achieve even more important savings. In order to limit burdens for issuers and to protect investors, it is, however, necessary to provide for a transitional period for EU Growth prospectuses approved before the date of application of the new regime.

(29) The requirements as to the content of the EU Growth ***prospectus*** should be light, taking into account the level of disclosure of the EU Recovery prospectus and some of the most straightforward admission documents that some SME growth markets require issuers to produce in case of an exemption from the obligation to publish a prospectus, and which content is laid down in the SME growth markets' rulebooks. The reduced information to be disclosed in an EU Growth ***prospectus*** should be proportionate to the size of the companies listed on SME growth markets and their fundraising needs and ensure an adequate level of investor protection. Eligible companies should be ***able to be*** required to use the EU Growth ***prospectus*** for their offer of securities to the public, to facilitate the transition to a new and more efficient regime and to prevent the risk that advisors convince small companies to continue using the full prospectus.

(30) The EU Growth ***prospectus*** should be available for SMEs, issuers other than SMEs the securities of which are admitted or are to be admitted to trading on an SME growth market, and offers from small unlisted companies up to EUR 50 000 000 over a period of 12 months. To avoid a two-tier disclosure standard on regulated markets depending on the size of the issuer, the EU Growth ***prospectus*** should not be available for companies the securities of which are already admitted or are to be admitted to trading on regulated markets. However, in order to facilitate an upgrade to a regulated market and to enable issuers to benefit from an exposure to a broader investors' base, issuers that have already securities admitted to trading on an SME growth market continuously for at least the last 18 months should be allowed to use an EU Follow-on prospectus to transfer to a regulated market, unless they benefit from an exemption for such follow-on issuance on a regulated market.

(31) The EU Growth ***prospectus*** should contain a ▌summary, as a useful source of information for retail investors, having the same format and content as the summary of the EU Follow-on prospectus. That summary should be set out at the beginning of the EU Growth ***prospectus*** and should focus on key information enabling investors to decide which offers to the public and admissions to trading of shares to study further, and subsequently to review the EU Growth ***prospectus*** as a whole in order to take an informed investment decision.

(32) The EU Growth ***prospectus*** should be a harmonised document which is easy to read by investors, irrespective of the jurisdiction within the Union where the securities concerned are offered to the public or admitted to trading on a regulated market. Its format should therefore be standardised for both equity and non-equity securities and the information included in the EU Growth ***prospectus*** should be disclosed in a standardised sequence. To further standardise and improve the readability of the EU Growth ***prospectus*** and make it easier for investors to analyse it and navigate through it, a page limit should be introduced in the event that an EU Growth ***prospectus*** is drawn up for secondary issuances of shares. That page limit should also be efficient in terms of the lighter requirements as to the content of the EU Growth ***prospectus*** and effective in terms of providing the necessary information to enable investors to make informed

investment decisions. A page limit would, however, be inappropriate for the broad category of equity securities other than shares or non-equity securities, which include a wide range of different instruments, including complex ones. Furthermore, the summary, information incorporated by reference or information to be provided when the issuer has a complex financial history or has made a significant financial commitment should be excluded from the page limit.

(33) The EU Follow-on prospectus and the EU Growth ***prospectus*** should complement the other forms of prospectuses laid down in Regulation (EU) 2017/1129. Therefore, unless explicitly stated otherwise, all references to the term 'prospectus' under Regulation (EU) 2017/1129 should be understood as referring to all different forms of prospectuses, including the EU Follow-on prospectus and the EU Growth issuance document.

(34) Risk factors that are material and specific to the issuer and his or her securities should be mentioned in the prospectus. For that reason, risk factors are also to be presented in a limited number of risk categories depending on their nature. ▌To improve the comprehensibility of the prospectus and make it easier for investors to take informed investment decisions, it is necessary to specify that issuers should not overload the prospectus with risk factors that are generic, that only serve as disclaimers, or that could obscure the specific risk factors that investors should be aware of. ***In each risk category, the most material risk factors should be mentioned first.***

(35) Under Article 17(1) of Regulation (EU) 2017/1129, where the final offer price and amount of securities offered to the public cannot be included in the prospectus, the investor has a withdrawal right which can be exercised within 2 ***business*** days after the final offer price or amount of securities to be offered to the public has been filed. To increase the level of investor protection, the period during which investor can exercise that withdrawal right should be extended. It is however important to limit the administrative burdens for issuers. ▌

(36) Article 19 of Regulation (EU) 2017/1129 gives issuers the possibility to incorporate into the prospectus certain information by reference. That possibility was introduced to reduce the burden for issuers and to avoid duplication of information that has already been disclosed and published under other Union financial services law. To significantly reduce burdens for issuers and to avoid duplication of information that has already been disclosed and published under other Union financial services law, that possibility should become a legal requirement when information is to be disclosed in a prospectus and fulfils the conditions laid down in Article 19(1) of Regulation (EU) 2017/1129 on incorporation by reference . Such legal requirement would only to a limited extent reduce the readability of information for investors that, in the future, should be able to access in a more efficient and effective way the company data centralised on the European Single Access Point[1]. While the exact layout and perimeter of the future legislation are currently being debated by the co-legislators, the ***European Single Access Point*** is expected to enable investors to find in a single place the majority of the relevant information, hence further facilitating access to information incorporated by reference in prospectuses. Nevertheless, companies should still be allowed to incorporate by reference on voluntary basis information that is not to be disclosed in a

[1] ▌Regulation ***(EU) …/…*** of the European Parliament and of the Council ***of…*** establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability (OJ L... ELI:....).

prospectus, provided that such information fulfils the conditions laid down in Article 19(1) of Regulation (EU) 2017/1129 on incorporation by reference.

▌

(38) Regulation (EU) 2017/1129 promotes the convergence and harmonization of rules about the scrutiny and approval of prospectuses by competent authorities. In particular, criteria for the scrutiny of the completeness, comprehensibility, and consistency of the prospectus were streamlined and laid down in Delegated Regulation (EU) 2019/980. That list of criteria is, however, not exhaustive, because it should allow for the possibility to take into account developments and innovations in financial markets. As a result, Delegated Regulation (EU) 2019/980 allows competent authorities to apply additional criteria for the scrutiny and approval of prospectuses where those competent authorities deem that necessary to protect investors. The peer review report from the European Securities and Markets Authority ('ESMA')[1] pointed out that that possibility has created material differences in the way competent authorities apply additional scrutiny criteria and request issuers to provide additional information in the prospectus under their scrutiny. ▌ ***National competent authorities should not demand additional documentation over and above that which is required by Regulation (EU) 2017/1129 for the drawing up of a prospectus, an EU Follow-on prospectus or an EU Growth prospectus, or over and above that which is required by this Regulation, as specified by delegated acts.***

(39) Peer reviews conducted by ESMA are an effective tool to promote supervisory convergence across the Union. In order to foster supervisory convergence on the scrutiny and approval processes of competent authorities when assessing the completeness, consistency and comprehensibility of the information contained in a prospectus, and to assess the impact of different approaches with regard to scrutiny and approval by competent authorities, it is appropriate to require ESMA to conduct recurrent peer reviews on the scrutiny and approval of prospectuses on a regular basis and specify the appropriate time periods.

(40) Article 21 of Regulation (EU) 2017/1129 requires, for an IPO of shares, the publication of the prospectus at least 6 working days before the end of the offer. In order to foster swift book-building processes, especially in fast moving markets, and to increase the attractiveness of the inclusion of retail investors in IPOs, the current minimum period of 6 days between the publication of the prospectus and the end of an offer of shares should be reduced, without affecting investor protection.

(40a) In order to clarify the duration of book-building processes during an IPO, and of various other processes relating to the management of share issues and transfers, it is appropriate to express all periods relating to such processes in terms of business days (which includes Saturdays), rather than working days (which excludes Saturdays).

(41) In order to collect data that support the assessment of the EU Follow-on prospectus and the EU Growth issuance document, the storage mechanism referred to in Article 21(6) of Regulation (EU) 2017/1129 should cover both the EU Follow-on prospectus and the EU Growth issuance document, which should be clearly differentiated from the other types of prospectuses.

---

[1] Peer review of the scrutiny and approval procedures of prospectuses by competent authorities of 21 July 2022 (ESMA42-111-7170).

(42) To make the distribution of the prospectus to investors more sustainable, to increase digitalisation in the financial sector and to remove unnecessary costs, investors should no longer be entitled to request a paper copy of a prospectus. A copy of the prospectus should therefore only be delivered to investors in electronic format, upon request and free of charge.

(43) Article 23(3) of Regulation (EU) 2017/1129 requires financial intermediaries to inform investors who have purchased or subscribed securities through that financial intermediary of the possibility of a supplement being published and, under certain circumstances, to contact those investors on the day when a supplement is be published. Regulation (EU) 2021/337 introduced the new paragraphs 2a and 3a to that Article, which provide for a more proportionate regime to reduce burdens for financial intermediaries, while maintaining a high level of investor protection. Those paragraphs specify which investors should be contacted by financial intermediaries when a supplement is published and extended both the deadline by which those investors are to be contacted and the deadline for those investors to exercise their withdrawal rights. In addition, those paragraphs specify that financial intermediaries should contact investors who purchase or subscribe securities at the latest at the closing of the initial offer period. That period refers to the period during which issuers or offerors offer securities to the public as prescribed in the prospectus and excludes subsequent periods during which securities are resold on the market. The regime introduced by Article 23(2a) and (3a) of Regulation (EU) 2017/1129 expires on 31 December 2022. Considering the overall positive stakeholders' feedback on that regime, it should be made permanent.

(44) Article 23(2a) and (3a) of Regulation (EU) 2017/1129 extended the deadline to contact eligible investors about the publication of a supplement to the end of the first working day following that on which the supplement is published. To enable financial intermediaries to comply with that deadline, it is necessary to lay down that financial intermediaries will only have to inform those investors who agreed to be contacted by electronic means about the publication of a supplement. Furthermore, financial intermediaries should offer investors that indicated their wish to be contacted only by other means than electronic ones an opt-in for electronic contact to receive the notification of the publication of a supplement. It is also necessary to oblige financial intermediaries to point out to investors that do not agree to be contacted by electronic means and refuse the opt-in for electronic contact that they can consult the issuer's or the financial intermediary's website until the closing of the offer period or the delivery of the securities, whichever occurs first, to check whether a supplement is published.

(45) To ensure investor protection and foster regulatory convergence across the Union, it is appropriate to lay down that a supplement to a base prospectus should not be used to introduce a new type of security for which the necessary information has not been included in that base prospectus. Furthermore, ESMA should be requested, within ***18 months*** from the entry into force of this Regulation, to provide additional clarity by means of guidelines on the circumstances in which a supplement is to be considered to introduce a new type of security that is not already described in a base prospectus.

(46) Article 27 of Regulation (EU) 2017/1129 requires issuers to produce translations of their prospectus to enable authorities and investors to appropriately scrutinise those prospectuses and to assess risks. In most cases, a translation must be provided in at least one of the official languages accepted by the competent authorities of each Member State where an offer is made or admission to trading is sought. To reduce unnecessary burdens significantly, companies should be allowed to draw up the prospectus in a

language customary in the sphere of international finance, irrespective of whether the offer or admission to trading is domestic or cross border, while the translation requirement should be limited to the prospectus summary to ensure the protection of retail investors.

(47) Article 29 of Regulation (EU) 2017/1129 currently requires that third country prospectuses are approved by the competent authority of the home Member State of the issuer of the securities concerned, irrespective of whether those third prospectuses have already been approved by the relevant third country authority. That Article also requires that the Commission adopts a decision stating that the information requirements imposed by the national law of such a third country are equivalent to the requirements under Regulation (EU) 2017/1129. To facilitate access of third country issuers, including SMEs, to public markets in the Union and provide investors in the Union with additional investment opportunities, while ensuring their protection, it is necessary to amend the equivalence regime. In particular, in order to offer the maximum level of protection for investors it should be clarified that for third country issuers offers of securities to the public in the Union are to be accompanied with an admission to trading on either a regulated market or an SME growth market established in the Union. Third country issuers are however allowed to use the procedure under Article 28 of Regulation (EU) 2017/1129 for any type of offers of securities to the public, by drawing up a prospectus in accordance with that Regulation. Furthermore, it should be clarified that, in the case of an admission to trading on an EU regulated market or an offer of securities to the public in the Union, equivalent third country prospectuses that have already been approved by the third country supervisory authority, are only to be filed with the competent authority of the home Member State in the Union. Furthermore, the general equivalence criteria, which are currently to be based on the requirements laid down in Articles 6, 7, 8 and 13 of Regulation (EU) 2017/1129, should be expended to encompass provisions on liability, validity of the prospectus, risk factors, scrutiny, approval and publication of the prospectus, and advertisements and supplements. To ensure the protection of investors in the Union, it is also necessary to specify that the third country prospectus is to entail all the rights and obligations provided for under Regulation (EU) 2017/1129.

(48) An effective cooperation with supervisory authorities of third countries concerning the exchange of information with those authorities and the enforcement of obligations arising under Regulation (EU) 2017/1129 in third countries is necessary to protect investors in the Union and ensure level playing field between issuers established in the Union and third country issuers. In order to ensure an efficient and consistent exchange of information with supervisory authorities, ESMA should establish cooperation arrangements with the supervisory authorities of third countries concerned, and the Commission should be empowered to determine the minimum content and the template to be used for such arrangements. However, ***in order to ensure investor protection, it is necessary that*** third countries that are in the ***EU list of non-cooperative tax jurisdictions for tax purposes and the*** list of jurisdictions which have strategic deficiencies in their national anti-money laundering and in countering the financing of terrorism regimes that pose significant threats to the financial system of the Union should be excluded from such cooperation arrangements.

(49) It is necessary to ensure that the EU Follow-on prospectus, the EU Growth ***prospectus*** and related prospectus summaries are subject to the same administrative sanctions and other administrative measures as other prospectuses. Those sanctions and measures

should be effective, proportionate and dissuasive and ensure a common approach in Member States.

(50) Article 47 of Regulation (EU) 2017/1129 requires ESMA to publish every year a report containing statistics on the prospectuses approved and notified in the Union and an analysis of trends. It is necessary to lay down that that report should also contain statistical information about the EU Growth issuance documents, differentiated by types of issuers, and should analyse the usability of disclosure regimes applicable under the EU Follow-on prospectus, the EU Growth issuance documents and the universal registration documents. Finally, that report should also analyse the new exemption for secondary issuances of securities fungible with securities already admitted to trading on a regulated market or on an SME growth market.

(51) The Commission should, after an appropriate time period after the date of application of this amending Regulation, review the application of Regulation (EU) 2017/1129 and assess in particular whether the provisions on the prospectus summary, on the disclosure regimes for the EU Follow-on prospectus, on the EU Growth ***prospectus*** and on the universal registration document remain appropriate to meet the objectives pursued by those provisions. It is also necessary to lay down that that report should analyse the relevant data, trends and costs in relation the EU Follow-on prospectus and for the EU Growth ***prospectus***. In particular, that report should assess whether those new regimes strike a proper balance between investor protection and the reduction of administrative burdens. ***Given the importance of ensuring that the capital markets union gathers momentum, and that it reflects market realities as soon as possible after they occur, the appropriate period for the conduct of such reviews by the Commission needs to be shorter than that which was the case prior to the adoption of this Regulation. The Commission should also assess whether further harmonisation of the provisions for prospectus liability is warranted and, if so, consider amendments to the liability provisions set out in this Regulation.***

(52) Regulation (EU) No 596/2014 establishes a robust framework to preserve market integrity and investor confidence by preventing insider dealing, unlawful disclosure of inside information and market manipulation. It subjects issuers to several disclosure and record-keeping obligations and requires issuers to disclose inside information to the public. Six years after its entry into force, feedback from stakeholders collected in the context of public consultations and expert groups highlighted that some aspects of Regulation (EU) No 596/2014 place a particularly high burden on issuers. It is therefore necessary to enhance legal clarity, address disproportionate requirements for issuers and increase the overall attractiveness of Union capital markets, while ensuring an appropriate level of investor protection and market integrity.

(53) Article 14 and 15 of Regulation (EU) No 596/2014 prohibit insider dealing, the unlawful disclosure of inside information and market manipulation. Article 5 of that Regulation contains, however, an exception to those prohibitions for buy-back programmes and stabilisation. For a buy-back programme to benefit from that exemption, issuers are obliged to report to all the competent authorities of the trading venues on which the shares have been admitted to trading or are traded each transaction relating to the buy-back programme, including information specified in Regulation (EU) No 600/2014. In addition, issuers are obliged to subsequently disclose the trades to the public. Those obligations are overly cumbersome. It is therefore necessary to simplify the reporting procedure by requiring an issuer to report information on the buy-back programme transactions only to the competent authority of the most relevant market in terms of

liquidity for its shares. It is also necessary to simplify the disclosure obligation by allowing an issuer to only disclose to the public aggregated information.

(54) Under Article 7(1), point (d), of Regulation (EU) No 596/2014, inside information comprises, for persons charged with the execution of orders concerning financial instruments, information conveyed by a client and relating to the client's pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or on the price of related derivative financial instruments. That definition is, however, too limited in that it only applies to persons charged with the execution of orders, whereas also other persons may be aware of a forthcoming order or transaction. That definition should therefore be expanded to also cover cases where information is passed by virtue of management of a proprietary account or of a managed fund, and in particular to cover all categories of persons that may be aware of a future order.

(55) According to Article 11(1) of Regulation (EU) No 596/2014, 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. Market sounding is an established practice which contributes to efficient capital markets. Market sounding may, however, require disclosure to potential investors of inside information and expose the parties involved to legal risks. The definition of market sounding should be broad in order to cater for the different typologies of soundings and different practices across the Union. The definition of market sounding should therefore also cover the communications of information not followed by any specific announcement, as also in that case inside information may be disclosed to potential investors and issuers should be able to benefit from the protection afforded by Article 11 of Regulation (EU) No 596/2014.

(56) Article 11(4) of Regulation (EU) No 596/2014 provides that the disclosure of inside information in the course of a market sounding is deemed to be made in the normal exercise of a person's employment, profession or duties, and therefore does not constitute unlawful disclosure of inside information, where the disclosing market participant complies with the requirements laid down in Article 11(3) and (5) of that Regulation. ▌

(57) Liquidity in an issuer's shares can be enhanced through liquidity provision activities, including market making arrangements or liquidity contracts. A market making arrangement comprises a contract between the market operator and a third party who commits to maintaining the liquidity in certain shares and, in return, benefits from rebates on trading fees. A liquidity contract comprises a contract between an issuer and a third party who commits to provide liquidity in the shares of the issuer, and on its behalf. Regulation (EU) No 2019/2115 introduced into Article 13 of Regulation (EU) No 596/2014 the possibility for issuers of financial instruments admitted to trading on SME growth markets to enter into a liquidity contract with a liquidity provider, provided certain conditions are met. One of those conditions is that the market operator or the investment firm operating the SME growth market has acknowledged in writing to the issuer that it has received a copy of the liquidity contract and has agreed to that contract's terms and conditions. The operator of an SME growth market is, however, not a party to a liquidity contract and the requirement that such operator has agreed to the liquidity

contract's terms and conditions leads to excessive complexity. In order to remove that complexity and to foster liquidity provisions on those SME growth markets, it is appropriate to remove the requirement for operators of SME growth markets to agree to the terms and conditions of liquidity contracts.

(58) The prohibition of insider dealing has the objective to prevent any possible exploitation of inside information and should apply as soon as that information is available. The requirement to disclose inside information aims to ***contribute to efficient price formation by addressing information asymmetry, thus enabling*** investors to take well-informed decisions ***in a timely manner***. When information is disclosed at a very early stage and is of a preliminary nature, it may mislead investors, rather than contribute to efficient price formation and address the information asymmetry. In a protracted process, given the different iterations information has still to go through, the information related to intermediate steps is not sufficiently mature and hence should not be disclosed. In that case, the issuer should only disclose the information related to the event that this protracted process intends to bring about, at the moment when such information is sufficiently precise, such as when the management board has taken the relevant decision to bring about that event. In the case of non-protracted processes related to one-off events, notably when the occurrence of those events does not depend on the issuer, the disclosure should take place as soon as the issuer becomes aware of that event.

(59) To facilitate the assessment of the moment of disclosure of the relevant information by the issuer and ensure a consistent interpretation of the requirement, ***ESMA should develop draft regulatory technical standards to establish a non-exhaustive list of the situations where delays in the disclosure of inside information are likely to mislead the public. The Commission should be empowered to adopt a delegated act to supplement this Regulation by adopting the regulatory technical standards developed by ESMA***.

(60) Issuers should ensure the confidentiality of information related to intermediate steps where the event, that a protracted process intends to bring about, has not yet been disclosed. Once that event has been disclosed, the issuer should no longer be required to protect the confidentiality of the information related to intermediate steps.

I

(64) Article 19 of Regulation (EU) No 596/2014 provides for preventive measures against market abuse and, more specifically, insider dealing, concerning persons discharging managerial responsibilities and persons closely associated with them. Such measures range from notification of transactions carried out on financial instruments of the relevant issuer to the prohibition to conduct transactions on such instruments in certain defined periods. In particular, Article 19(8) of Regulation (EU) No 596/2014 provides that persons discharging managerial responsibilities have to notify the issuer and the competent authority where those persons have transactions reaching the threshold of EUR 5 000 in a calendar year, as well as any subsequent transaction in the same year. The notifications concern, as regards issuers, transactions conducted by persons discharging managerial responsibilities or persons closely associated with them on their own account relating either to the shares or debt instruments of that issuer, or to derivatives or other financial instruments linked thereto. In addition to the EUR 5 000 threshold, Article 19(9) of Regulation (EU) No 596/201 provides that competent authorities may decide to increase the threshold to EUR 20 000.

(65) In order to avoid an undue requirement for persons discharging managerial responsibilities to report and for companies to disclose transactions which would not be meaningful to investors, it is appropriate to raise the threshold for reporting and related disclosure from EUR 5 000 to EUR 20 000, while allowing competent authorities to ***lower*** that threshold ***to EUR 10 000***, where justified.

(66) Article 19(11) of Regulation (EU) No 596/2014 prohibits persons discharging managerial responsibilities to trade, during a period of 30 calendar days before their company's financial reporting (closed period), shares or debt instruments of the issuer or derivatives or other financial instruments linked to them, unless the issuer gives his or her consent and specific circumstances are met. That exemption from the closed period requirement currently includes employee shares or saving schemes as well as qualifications or entitlement of shares. In order to promote consistency of rules across different asset classes that exemption should be expanded to include among the exempted employees' schemes those concerning financial instruments other than shares and also to cover the qualification or entitlement of instruments other than shares.

(67) Certain transactions or activities carried out by the person discharging managerial responsibilities during the closed period may relate to irrevocable arrangements entered into outside of a closed period. Those transactions or activities may also result from a discretionary asset management mandate executed by an independent third party under a discretionary asset management mandate. Such transactions or activities may also be the consequence of duly authorised corporate actions not implying advantageous treatment for the person discharging managerial responsibilities. Furthermore, those transactions or activities may be the consequence of the acceptance of inheritances, gifts and donations, or the exercise of options, futures, or other derivatives agreed outside the closed period. All such activities and transactions, do not, in principle, involve active investment decisions by the persons discharging managerial responsibilities. Prohibiting such transactions or activities throughout the closed period would excessively restrict the freedom of persons discharging managerial responsibilities, as there is no risk that they will benefit from an informational advantage. In order to ensure that the prohibition to trade in closed period applies only to transactions or activities that depend on the wilful investment activity of the person discharging managerial responsibilities, that prohibition should not cover transactions or activities that depend on external factors or that do not involve active investment decisions by the persons discharging managerial responsibilities.

(68) The increasing integration of markets heightens the risk of cross-border market abuses. To protect market integrity, competent authorities should cooperate in a swift and timely manner, also with ESMA. To strengthen such cooperation, ESMA should be able to act on its own initiative ***or at the request of one or more competent authorities,*** to facilitate the collaboration of competent authorities with a possibility to coordinate the investigation or inspection that has cross-border effect. Collaboration platforms established by the European Insurance and Occupational Pensions Authority have proven to be useful as a supervisory tool to strengthen the exchange of information and to enhance collaboration among authorities. It is therefore appropriate to introduce the possibility also for ESMA***, on its own initiative or at the request of one or more competent authorities,*** to set up and coordinate such platforms in the field of securities markets when there are concerns about market integrity or the good functioning of markets. Considering the strong relations between financial and spot markets, ESMA should also be able to set up such platforms also with public bodies monitoring

wholesale commodity markets, including the Agency for the Cooperation of Energy Regulators (ACER), when such concerns affect both financial and spot markets.

(69) The monitoring of order data ***across both multilateral and bilateral trading systems*** is crucial for the surveillance of market activity. Competent authorities should therefore have easy access to data that they need for their supervisory activity. Some of those data concern instruments that are traded in a trading venue ***or a systematic internaliser*** located in another Member State. To enhance the effectiveness of supervision, competent authorities should set up a mechanism to exchange order data on an ongoing basis. Considering its technical expertise, ESMA should draft implementing technical standards specifying the arrangements required by that mechanism for the exchange of order among competent authorities. To ensure that the scope of that mechanism for exchanging order data is proportionate in relation to its use, only competent authorities that supervise markets that have a high level of cross-border activity should be obliged to participate to that mechanism. The level of cross-border dimensions should be determined by the Commission in a delegated act. Furthermore, that mechanism for exchanging order data should at first only concern shares, bonds and futures, considering the relevance of those financial instruments in terms of both cross-border trading and market manipulation. However, to ensure that such mechanism for exchanging order data takes into account developments in financial markets and the capacity of competent authorities to process new data, the Commission should be empowered to broaden the scope of instruments the order data of which can be exchanged through that mechanism.

(70) The monitoring of order data is crucial for the ***effective*** supervision of markets by competent authorities ***and to ensure market integrity***. To enhance that monitoring through technological developments, competent authorities should be able to access order data ***concerning any financial instrument, including data with a cross-border dimension,*** not only on an ad-hoc request, but also on an ongoing basis. Moreover, to facilitate the processing of order data by national competent authorities, it is necessary to harmonise the format of such data. ***Order data should cover at least order data from trading venues and indications of interest and quotes from systematic internalisers.***

(71) Administrative sanctions imposed in cases of infringements related to the disclosure regime (public disclosure of inside information, insider lists and managers' transactions) are set out as a minimum of the maximum, which allows Member States to set a higher level of the maximum sanctions in national law. The risk of inadvertent breach of disclosure requirements under Regulation (EU) No 596/2014 and associated administrative sanctions are an important factor that dissuades companies from seeking admission to trading. To avoid an excessive burden on companies, in particular SMEs, the sanctions for infringements committed by legal persons in relation to disclosure requirements should be proportionate to the size of the company, while considering all relevant circumstances under Article 31 of Regulation (EU) No 596/2014. Those sanctions should be determined based on the total annual turnover of the company. The sanctions determined based on absolute amounts should be applied only if competent authorities deem that the amount of the administrative sanction based on the total annual turnover would be disproportionately low in light of the circumstances set out in Article 31 of Regulation (EU) No 596/2014. In those cases, it is also appropriate to lower the minimum of the maximum level of sanctions for SMEs, as expressed in absolute amounts, in order to ensure their proportionate treatment.

(72) Regulations (EU) No 596/2014, (EU) No 600/2014 and (EU) 2017/1129 should therefore be amended accordingly.

(73) When processing personal data within the framework of this Regulation (EU) No 596/2014, competent authorities should comply with Regulation (EU) 2016/679 of the European Parliament and of the Council[1]. With regard to the processing of personal data by ESMA within the framework of that Regulation, ESMA should comply with the Regulation (EU) No 2018/1725 of the European Parliament and of the Council[2]. In particular, ESMA and national competent authorities ***should*** keep personal data for no longer than is necessary for the purposes for which the personal data are processed.

(74) In order to specify the requirements set out in this Regulation, in accordance with its objectives, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of revising the format and content of the prospectus, ***specifying the reduced content and the standardised format of the EU Follow-on prospectus and the EU Growth prospectus***, fostering convergence in the scrutiny and approval of the prospectus by competent authorities, further specifying general equivalence criteria for prospectuses drawn up by third country issuers, determining the minimum content of cooperation arrangements between ESMA and third country supervisory authorities, pursuant to Regulation (EU) 2017/1129, as well as revising the alleviated template setting out the list of persons who have access to inside information, and expanding the list of financial instruments to enable competent authorities to obtain order[redacted] data, pursuant to Regulation (EU) No 596/2014. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making[3]. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts. ***In the tasks that it carries out, ESMA should be expected to take an increasingly leading role in the establishment of guidelines and regulatory technical standards in order to achieve flexibility and responsiveness to market outcomes, while continuing to guarantee investor protection***.

(75) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States, as the measures introduced require full harmonisation across the Union, but can rather, by reason of scale and effects be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5

---

1 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119 4.5.2016, p. 1).

2 Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

3 OJ L 123, 12.5.2016, p. 1.

of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Article 1

Amendments to Regulation (EU) 2017/1129

Regulation (EU) 2017/1129 is amended as follows:

(1) Article 1 is amended as follows:

(a) paragraph 3 is deleted;

(b) paragraph 4 is amended as follows:

(i) the following points (da) and (db) are inserted:

‘(da) an offer of securities to be admitted to trading on a regulated market or an SME growth market and that are fungible with securities already admitted to trading on the same market, provided that***:***

(i) they represent, over a period of 12 months, less than ***30*** % of the number of securities already admitted to trading on the same market; ***and***

(ii) ***the issuer of the securities is not subject to insolvency proceedings or a restructuring;***

(db) an offer of securities fungible with securities that have been admitted to trading on a regulated market or an SME growth market continuously for at least the 18 months preceding the offer of the new securities, provided that all of the following conditions are met:

(i) the securities offered to the public are not issued in connection with a takeover by means of an exchange offer, a merger or a division;

(ii) the issuer of the securities is not under an insolvency or restructuring procedure;

(iii) a document containing the information set out in Annex IX is filed with the competent authority of the home Member State and made available to the public in accordance with the arrangements set out in Article 21(2).’;

(ii) in point (j), the introductory wording is replaced by the following:

‘(j) non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less than EUR 150 000 000 per credit institution calculated over a period of 12 months, provided that those securities:’;

(iii) point (l) is deleted;

(iv) the following subparagraphs are added:

‘The document referred to in point (db)(iii) shall have a maximum length of 10 sides of A4-sized paper when printed, shall be presented and laid out in a way that is easy to read, using characters of readable size and shall be drawn up in the official language of the home Member State, or at least one of its official languages, or in another language accepted by the competent authority of that Member State.

The total aggregated consideration of the offers of securities to the public referred to in the first subparagraph, point (j), shall take into account the total aggregated consideration of all offers of securities to the public that have been made in the 12 months preceding the start date of a new offer of securities to the public, except those offers of securities to the public that were subject to any other exemption from the obligation to publish a prospectus in accordance with the first subparagraph, or pursuant to Article 3(2).’;

(c) paragraph 5 is amended as follows:

(i) the first subparagraph is amended as follows:

(1) points (a) and (b) are replaced by the following:

‘(a) securities fungible with securities already admitted to trading on the same regulated market, provided that they represent, over a period of 12 months, less than ***30*** % of the number of securities already admitted to trading on the same regulated market;

(b) shares resulting from the conversion or exchange of other securities or from the exercise of the rights conferred by other securities, where the resulting shares are of the same class as the shares already admitted to trading on the same regulated market, provided that the resulting shares represent, over a period of 12 months, less than ***30*** % of the number of shares of the same class already admitted to trading on the same regulated market, subject to the third subparagraph;

▌

(ba) securities fungible either with securities that have been admitted to trading on a regulated market continuously for at least the last 18 months before the admission to trading of the new securities, ▌ provided that all of the following conditions are met:

(i) the securities to be admitted to trading on a regulated market are not issued in connection with a takeover by means of an exchange offer, a merger or a division;

(ii) the issuer of the securities is not under an insolvency or restructuring procedure;

(iii) a document containing the information set out in Annex IX is filed with the competent authority of the home Member State and made available to the public in accordance with the arrangements set out in Article 21(2).’;

(3) in point (i), the introductory wording is replaced by the following:

‘(i) non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less than EUR 150 000 000 per credit institution calculated over a period of 12 months, provided that those securities:’;

(4) points (j) and (k) are deleted;

(ii) in the second subparagraph the introductory wording is replaced by the following:

‘The requirement that the resulting shares represent, over a period of 12 months, less than ***30*** % of the number of shares of the same class already admitted to trading on the same regulated market as referred to in the first subparagraph, point (b), shall not apply in any of the following cases:’;

(iii) the following ***subparagraph is*** added:

‘The document referred to in point (ba)(iii) shall have a maximum length of 10 sides of A4-sized paper when printed, shall be presented and laid out in a way that is easy to read, using characters of readable size and shall be drawn up in the official language of the home Member State, or at least one of its official languages, or in another language accepted by the competent authority of that Member State.

▌’;

(d) paragraph 6 is replaced by the following:

‘6. The exemptions from the obligation to publish a prospectus that are set out in paragraphs 4 and 5 may be combined together. However, ***those exemptions may not be combined with the exemption set out in Article 3(2). Moreover,*** the exemptions in paragraph 5, first subparagraph, points (a) and (b), shall not be combined together where such combination could lead to the immediate or deferred admission to trading on a regulated market over a period of 12 months of more than ***30*** % of the number of shares of the same class already admitted to trading on the same regulated market, without a prospectus being published.’;

(da) the following paragraph is added:

‘7a. In order to ensure uniform conditions of application of this Article, ESMA shall develop draft regulatory technical standards to specify how the cumulated amount of offers made during the preceding 12 months is to be computed when verifying whether the monetary thresholds set out in paragraph 4, point (j), and paragraph 5, point (i), are reached.

Offers of securities to the public that were subject to an exemption from the obligation to publish a prospectus pursuant to paragraph 4, first subparagraph, of this Article, and pursuant to Article 3(2), shall not be taken into consideration in such computation.

ESMA shall submit those draft regulatory technical standards to the Commission by ... [12 months from the date of entry into force of this amending Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in

accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council*.

---

* ***Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).';***

(2) Article 2 is amended as follows:

(a) point (z) is deleted;

(b) the following ***points are*** added:

'(za) 'electronic format' means an electronic format as defined in Article 4(1), point (62a) of Directive 2014/65/EU;'.

(zb) 'business days' means business days of the relevant competent authority, excluding Sundays and public holidays, as defined in the national law applicable to that competent authority;

(zc) 'restructuring' means restructuring as defined in Article 2(1), point (1), of Directive (EU) 2019/1023 of the European Parliament and of the Council*;

(zd) 'insolvency proceedings' means insolvency proceedings as defined in Article 2, point (4), of Regulation (EU) 2015/848 of the European Parliament and of the Council**;

---

* ***Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132. (OJ L 172, 26.6.2019, p. 18).***

** ***Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (OJ L 141, 5.6.2015, p. 19).';***

(3) in Article 3, paragraphs 1 and 2 are replaced by the following:

'1. Without prejudice to Article 1(4) and paragraph 2 of this Article, securities shall only be offered to the public in the Union after prior publication of a prospectus in accordance with this Regulation.

2. Without prejudice to Article 4, offers of securities to the public ***shall be exempted*** from the obligation to publish a prospectus set out in paragraph 1 provided that:

(a) such offers are not subject to notification in accordance with Article 25;

(b) the total aggregated consideration in the Union for the securities offered is less than EUR 12 000 000 per issuer or offeror calculated over a period of 12 months.

By way of derogation from point (b) of the first subparagraph of this paragraph, Member States may exempt offers of securities to the public from the obligation to publish a prospectus set out in paragraph 1 provided that the total aggregated consideration in the Union for the securities offered is less than EUR 5 000 000 per issuer or offeror calculated over a period of 12 months.

Member States shall notify the Commission and ESMA where they decide to apply the exemption threshold of EUR 5 000 000 laid down in the second subparagraph. Member States shall also notify the Commission and ESMA where they subsequently decide to adopt instead the exemption threshold of EUR 12 000 000 referred to in the first subparagraph, point (b).

The total aggregated consideration for the securities offered ***to the public***, as referred to in the first subparagraph, point (b), ***and in the second subparagraph,*** shall take into account the total aggregated consideration of all ***oingoing offers and*** offers of securities ***made*** to the public ***during*** the 12 months preceding the start date of a new offer of securities to the public, except ***for*** those offers of securities to the public ***for which a prospectus was published or*** that were subject to any exemption from the obligation to publish a prospectus pursuant to Article 1(4), first subparagraph.

Where an offer of securities to the public is exempted from the obligation to publish a prospectus pursuant to the first ***or second*** subparagraph, a Member State may require ***the issuer to disclose a summary containing the information set out in Article 7(3) to (12) and to make it available to the public in accordance with the arrangements set out in Article 21(2)***.';

(4) in Article 4, paragraph 1 is replaced by the following:

'1. Where an offer of securities to the public or an admission of securities to trading on a regulated market is exempted from the obligation to publish a prospectus in accordance with Article 1(4) or (5) or Article 3(2), an issuer, an offeror or a person asking for admission to trading on a regulated market shall be entitled to voluntarily draw up a prospectus in accordance with this Regulation.';

(5) in Article 5(1), the first subparagraph is replaced by the following:

'Any subsequent resale of securities which were previously the subject of one or more of the types of offer of securities to the public listed in Article 1(4), points (a) to (db), shall be considered as a separate offer and the definition set out in Article 2, point (d), shall apply for the purpose of determining whether that resale is an offer of securities to the public. The placement of securities through financial intermediaries shall be subject to publication of a prospectus unless one of the exemptions listed in Article 1(4), points (a) to (db) applies in relation to the final placement.';

(6) Article 6 is amended as follows:

(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:';

(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.’;

(c) the following paragraphs 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. ***By way of derogation from paragraphs 2 and 4, where securities of the same class are to be admitted to trading on a regulated market in the Union and are simultaneously offered for subscription to, or privately placed with, qualified investors in a third-country jurisdiction that requires the publication of an offer document with a standardised format, the requirements of standardised format, standardised sequence and maximum length shall not apply to the prospectus for the admission to trading on a regulated market of those securities.***

Where the derogation set out in the first subparagraph of this paragraph applies, the prospectus shall contain a correlation table indicating where the items forming part of the standardised format and sequence of the prospectus as referred to in paragraph 2 are to be found.

6. ESMA shall develop guidelines on comprehensibility and on the use of plain language in prospectuses to ensure that the information provided therein is concise, clear and user friendly;

ESMA shall develop draft implementing technical standards to specify the template and layout of prospectuses, including the font size, and style requirements.

ESMA shall submit those draft implementing technical standards to the Commission by ... [XX months from the date of entry into force of this amending Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.’;

---

*1 Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (OJ L 166, 21.6.2019, p. 26).’;

(7) Article 7 is amended as follows:

(a) in paragraph 3, the following subparagraph is added:

‘Without prejudice to the first subparagraph of this paragraph, the summary may present or summarise information in the form of charts, graphs or tables.’;

(b) in paragraph 4, the introductory wording is replaced by the following:

'The summary shall be made up of the following four sections in the following order:';

(c) paragraph 5 is amended as follows:

(i) in the first subparagraph, the introductory wording is replaced by the following:

'The section referred to in paragraph 4, point (a), shall contain the following information in the following order:';

(ii) in the second subparagraph***:***

- the introductory wording is replaced by the following:

'It shall contain the following warnings in the following order:';

- the following point is added:

'(fa) where applicable, a notification that the company has identified environmental issues as a material risk factor in accordance with Article 16.';

(d) ▌paragraph 6 ***is amended as follows***,

(i) the introductory sentence is replaced by the following:

'The section referred to in paragraph 4, point (b), shall contain the following information in the following order:';

(ii) in point (a), the following point is added:

'(vi) where the issuer is subject to Article 8 of Regulation (EU) 2020/852 of the European Parliament and Council*, information on the undertaking's activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation.';

(iii) the following subparagraphs are added:

ESMA shall develop draft regulatory technical standards to specify the content and format of presentation of the issuer's taxonomy alignment in paragraph 6, point (a), point (vi) taking into account the various types of undertakings and issuers and ensuring that the information produced is comparable, concise and understandable.

ESMA shall submit those draft regulatory technical standards to the Commission by ... [12 months from the date of entry into force of this Regulation.

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

* ***Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).';***

(e) paragraph 7 is amended as follows:

(i) the introductory sentence is replaced by the following:

'The section referred to in paragraph 4, point (c), shall contain the following information in the following order:';

(ii) the fifth subparagraph is replaced by the following:

'Where the summary contains the information referred to in the first subparagraph, point (c), the maximum length set out in paragraph 3 shall be extended by one additional side of A4-sized paper, where there is one guarantor only, or by 3 additional sides of A4-sized paper where there are more guarantors.';

(f) in paragraph 8, the introductory sentence is replaced by the following:

'The section referred to in paragraph 4, point (d), shall contain the following information in the following order:';

(g) paragraph 12a is deleted;

(h) the following paragraph ▌ is ***inserted***:

'12b. By way of derogation from paragraphs 3 to 12 of this Article, an EU Follow-on prospectus drawn up in accordance with Article 14b or an EU ***prospectus*** drawn up in accordance with Article 15a shall contain a summary drawn up in accordance with this paragraph.

The summary of an EU Follow-on prospectus or of an EU Growth ***prospectus*** shall be drawn up as a short document written in a concise manner and of a maximum length of ***7*** sides of A4-sized paper when printed.

The summary of an EU Follow-on prospectus or of an EU Growth ***prospectus*** shall not contain cross-references to other parts of the prospectus or incorporate information by reference and shall comply with the following requirements:

(a) it shall be presented and laid out in a way that is easy to read, using characters of readable size;

(b) it shall be written in a language that is clear, non-technical, concise and comprehensible for investors and in a style that facilitates the understanding of the information;

(c) it shall be made up of the following four sections in the following order:

(i) an introduction, containing all of the information referred to in paragraph 5 of this Article, including warnings and the date of approval of the EU ***Follow-on*** prospectus or of the EU Growth issuance document;

(ii) key information on the issuer;

(iii) key information on the securities, including the rights attached to those securities and any limitations on those rights;

(iv) key information on the offer of securities to the public or the admission to trading on a regulated market, or both;

(v) where there is a guarantee attached to the securities, key information on the guarantor and on the nature and scope of the guarantee.

Without prejudice to the third subparagraph, points (a) and (b), the summary of an EU Follow-on prospectus or of an EU Growth ***prospectus*** may present or summarize information in the form of charts, graphs or tables.

Where the summary of an EU Follow-on prospectus or of an EU Growth ***prospectus*** contains the information referred to in the third subparagraph, point (c)(v), the maximum length as referred to in the second subparagraph shall be extended by one additional side of A4-sized paper, where there is one guarantor only, or by 3 additional sides of A4-sized paper where there are more guarantors.';

(ha) the following paragraph is added:

'13a. ESMA shall develop guidelines on comprehensibility and on the use of plain language in summaries to ensure that the information provided therein is concise, clear and user friendly.

In order to ensure uniform conditions of application of this Article, ESMA shall develop draft implementing technical standards to specify the template and layout of the summaries, including the font size and style requirements.

ESMA shall submit those draft implementing technical standards to the Commission by ... [XX months from the date of entry into force of this amending Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.';

(8) in Article 9(2), the second subparagraph is replaced by the following:

'After the issuer has had a universal registration document approved by the competent authority for one financial year, subsequent universal registration documents may be filed with the competent authority without prior approval.';

(9) in Article 11(2), second subparagraph, the introductory part is replaced by the following:

'However, Member States shall ensure that no civil liability shall attach to any person solely on the basis of the summary pursuant to Article 7, including any translation thereof, unless:';

(10) Article 13 is amended as follows:

(a) paragraph 1 is amended as follows:

(i) the first subparagraph is replaced by the following:

'***By … [18 months from the date of entry into force of this amending Regulation], 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.';

(ii) in the second subparagraph, the following points (f) and (g) are added:

'(f) whether the issuer ***of equity securities*** is required to provide sustainability reporting, together with the related assurance opinion, in accordance with ***Directives*** 2004/109/EC* and ▌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.

(iia) the following subparagraph is added:

'For the purposes of the second subparagraph, point (g), the Commission shall align any ESG disclosure requirements with the provisions included in Regulation (EU) 2023/... of the European Parliament and of the Council**).';

▌

(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.';

(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.';

---

* ***Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).***

** ***Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).***

*** ***Regulation (EU) 2023/... of the European Parliament and of the Council on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L … ELI:...).';***

(11) Articles 14 and 14a are deleted;

(12) the following Article 14b is inserted:

'*Article 14b*

EU Follow-on prospectus

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:

(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.

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.

2. By way of derogation from Article 6(1), and without prejudice to Article 18(1), the EU Follow-on prospectus shall contain all the information that investors need to understand all of the following:

(a) the prospects and financial performance of the issuer and the significant changes in the financial and business position of the issuer that have occurred since the end of the last financial year, if any;

(b) the essential information on the securities, including the rights attached to those securities and any limitations on those rights;

(c) the reasons for the issuance and its impact on the issuer, including on the overall capital structure of the issuer, and the use of proceeds.

3. The information contained in the EU Follow-on prospectus shall be written and presented in an easily analysable, concise and comprehensible form and shall enable investors to make an informed investment decision, taking into account the regulated information that has already been disclosed to the public pursuant to Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014 and, where applicable, information referred to in Commission Delegated Regulation (EU) 2017/565*.

4. The EU Follow-on prospectus shall be drawn up as a single document containing the minimum information set out in Annex IV or Annex V, depending on the types of securities.

5. An EU Follow-on prospectus that relates to shares or other transferable securities equivalent to shares in companies shall be of maximum length of 50 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.

6. The summary, the information incorporated by reference in accordance with Article 19 of this Regulation 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 Delegated Regulation (EU) 2019/980, shall not be taken into account for the maximum length referred to in paragraph 5 of this Article.

7. The EU Follow-on prospectus shall be a document of a standardised format and the information disclosed in an EU Follow-on prospectus shall be presented in a standardised sequence based on the order of disclosure set out in Annex IV or Annex V, depending on the types of securities.

7a. By ... [12 months from the date of entry into force of this amending Regulation], the Commission shall adopt delegated acts in accordance with Article 44 to supplement this Regulation by specifying the content, format and sequence for the EU Follow-on prospectus, as well as the reduced content and the standardised format of the specific summary.

Those delegated acts shall be based on Annexes IV and V.

---

[*] Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.3.2017, p. 1).';

(13) Article 15 is deleted;

(14) the following Article 15a is inserted:

'*Article 15a*
EU Growth *prospectus*

1. Without prejudice to Article 1(4) and Article 3(2), the following persons ***may*** draw up an EU Growth ***prospectus*** in the case of an offer of securities to the public, provided that they have no securities admitted to trading on a regulated market:

(a) SMEs;

(b) issuers, other than SMEs, whose securities are, or are to be admitted to trading on an SME growth market;

(c) issuers, other than those referred to in points (a) and (b), where the total aggregated consideration in the Union for the securities offered to the public is less than EUR 50 000 000 calculated over a period of 12 months, and provided that such issuers have no securities traded on an MTF and have an average number of employees during the previous financial year of up to 499;

(d) offerors of securities that have been issued by issuers as referred to in points (a) and (b).

By way of derogation from the first subparagraph, the persons referred to in points (a) and (b) of that subparagraph, whose securities have been admitted to trading on an SME growth market continuously for at least the last 18 months, may draw up an EU Follow-on prospectus in the case of an offer of securities to the public or an admission to trading

on a regulated market, provided that those issuers have no securities already admitted to trading on a regulated market.

The total aggregated consideration for the securities offered to the public, as referred to in the first subparagraph, point (c), shall take into account the total aggregated consideration of all ***ongoing offers and*** offers of securities ***made*** to the public ***during*** the 12 months preceding the start date of a new offer of securities to the public, except for ***those*** offers of securities to the public that were subject to any exemption from the obligation to publish a prospectus in accordance with Article 1(4), first subparagraph, or pursuant to Article 3(2) ***and offers for which a prospectus has been published***.

2. By way of derogation from Article 6(1) and without prejudice to Article 18(1), an EU Growth ***prospectus*** shall contain the relevant reduced and proportionate information that is necessary to enable investors to understand the following:

(a) the prospects and financial performance of the issuer and the significant changes in the financial and business position of the issuer since the end of the last financial year, if any, as well as its growth strategy;

(b) the essential information on the securities, including the rights attached to those securities and any limitations on those rights;

(c) the reasons for the issuance and its impact on the issuer on the overall capital structure of the issuer, and the use of proceeds.

3. The information contained in the EU Growth ***prospectus*** shall be written and presented in an easily analysable, concise and comprehensible form and shall enable investors in particular retail investors, to make an informed investment decision.

4. The EU Growth ***prospectus*** shall be drawn up as a single document containing the information set out in Annex VII or Annex VIII, depending on the types of securities.

5. An EU Growth ***prospectus*** that relates to shares or other transferable securities equivalent to shares in companies shall be of maximum length of 75 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.

6. 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 Delegated Regulation (EU) 2019/980, shall not be taken into account for the maximum length referred to in paragraph 5 of this Article.

7. The EU Growth ***prospectus*** shall be a document of a standardised format and the information disclosed in an EU Growth ***prospectus*** shall be presented in a standardised sequence based on the order of disclosure set out in Annex VII or Annex VIII, depending on the types of securities.';

7a. By ... [12 months from the date of entry into force of this amending Regulation], the Commission shall adopt delegated acts in accordance with Article 44 to supplement this Regulation by specifying the reduced content and the standardised format and sequence for the EU Growth prospectus, as well as the reduced content and the standardised format of the specific summary.

Those delegated acts shall be based on Annexes VII and VIII.';

(15) in Article 16, paragraph 1 is replaced by the following:

‘1. The risk factors featured in a prospectus shall be limited to risks which are specific to the issuer and to the securities and which are material for taking an informed investment decision, as corroborated by the content of the prospectus.

A prospectus shall not contain risk factors that are generic, that only serve as disclaimers, or that do not give a sufficiently clear picture of the specific risk factors that investors are to be aware of.

When drawing up the prospectus, issuers, offerors or persons asking for admission to trading on a regulated market shall assess the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

The issuer, the offeror or the person asking for admission to trading on a regulated market shall adequately describe each risk factor, and explain how that risk factor affects the issuer, or affects the securities being offered or to be admitted to trading. Issuers, offerors or persons asking for admission to trading on a regulated market may also disclose the assessment of the materiality of the risk factors referred to in the third subparagraph by using a qualitative scale of low, medium or high, at their choice.

The risk factors shall be presented in a limited number of categories depending on their nature. ***In each category, the most material risk factors shall be mentioned first according to the assessment provided for in the third subparagraph.***’;

(16) Article 17 is amended as follows:

(a) in paragraph 1, point (a) is replaced by the following:

‘(a) the acceptances of the purchase or subscription of securities may be withdrawn for not less than ***two business*** days after the final offer price or amount of securities to be offered to the public has been filed; or’;

▌

(17) Article 19 is amended as follows:

(a) paragraph 1, first subparagraph, is amended as follows:

(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, ***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 one of the following documents:’;

(ii) point (b) is replaced by the following:

‘(b) the documents referred to in Article 1(4), first subparagraph, points (db) and (f) to (i), and in Article 1(5), first subparagraph, points (ba) and (e) to (h);’;

(iii) point (f) is replaced by the following:

‘(f) management reports as referred to in Chapters 5 and 6 of Directive 2013/34/EU including, where applicable, the sustainability reporting;’;

(b) the following paragraphs 1a ***is*** inserted:

‘1a. Information that is not to be included in a prospectus may still be incorporated by reference in that prospectus on a voluntary basis, 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 documents referred to in paragraph 1, first subparagraph. ***’;***

(ba) the following paragraph is added

‘4a. The Commission is empowered to adopt delegated acts in accordance with Article 44 to supplement this Regulation regarding the inclusion of the information referred in paragraph 1 in the prospectuses for admission to trading on a regulated market in cases where securities of the same class are simultaneously offered for subscription and privately placed.’;

(18) Article 20 is amended as follows:

(a) paragraph 6a is deleted;

(b) the following paragraph is inserted:

‘6b. By way of derogation from paragraphs 2 and 4, the time limits set out in paragraph 2, first subparagraph, and paragraph 4 shall be reduced to ***8 business*** days for an EU Follow-on prospectus. The issuer shall inform the competent authority at least 5 ***business*** days before the date envisaged for the submission of an application for approval.’;

(c) paragraph 11 is replaced by the following:

‘11. The Commission is empowered to adopt delegated acts in accordance with Article 44 to supplement this Regulation by specifying the criteria for the scrutiny of prospectuses, in particular the completeness, comprehensibility and consistency of the information contained therein, and the procedures for the approval of the prospectus, and all of the following:

(a) the circumstances under which a competent authority is allowed to use additional criteria for the scrutiny of the prospectus, where deemed necessary for investor protection, and the type of additional information that may be required to be disclosed in such circumstances;

(b) the consequences for a competent authority that fails to take a decision on the prospectus as referred to in paragraph 2, second subparagraph;

(c) the maximum timeframe for a competent authority to finalise the scrutiny of the prospectus and to reach a decision on whether that prospectus is approved, or whether the approval is refused and the review process terminated.

Competent authorities shall not demand additional documentation over and above that which is required under Articles 6, 14b, and 15a for drawing up a prospectus, an EU Follow-on prospectus or an EU Growth prospectus, respectively, nor above that which is required by the circumstances referred to in point (a) of the first subparagraph of this paragraph.

The maximum timeframe referred to in point (c) shall include any competent authority's requests to issuers to change the prospectus or provide supplementary information, as referred to in paragraph 4.';

(d) paragraph 13 is replaced by the following:

'13. Without prejudice to Article 30 of Regulation (EU) No 1095/2010, ESMA shall organise and conduct, at least once every ***two*** years, one peer review of the scrutiny and approval procedures of competent authorities, including notifications of approval between competent authorities. The peer review shall also assess the impact of different approaches with regard to scrutiny and approval by competent authorities on issuers' ability to raise capital in the Union. The report on the peer review shall be published by ***...*** [***two*** years ***from*** the date of entry into force of this amending Regulation] and every ***two*** years thereafter. In the context of the peer review, ESMA shall take into account the advice from the Securities and Markets Stakeholder Group referred to in Article 37 of Regulation (EU) No 1095/2010.';

(19) Article 21 is amended as follows:

(a) in paragraph 1, the second subparagraph is replaced by the following:

'In the case of an initial offer to the public of a class of shares that is admitted to trading on a regulated market for the first time, the prospectus shall be made available to the public at least ***three business*** days before the end of the offer.';

(b) paragraph 5a is deleted;

(c) the following paragraphs 5b and 5c are inserted:

'5b. An EU Follow-on prospectus shall be separately classified in the storage mechanism referred to in paragraph 6.

5c. An EU Growth ***prospectus*** shall be classified in the storage mechanism referred to in paragraph 6 in a way that it is differentiated from the other types of prospectuses.';

(d) paragraph 11 is replaced by the following:

'11. A copy of the prospectus shall be delivered in electronic format to any potential investor, upon request and free of charge, by the issuer, the offeror, the person asking for admission to trading on a regulated market or the financial intermediaries placing or selling the securities.';

(20) Article 23 is amended as follows:

(a) paragraph 2 is replaced by the following:

'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 ***two business*** 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.

The supplement shall contain a prominent statement concerning the right of withdrawal, which clearly states all of the following:

(a) a right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the securities before the supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted;

(b) the period in which investors can exercise their right of withdrawal;

(c) whom investors may contact if they wish to exercise the right of withdrawal.';

(b) paragraph 2a is deleted;

(c) paragraph 3 is replaced by the following:

'3. Where investors purchase or subscribe securities through a financial intermediary between the time when the prospectus for those securities is approved and the closing of the initial offer period, that financial intermediary shall:

(a) inform those investors of the possibility of a supplement being published, where and when it would be published, including on its website, and that the financial intermediary would assist them in exercising their right to withdraw acceptances in such a case;

(b) inform those investors in which case the financial intermediary would contact them by electronic means pursuant to the second subparagraph to notify that a supplement has been published and subject to their agreement to be contacted by electronic means;

(c) offer those investors that agree to be contacted only by means other than electronic ones an opt-in for electronic contact solely for the purpose of receiving the notification of the publication of a supplement;

(d) warn those investors that do not agree to be contacted by electronic means and refuse the opt-in for electronic contact as referred to in point (c) to monitor the issuer's or the financial intermediary's website until the closing of the offer period or the delivery of the securities, whichever occurs first, to check whether a supplement is published.

Where the investors referred to in the first subparagraph of this paragraph have the right of withdrawal referred to in paragraph 2, the financial intermediary shall contact those investors by electronic means by the end of the first ***business*** day following that on which the supplement is published.

Where the securities are purchased or subscribed directly from the issuer, that issuer shall inform investors of the possibility of a supplement being published and where it would be published and that, in such a case, they could have a right to withdraw the acceptance.';

(d) paragraph 3a is deleted;

(e) the following paragraph 4a is inserted:

'4a. A supplement to a base prospectus shall not be used to introduce a new type of security for which the necessary information has not been included in that base prospectus ***unless to do so is required by legal proceedings***.';

(f) the following paragraph 8 is added:

'8. ESMA shall by ***...*** [***18 months from*** the date of entry into force of this amending Regulation] develop guidelines to specify the circumstances in which a supplement is to be considered to introduce a new type of security that is not already described in a base prospectus.';

(21) Article 27 is amended as follows:

(a) paragraphs 1 and 2 are replaced by the following:

'1. Where an offer of securities to the public is made or admission to trading on a regulated market is sought only in the home Member State, the prospectus shall be drawn up either in a language accepted by the competent authority of the home Member State or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market.

The summary referred to in Article 7 shall be available in the official language of the home Member State, or at least one of its official languages, or in another language accepted by the competent authority of that Member State. That competent authority shall not require the translation of any other part of the prospectus.

2. Where an offer of securities to the public is made or admission to trading on a regulated market is sought in one or more Member States, the prospectus shall be drawn up either in a language accepted by the competent authorities of each of those Member States or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market.

The summary referred to in Article 7 shall be available in the official language of each Member State, or at least one of the official languages of each Member State, or in another language accepted by the competent authority of each Member State. Member States shall not require the translation of any other part of the prospectus.';

(b) paragraph 3 is deleted;

(c) paragraph 4 is replaced by the following:

'4. The final terms shall be drawn up in the same language as the language of the approved base prospectus.

The summary of the individual issue shall be available in the official language of the home Member State, or at least one of its official languages, or in another language accepted by the competent authority of that Member State.

When, in accordance with Article 25(4), the final terms are communicated to the competent authority of the host Member State or, if there is more than one host Member State, to the competent authorities of the host Member States, the summary of the individual issue annexed to the final terms shall be available in the official language or at least one of the official languages of the host Member State, or in another language accepted by the competent authority of the host Member State in accordance with paragraph 2, second subparagraph.';

(22) Article 29 is replaced by the following:

‘*Article 29*

Equivalence

1. A third country issuer may seek admission to trading of securities on a regulated market established in the Union after prior publication of a prospectus drawn up and approved in accordance with, and which is subject to, the national laws of ***a*** third country ▌, provided that all of the following conditions are met:

(a) the Commission has adopted an implementing act in accordance with paragraph 5;

(b) the third country issuer has filed the prospectus with the competent authority of its home Member State;

(c) the third country issuer has provided a written confirmation that the prospectus has been approved by a third country supervisory authority and has provided the contact details of that authority;

(d) the prospectus fulfils the language requirements set out in Article 27;

(e) all relevant advertisements disseminated in the Union by the third country issuer comply with the requirements set out in Article 22(2) to (5);

(f) ESMA has concluded cooperation arrangements with the relevant supervisory authorities of the third country ▌ in accordance with Article 30.

2. A third country issuer may also offer securities to the public in the Union after prior publication of a prospectus drawn up and approved in accordance with, and which is subject to, the national laws of the third country ▌, provided that all the conditions referred to in points (a) to (f) of paragraph 1 are met and that the offer of securities to the public is accompanied with an admission to trading on either a regulated market or an SME growth market established in the Union.

3. Where, in accordance with paragraphs 1 and 2, a third country issuer offers securities to the public or seeks an admission to trading on a regulated market in a Member State other than the home Member State, the requirements set out in Articles 24, 25 and 27 shall apply.

4. Where all criteria laid down in paragraphs 1 and 2 are met, the third country issuer shall have the rights and be subject to all obligations in accordance with this Regulation under the supervision of the competent authority of the home Member State.

5. The Commission may adopt an implementing act, in accordance with the examination procedure referred to in Article 45(2), determining that the legal and supervisory framework of a third country ensures that a prospectus drawn up in accordance with the national law of that third country (hereinafter ‘third country prospectus’) complies with legally binding requirements which are equivalent to the requirements referred to in this Regulation, provided that all of the following conditions are met:

(a) the third country’s legally binding requirements ensure that the third country prospectus contains the necessary information that is material to enable investors to make an informed investment decision in an equivalent way as the requirements laid down in this Regulation;

(b) where retail investors are enabled to invest in securities for which a third country prospectus is drawn up, that prospectus contains a summary providing the key information that retail investors need to understand the nature and the risks of the

issuer, the securities and, where applicable, the guarantor, and that is to be read together with the other parts of that prospectus;

(c) the third country's laws, regulations and administrative provisions on civil liability apply to the persons responsible for the information given in the prospectus, including at least to the issuer or its administrative, management or supervisory bodies, the offeror, the person asking for the admission to trading on a regulated market and, where applicable, the guarantor;

(d) the third country's legally binding requirements specify the validity of the third country prospectus and the obligation to supplement the third country prospectus where a significant new factor, material mistake or material inaccuracy of the information included in that prospectus could affect the assessment of the securities, as well as the conditions for investors to exercise their withdrawal rights in such a case;

(e) the third country's supervisory framework for the scrutiny and approval of third country prospectuses and the arrangements for the publication of third country prospectuses have an equivalent effect as the provisions referred to in Articles 20 and 21.

The Commission may make the application of such implementing act subject to the effective and continuous compliance by a third country with any requirements set out in that implementing act.

6. The Commission is empowered to adopt delegated acts, in accordance with Article 44, to supplement this Regulation by specifying further the criteria referred to in paragraph 5.';

(23) Article 30 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. For the purpose of Article 29 and, where deemed necessary, for the purpose of Article 28, ESMA shall establish cooperation arrangements with the supervisory authorities of third countries concerning the exchange of information between ESMA and the supervisory authorities of third countries concerned and the enforcement of obligations arising under this Regulation in third countries unless that third country, in accordance with a delegated act referred to in Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council[*], is on the list of jurisdictions which have strategic deficiencies in their national anti-money laundering and countering the financing of terrorism regimes that pose significant threats to the financial system of the Union ***or unless that third country is listed in Annex I or II to the EU list of non-cooperative jurisdictions for tax purposes***. Those cooperation arrangements shall ensure an efficient exchange of information that allows the competent authorities to carry out their duties under this Regulation.

[*] Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).';

(b) paragraph 2 is deleted;

(c) paragraphs 3 and 4 are replaced by the following:

'3. ESMA shall establish cooperation arrangements on exchange of information with the supervisory authorities of third countries only where the information disclosed is subject to guarantees of professional secrecy which are at least equivalent to those set out in Article 35. Such exchange of information shall be intended for the performance of the tasks of competent authorities.

4. The Commission is empowered to adopt delegated acts in accordance with Article 44 to supplement this Regulation by determining the minimum content of the cooperation arrangements referred to in paragraph 1 and the template document to be used for such cooperation arrangements.';

(24) in Article 38(1), first subparagraph, point (a) is replaced by the following:

'(a) infringements of Article 3, Articles 5 and 6, Article 7(1) to (11) and (12b), Articles 8 to 10, Article 11(1) and (3), Article 14b(1), Article 15a(1), Article 16(1), (2) and (3), Articles 17 and 18, Article 19(1) to (3), Article 20(1), Article 21(1) to (4) and (7) to (11), Article 22(2) to (5), Article 23 (1), (2), (3), (4a) and (5), and Article 27;';

(25) in Article 40, the second subparagraph is replaced by the following:

'For the purposes of Article 20, a right of appeal shall also apply where the competent authority has neither taken a decision to approve or to refuse an application for approval nor has made any request for changes or supplementary information within the time limits set out in Article 20(2), (3), (6) and (6b) in respect of that application.';

(26) Article 44 is amended as follows:

(a) paragraphs 2 and 3 are replaced by the following:

'2. The power to adopt delegated acts referred to in Article 1(7), Article 9(14), Article 13(1) and (2), Article 16(5), Article 20(11), Article 29(6) and Article 30(4) shall be conferred on the Commission for an indeterminate period from 20 July 2017.

3. The delegation of powers referred to in Article 1(7), Article 9(14), Article 13(1) and (2), Article 16(5), Article 20(11), Article 29(6) and Article 30(4) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.';

(b) paragraph 6 is replaced by the following:

'6. A delegated act adopted pursuant to Article 1(7), Article 9(14), Article 13(1) and (2), Article 16(5), Article 20(11), Article 29(6) and Article 30(4) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or of the Council.';

(27) Article 47 is amended as follows:

(a) in paragraph 1, point (a) is replaced by the following:

'(a) the types of issuers, in particular the categories of persons referred to in Article 15a(1), points (a) to (d) ;';

(b) in paragraph 2, point (a) is replaced by the following:

'(a) an analysis of the extent to which the disclosure regimes set out in Articles 14b, 15a, the universal registration document referred to in Article 9 are used throughout the Union;';

(c) the following paragraph ▌ is added:

'3. In addition to the requirements set out in paragraphs 1 and 2, ESMA shall include in the report referred to in paragraph 1 the following information:

(a) an analysis of the extent to which the exemptions referred to in Article 1(4), first subparagraph, point (db), and in Article 1(5), first subparagraph, point (ba), are used throughout the Union, including statistics on the documents referred to in those Articles that have been filed with competent authorities;

(b) statistics on the universal registration documents referred to in Article 9 that have been filed with competent authorities.';

(28) Article 47a is deleted;

(29) in Article 48, paragraphs 1 and 2 are replaced by the following:

'1. By 31 December…[***three*** years from date of the entry into force of this amending Regulation] the Commission shall present a report to the European Parliament and the Council on the application of this Regulation, accompanied, where appropriate, by a legislative proposal.

2. The report shall contain an assessment of, inter alia, whether the prospectus summary, the disclosure regimes set out in Articles 14b, 15a and the universal registration document referred to in Article 9 remain appropriate in light of their pursued objectives. The report shall contain all of the following:

(a) the number of EU Growth issuance documents of persons in each of the categories referred to in Article 15a(1), points (a) to (d), and an analysis of the evolution of each such number and of the trends in the choice of trading venues by the persons entitled to use the EU Growth issuance documents;

(b) an analysis of whether the EU Growth ***prospectus*** strikes a proper balance between investor protection and the reduction of administrative burdens for the persons entitled to use it;

(c) the number of EU Follow-on prospectuses approved and an analysis of the evolution of such number;

(d) an analysis of whether the EU Follow-on prospectus strikes the proper balance between investor protection and the reduction of administrative burden for the persons entitled to use it;

(e) the cost of preparing and having an EU Follow-on prospectus and an EU Growth ***prospectus*** approved compared to the current costs for the preparation and approval of a standard prospectus, together with an indication of the overall financial savings

achieved and of which costs could be further reduced for both the EU Follow-on prospectus and the EU Growth issuance document;

(f) an analysis of whether the document set out in Annex IX strikes the proper balance between investor protection and the reduction of administrative burden for the persons entitled to use it.

2a. The Commission shall, by 31 December 2025, present a report to the European Parliament and to the Council analysing the issue of liability for the information given in a prospectus, assessing whether further harmonisation of the prospectus liability in the Union could be warranted and, if relevant, propose amendments to the liability provisions set out in Article 11 of this Regulation.';

(30) the following ***article*** is added:

'*Article 50*
Transitional provisions

1. Article 14 of Regulation (EU) 2017/1129 as applicable on … [date of entry into force of this amending Regulation minus one day] shall continue to apply to prospectuses drawn up in accordance with that Article 14 and approved before that date until the end of their validity.

2. Article 15 of Regulation (EU) 2017/1129 as applicable on … [date of entry into force of this amending Regulation minus one day] shall continue to apply to EU Growth prospectuses approved before that date until the end of their validity.';

(31) Annexes I to V are replaced by the text in Annex I to this Regulation;

(32) Annex Va is deleted;

(33) the text set out in Annex II to this Regulation is added as Annexes VII to IX.'.

Article 2
Amendments to Regulation (EU) No 596/2014

Regulation (EU) No 596/2014 is amended as follows:

(-1) in Article 3, the following point is added:

'(35a) 'systematic internaliser' means a systematic internaliser as defined in Article 4(1), point (20), of Directive 2014/65/EU.';

(1) Article 5 is amended as follows:

(a) in paragraph 1, point (b) is replaced by the following:

'(b) trades are reported as being part of the buy-back programme to the competent authority of the trading venue in accordance with paragraph 3 and subsequently disclosed to the public in an aggregated form;';

(b) paragraph 3 is replaced by the following:

'3. In order to benefit from the exemption laid down in paragraph 1, the issuer shall report all transactions relating to the buy-back programme to the competent authority of the most relevant market in terms of liquidity as referred to in Article 26(1) of Regulation (EU) No 600/2014. The receiving competent authority shall,

upon request, forward the information to the competent authorities of the trading venue on which the shares have been admitted to trading and are traded.';

(2) in Article 7(1), point (d) is replaced by the following:

'(d) information conveyed by a client or by other persons acting on the client's behalf or information known by virtue of management of a proprietary account or of a managed fund and relating to pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or on the price of related derivative financial instruments.';

(3) Article 11 is amended as follows:

(a) in paragraph 1, the introductory wording is replaced by the following:

'A market sounding comprises the communication of information prior to the announcement of a transaction, if any, 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 by:';

(b) paragraph 4 is replaced by the following:

'4. A market participant ***shall*** comply with all of the following conditions:

(a) having obtained the consent of the person receiving the market sounding to receive inside information;

(b) having informed the person receiving the market sounding that he is prohibited from using that information, or attempting to use that information, by acquiring or disposing of, for his own account or for the account of a third party, directly or indirectly, financial instruments relating to that information;

(c) having informed the person receiving the market sounding that he is prohibited from using that information, or attempting to use that information, by cancelling or amending an order which has already been placed concerning a financial instrument to which the information relates;

(d) having informed the person receiving the market sounding that by agreeing to receive the information he is obliged to keep the information confidential;

(e) having made and maintained a record of all information given to the person receiving the market sounding, including the information given in accordance with points (a) to (d), and the identity of the potential investors to whom the information has been disclosed, including but not limited to the legal and natural persons acting on behalf of the potential investor, and the date and time of each disclosure;

(f) having provided that record to the competent authority upon request.

In case of compliance with all those conditions, the market participant shall be deemed to have disclosed inside information made in the course of a market sounding in the normal exercise of a person's employment, profession or duties for the purposes of Article 10(1).';

(c) paragraph 5 is deleted;

(d) paragraphs 6 and 7 are replaced by the following:

6. Where information that has been disclosed in the course of a market sounding pursuant to paragraph 4 ceases to be inside information according to the assessment of the disclosing market participant, the disclosing market participant shall inform the recipient accordingly, as soon as possible. This obligation shall not apply in cases where the information has been announced publicly otherwise.

The disclosing market participant shall maintain a record of the information given in accordance with this paragraph and shall provide it to the competent authority upon request.

7. Notwithstanding this Article, the person receiving the market sounding shall assess for him- or herself whether he or she possesses inside information.';

(4) in Article 13(12), point (d) is replaced by the following:

'(d) the market operator or the investment firm operating the SME growth market acknowledges in writing to the issuer that it has received a copy of the liquidity contract.';

(5) Article 17 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

'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)***. Without prejudice to paragraph 11 of this Article, in a protracted process, only the final event shall be required to be disclosed as soon as possible after it has occurred*** .';

(b) the following ***paragraph is*** inserted:

▌

1b. An issuer shall ensure the confidentiality of the information which meets the criteria of inside information set out in Article 7 until that information is disclosed pursuant to paragraph 1. Where the confidentiality of that inside information is no longer ensured, the issuer shall disclose that inside information to the public as soon as possible.';

▌

(d) in paragraph 5, the introductory wording is replaced by the following:

'An issuer that is a credit institution or a financial institution or an issuer that is a parent undertaking or related undertaking of such an institution, may, on its own responsibility, delay the public disclosure of inside information, including information which is related to a temporary liquidity problem and, in particular, the need to receive temporary liquidity assistance from a central bank or lender of last resort, provided that all of the following conditions are met:';

(e) in paragraph 7, the second subparagraph is replaced by the following:

'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 ▌ to indicate that the confidentiality of that information is no longer ensured.';

(f) paragraph 11 is replaced by the following:

‘11. ESMA shall ***develop draft regulatory technical standards to establish a non-exhaustive list of situations in which delays in the disclosure of inside information, or the absence of such disclosure, are likely to mislead the public, as referred to in paragraphs 1 and 4.***

ESMA shall submit those draft regulatory technical standards to the Commission by ...[12 months from the date of the entry into force of this amending Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council*.

---

* ***Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).***’;

I

(7) Article 19 is amended as follows:

(-a) paragraph 5 is replaced by the following:

‘5. Issuers and emission allowance market participants shall notify, in writing, the person discharging managerial responsibilities of its obligations under this Article. Issuers and emission allowance market participants shall draw up a list of all persons discharging managerial responsibilities and persons closely associated with them.’;

(a) paragraphs 8 and 9 are replaced by the following:

‘8. Paragraph 1 shall apply to any subsequent transaction once a total amount of EUR 20 000 has been reached within a calendar year. The threshold of EUR 20 000 shall be calculated by adding without netting all transactions referred to in paragraph 1. ***Thresholds for different securities shall be calculated separately.***

9. A competent authority may decide to ***decrease*** the threshold set out in paragraph 8 to EUR ***10*** 000 and shall inform ESMA of its decision and the justification for its decision, with specific reference to market conditions, to adopt the ***lower*** threshold prior to its application. ESMA shall publish on its website the list of thresholds that apply in accordance with this Article and the justifications provided by competent authorities for such thresholds.’;

(aa) in paragraph 11, the following subparagraph is added:

‘This paragraph shall not apply to transactions or trade activities that do not relate to active investment decisions or active involvement by the person discharging managerial responsibilities, or that result exclusively from external

factors or third parties, or are transactions or trade activities, including the exercise of derivatives, based on predetermined terms.';

(b) paragraph 12 is replaced by the following:

'12. Without prejudice to Articles 14 and 15, an issuer may allow a person discharging managerial responsibilities within it to trade or to make transactions on its own account or for the account of a third party during a closed period as referred to in paragraph 11:

(a) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or

(b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme and employees' schemes concerning financial instruments other than shares, qualification or entitlement of shares and qualifications or entitlements of financial instruments other than shares, or transactions where the beneficial interest in the relevant security does not change; or

(c) where those transactions or trade activities do not imply active investment decisions by the person discharging managerial responsibilities, or result ***exclusively*** from external factors or third parties, or are the exercise of derivatives based on predetermined terms.';

(8) in Article 23(2), point (g) is replaced by the following:

'(g) to require existing recordings of telephone conversations, electronic communications or data traffic records held by investment firms, credit institutions or financial institutions as well as benchmark administrators or supervised contributors;';

(9) Article 25 is amended as follows:

(a) the following paragraph 1a is inserted:

'1a. ESMA shall facilitate and coordinate the cooperation and exchange of information between competent authorities and regulatory authorities in other Member States and third countries. When justified by the character of the case, and at the request of the competent authority, ESMA shall contribute to the investigation of the case by the competent authority.';

(b) in paragraph 6, the second subparagraph is replaced by the following:

'A requesting competent authority may inform ESMA of any request referred to in the first subparagraph. In the case of an investigation or an inspection with cross-border effect, ESMA may decide to coordinate the investigation or inspection.';

(10) the following ***articles*** are inserted:

'Article 25a

Mechanism to exchange order data

1. Competent authorities supervising trading venues ***and systematic internalisers*** with a significant cross-border dimension shall, by [12 months from the date of entry into force of this Regulation], set up a mechanism to permit ongoing and timely exchange of order data referred to in paragraph 2 and collected from those trading venues ***and systematic***

internalisers in accordance with Article 25 of Regulation (EU) No 600/2014 with respect to the instruments traded in such market. Competent authorities may delegate the set-up of the mechanism to ESMA.

Where a competent authority submits a request for data under paragraph 2, ***the relevant trading venue or systematic internaliser shall provide that data to the requested competent authority*** in a timely manner and not later than ***two*** calendar ***days*** from the date of the request. ***The requested competent authority shall forward that data immediately upon receipt thereof.*** The request for ongoing data from a competent authority may be submitted for a specific set of instruments.

2. A competent authority may obtain order▌ data originating from a trading venue ***or a systematic internaliser*** that has a cross-border dimension when that competent authority is the competent authority of the most relevant market referred to in Article 26 of Regulation (EU) No 600/2014 for the following financial instruments:

(a) shares;

(b) bonds;

(c) futures.

3. A Member State may decide that its competent authority participates in the mechanism set up pursuant to paragraph 1 even if none of the trading venues ***and systematic internalisers*** under the supervision of such competent authority has a significant cross-border dimension. Such decision shall be communicated to ESMA which shall make it public on its website.

When a competent authority is not part of the mechanism set up pursuant to paragraph 1, it shall still comply with a request of exchange of ongoing order▌ data pursuant to Article 25 in a timely manner and not later than 5 calendar days from the date of the request.

4. ESMA shall develop draft implementing technical standards to specify the appropriate mechanism for the exchange of order▌ data. In particular, the implementing technical standards shall lay down the operational arrangements to ensure the swift transmission of information between competent authorities.

ESMA shall submit those draft implementing technical standards to the Commission by [9 months after the application/entering into force of this Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting the implementing technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

5. The Commission is empowered to adopt delegated acts to establish a list of designated trading venues ***and systematic internalisers*** that have a significant cross-border dimension in the supervision of market abuse, by taking into account at least the market share of the trading venues ***and systematic internalisers*** on the instruments. The Commission shall review such list at least every 4 years.

6. The Commission is empowered to adopt delegated acts in accordance with Article 35 to amend paragraph 2 by updating the financial instruments, taking into account the developments in financial markets and the capacity of competent authorities to process the data on those financial instruments.

Article 25b

Collaboration platforms

1. ESMA may, on its own initiative or at the request of one or more competent authorities, in the case of concerns about market integrity or the good functioning of markets, set up and coordinate a collaboration platform.

2. Without prejudice to Article 35 of Regulation (EU) No 1095/2010, at the request of ESMA, the relevant competent authorities shall provide all necessary information in a timely manner.

3. Where two or more competent authorities of a collaboration platform disagree about the procedure or content of an action to be taken, or inaction, ESMA may, at the request of any relevant competent authority or on its own initiative, assist the competent authorities in reaching an agreement in accordance with Article 19(1) of Regulation (EU) No 1095/2010.

ESMA may also decide to initiate and coordinate on-site inspections. It shall invite the competent authority of the home Member State as well as other relevant competent authorities of the collaboration platform to participate in such on-site inspections.

ESMA may also set up a collaboration platform jointly with ACER and the public bodies monitoring wholesale commodity markets where the concerns about market integrity and the good functioning of markets affect both financial and spot markets.';

(11) Article 28 is deleted

(12) Article 29 is replaced by the following:

'*Article 29*

Disclosure of personal data to third countries

1. Competent authorities of a Member State may transfer personal data to a third country provided the requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council[*] are fulfilled and only on a case-by-case basis. Competent authorities shall ensure that such a transfer is necessary for the purpose of this Regulation and that the third country does not transfer the data to another third country unless it is given express written authorisation and complies with the conditions specified by the competent authority of the Member State.

2. Competent authorities of a Member State shall only disclose personal data received from a competent authority of another Member State to a supervisory authority of a third country where the competent authority of the Member State concerned has obtained express agreement from the competent authority which transmitted the data and, where applicable, provided that the data are disclosed solely for the purposes for which that competent authority gave its agreement.'

---

[*] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).';

(13) Article 30 is amended as follows:

(a) paragraph 2 is amended as follows:

(i) points (e) to (g) are replaced by the following:

'(e) a temporary ban of a person discharging managerial responsibilities within an investment firm or any other natural person, who is held responsible for the infringement, from exercising management

functions in investment firms as well as benchmark administrators or supervised contributors;

(f) in the event of repeated infringements of Article 14 or 15, a permanent ban of any person discharging managerial responsibilities within an investment firm or any other natural person who is held responsible for the infringement, from exercising management functions in investment firms as well as benchmark administrators or supervised contributors;

(g) a temporary ban of a person discharging managerial responsibilities within an investment firm or another natural person who is held responsible for the infringement, from dealing on own account as well as benchmark administrators or supervised contributors;';

(ii) point (j) is replaced by the following:

'(j) in respect of legal persons, maximum administrative pecuniary sanctions of at least:

(i) for infringements of Articles 14 and 15, 15 % of the total annual turnover of the legal person according to the last available accounts approved by the management body or EUR 15 000 000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014;

(ii) for infringements of Article 16, 2 % of its total annual turnover according to the last available accounts approved by the management body, or EUR 2 500 000 or in the Member States whose currency is not the euro, the corresponding value in the national currency on 2 July 2014;

(iii) for infringements of Article 17, 2 % of its total annual turnover according to the last available accounts approved by the management body. Instead of the minimum amount based on the total annual turnover, competent authorities may ▌impose administrative sanctions of at least EUR 2 500 000, or, where the legal person is an SME, EUR 1 000 000, or in the Member States whose currency is not the euro, the corresponding values in the national currency on 2 July 2014 if they deem that the amount for the administrative sanction based on the total annual turnover would be disproportionately low with respect to the circumstances referred to in Article 31(1), points (a), (b), (d), (e), (f), (g) and (h);

(iv) for infringements of Articles 18 and 19, 0,8 % of its total annual turnover according to the last available accounts approved by the management body. Instead of the minimum amount based on the total annual turnover, competent authorities may ▌impose administrative sanctions of at least EUR 1 000 000, or where the legal person is an SME, EUR 400 000, or in the Member States whose currency is not the euro, the corresponding values in the national currency on 2 July 2014 if they deem that the amount for the administrative sanction based on the total annual turnover would be disproportionately low with respect to the

circumstances referred to in Article 31(1), points (a), (b), (d), (e), (f), (g) and (h);

(v) for infringements of Article 20, 0,8 % of its total annual turnover according to the last available accounts approved by the management body, or EUR 1 000 000 or in the Member States whose currency is not the euro, the corresponding values in the national currency on 2 July 2014.';

(iia) The third subparagraph is replaced by the following:

'For the purposes of point (j) of the first subparagraph, where the legal person is a parent undertaking or a subsidiary undertaking which is required to prepare consolidated financial accounts pursuant to Directive 2013/34/EU of the European Parliament and of the Council*, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting directives – Council Directive 86/635/EEC** for banks and Council Directive 91/674/EEC for insurance companies – according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.';***

(b) the following paragraph 4 is added:

'4. For the purpose of this Article, 'small and medium-sized enterprise' or 'SME' means a micro, small or medium-sized enterprise within the meaning of Article 2 of the Annex to Commission Recommendation 2003/361/EC****▌.

---

* ***Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).***

** ***Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).***

*** ***Council Directive 91/674/EEC of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings (OJ L 374, 31.12.1991, p. 7).*** ****

****▌ Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).';

(14) in Article 31, paragraph 1 is replaced by the following:

'1. Member States shall ensure that when determining the type and level of administrative sanctions, competent authorities take into account all relevant circumstances, in order to apply proportionate sanctions, including, where appropriate:

(a) the gravity and duration of the infringement;

(b) the degree of responsibility of the person responsible for the infringement;

(c) the financial strength of the person responsible for the infringement, as indicated, for example, by the total turnover of a legal person or the annual personal income of a natural person;

(d) the importance of the profits gained or losses avoided by the person responsible for the infringement, insofar as they can be determined;

(e) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;

(f) previous infringements by the person responsible for the infringement;

(g) measures taken by the person responsible for the infringement to prevent its repetition; and

(h) the duplication of criminal and administrative proceedings and penalties for the same breach against the responsible person.';

(15) Article 35 is amended as follows:

(a) paragraphs 2 and 3 are replaced by the following:

'2. The power to adopt delegated acts referred to in Article 6(5) and (6), Article 12(5), Article 17(1), second subparagraph, Article 17(2), third subparagraph, Article 17(3), Article 19(13) and (14), Article 25a(6) and Article 38 shall be conferred on the Commission for a period of five years from 31 December 20XX. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 6(5) and (6), Article 12(5), Article 17(1), second subparagraph, Article 17(2), third subparagraph, Article 17(3), Article 19(13) and (14), Article 25a(6) and Article 38, may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.';

(b) paragraph 5 is replaced by the following:

'5. A delegated act adopted pursuant to Article 6(5) or (6), Article 12(5), Article 17(1), second subparagraph, Article 17(2), third subparagraph, Article 17(3), Article 19(13) or (14), Article 25a(5), Article 25a(6) or Article 38, shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or the Council.';

(16) Article 38, first subparagraph, is amended as follows:

(a) the introductory wording is replaced by the following:

‘By **...** [***3*** years ***from the date of*** entry into force of this amending Regulation], the Commission shall submit a report to the European Parliament and to the Council on the application of this Regulation, together with a legislative proposal to amend it if appropriate. That report shall assess, inter alia:’;

(b) point (d) is replaced by the following:

‘(d) the functioning of the cross-market order book surveillance mechanism in relation to market abuse, including recommendations for enforcing such mechanism; and’.

Article 3

Amendments to Regulation (EU) No 600/2014

Article 25 of Regulation (EU) No 600/2014 is amended as follows:

(-1) paragraph 1 is replaced by the following:

‘1. Investment firms shall keep at the disposal of the competent authority, for five years, the relevant data relating to all orders and all transactions in financial instruments which they have carried out, whether on own account or on behalf of a client. The competent authority of the trading venue may request those data on an ongoing basis. In the case of transactions carried out on behalf of clients, the records shall contain all the information and details of the identity of the client, and the information required under Directive (EU) 2015/849 of the European Parliament and of the Council*.

ESMA may request access to that information in accordance with the procedure and under the conditions set out in Article 35 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council**.’;

(1) paragraph 2 is replaced by the following:

‘2. The operator of a trading venue shall keep at the disposal of the competent authority, for at least five years, the relevant data relating to all orders in financial instruments which are advertised through their systems. ***At the request of the*** competent authority of the trading venue***, the operator of the trading venue shall provide*** those data ***free of charge*** on an ongoing basis. The records shall contain the relevant data that constitute the characteristics of the order, including those that link an order with the executed transactions that stem from that order and the details of which shall be reported in accordance with Article 26(1) and (3). ESMA shall perform a facilitation and coordination role in relation to the access by competent authorities to information under this paragraph.’;

(1a) the following paragraph is added:

‘2 a. Paragraph 2 shall also apply to systematic internalisers in respect of quote data.’;

(2) paragraph 3 is replaced by the following:

‘3. ***Following consultations with relevant stakeholders,*** ESMA shall develop draft regulatory technical standards to specify the details and formats of the relevant order data required to be maintained under paragraph 2 of this Article that is not referred to in Article 26.

ESMA shall submit those draft regulatory technical standards to the Commission by [9 months ***from*** the date of ***entry*** into force of this Regulation].

Power is delegated to the Commission to supplement this Regulation by adopting regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

---

* ***Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).***

** ***Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).***'.

Article 4

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
Article 1, point(6)(b) and (c), and Article 2, point (38)(a), shall apply from ***…*** [12 months ***from*** the date of entry into force].

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

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.

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 ***provide the option of incorporating*** 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.

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.

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. Details of the offer/admission to trading

The purpose of this section is to set out 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.

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.

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 ***provide the option of incorporating*** 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.

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.

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.

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. Details of the offer/admission to trading

The purpose is to provide information regarding 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).

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.

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.

VI. Dividend policy

A description of the issuer's policy on dividend distributions and any current restrictions thereon, as well as on share repurchases.

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.

VIIa. Profit forecasts and estimates

Provide information on any profit forecast or estimate previously published by the issuer that remains outstanding, indicating whether it is still valid and, if not, why not. The issuer may also choose to include a new profit forecast or estimate accompanied by the principal assumptions attached to it.

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.

In the case of new issues, provide a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created or issued.

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.

Xa. Lock-up agreements

In relation to lock-up agreements, provide details of the following:

(a) the parties involved;

(b) the content and exceptions of the agreement;

(c) an indication of the period of the lock up.

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.

---

* Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).

** Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158, 27.5.2014, p. 77).

ANNEX V

INFORMATION TO BE INCLUDED IN THE EU FOLLOW-ON PROSPECTUS FOR SECURITIES OTHER THAN SHARES OR 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 the securities, 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 securities 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 securities 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.

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.

VI. 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;

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.

VII. 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 securities offered, the amount of the issue/offer and the conditions to which the offer is subject. If the amount is not fixed, an indication of the maximum amount of the securities to be offered (if available) and a description of the arrangements and the time period for announcing to the public the definitive amount of the offer.

Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.

VIII. Essential information on the securities and on their subscription

Provide the following essential information about the securities 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 securities, the procedure for the exercise of those rights and any limitations of those rights;

(c) provide information on where the securities 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 securities;

(d) An indication of the expected price at which the securities will be offered or, in alternative, a description of the method of for determining the price, pursuant to Article 17 of Regulation (EU) 2017/1129 and the process for its disclosure;

(e) information relating to interest payable or a description of the underlying, including the method used to relate the underlying and the rate, and an indication where information about the past and future performance of the underlying and its volatility can be obtained.

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 securities.

IX. Reasons for the offer, use of proceeds and, where applicable, ESG-related information

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.

Where applicable, ESG-related information in accordance with the schedule as further specified in the delegated act referred to in Article 13(1), first subparagraph, taking into account the conditions set out in Article 13(1), second subparagraph, point (g).

X. 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.

XI. 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.'

ANNEX II

'ANNEX VII

INFORMATION TO BE INCLUDED IN THE EU GROWTH ISSUANCE DOCUMENT FOR SHARES AND OTHER TRANSFERABLE SECURITIES EQUIVALENT TO SHARES IN COMPANIES

I. Summary

The EU Growth issuance document must include a summary drawn up in accordance with Article 7(12b).

II. Information about the issuer

Identify the company issuing the shares, including the place of registration of the issuer, its registration number and legal entity identifier ('LEI'), its legal and commercial name, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and the website, if any, with a disclaimer that the information on the website does not form part of the EU Growth issuance document unless that information is incorporated by reference into the EU Growth issuance document.

III. Responsibility statement and statement on the competent authority

1. Responsibility statement

Identify the persons responsible for drawing up the EU Growth issuance document and include a statement by those persons that, to the best of their knowledge, the information contained in the EU Growth issuance document is in accordance with the facts and that the EU Growth issuance document 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 Growth issuance document, specify that such approval is not an endorsement of the issuer nor of the quality of the shares to which the EU Growth issuance document relates, that the competent authority has only approved the EU Growth issuance document as meeting the standards of completeness, comprehensibility and consistency imposed by this Regulation, and specify that the EU Growth issuance document has been drawn up in accordance with Article 15a.

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 Growth issuance document.

V. Growth strategy and business overview

1. Growth Strategy and objectives

A description of the issuer's business strategy, including growth potential and expectations for the future, and strategic objectives (both financial and non-financial, if any). This description shall take into account the issuer's future challenges and prospects.

2. Principal activities and markets

A description of the issuer's principal activities, including: (a) the main categories of products sold and/or services performed; (b) an indication of any significant new products, services or activities that have been introduced since the publication of the latest audited financial statements. A description of the principal markets in which the issuer competes, including market growth, trends and competitive situation.

3. Investments

To the extent not covered elsewhere in the EU Growth issuance document a description, (including the amount) of the issuer's material investments from the end of the period covered by the historical financial information included in the EU Growth issuance document up to the date of the EU Growth issuance document and, if relevant, a description of any material investments of the issuer's that are in progress or for which firm commitments have already been made.

3a. Profit forecasts and estimates

Provide information on any profit forecast or estimate previously published by the issuer that remains outstanding, indicating whether it is still valid and, if not, why not. The issuer may also choose to include a new profit forecast or estimate accompanied by the principal assumptions attached to it.

VI. Organisational structure

If the issuer is part of a group and where not covered elsewhere in the EU Growth issuance document and to the extent necessary for an understanding of the issuer's business as a whole, a diagram of the organisational structure.

VII. Corporate Governance

Provide the following information for the members of the administrative, management and/or supervisory bodies, any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business, and, in the case of a limited partnership with a share capital, partners with unlimited liability:

(a) names, business addresses and functions within the issuer of the following persons, details on their relevant management expertise and experience and an indication of the principal activities performed by them outside of the issuer where these are significant with respect to that issuer;

(b) details of the nature of any family relationship between any of those persons;

(c) details, for at least the last five years, of any convictions in relation to fraudulent offences and details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer. If there is no such information required to be disclosed, a statement to that effect is to be made.

VIII. Financial statements

The financial statements (annual and half-yearly) published over the period of 12 months prior to the approval of the EU Growth issuance document. 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 must 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 Growth issuance document 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 Growth issuance document:

(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.

IX. Management report including, where applicable, the sustainability reporting (issuers with market capitalisation above EUR 200 000 000 only)

The management report as referred to 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, ***may*** be incorporated by reference.

This requirement applies only to issuers with market capitalisation above EUR 200 000 000.

X. Dividend policy

A description of the issuer's policy on dividend distributions and any current restrictions thereon, as well as on share repurchases.

XI. 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.

Where applicable, indicate the SME growth Market or the MTF where the securities are to be admitted to trading and, if known, the earliest dates on which the securities will be admitted to trading.

Where applicable, details of any entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.

XII. Essential information on the shares and on their subscription

Provide the following essential information about the shares offered to the public:

(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.

XIII. Reason 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.

Provide an explanation about how the proceeds from the offer align with the business strategy and strategic objectives.

XIV. 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.

XV. 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.

XVI. 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.

XVII. Documents available

A statement that for the term of the EU Growth issuance document 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 Growth issuance document.

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

ANNEX VIII

INFORMATION TO BE INCLUDED IN THE EU GROWTH ISSUANCE DOCUMENT FOR SECURITIES OTHER THAN SHARES OR TRANSFERABLE SECURITIES EQUIVALENT TO SHARES IN COMPANIES

I. Summary

The EU Growth issuance document must include a summary drawn up in accordance with Article 7(12b).

II. Information about the issuer

Identify the company issuing the securities, including the place of registration of the issuer, its registration number and legal entity identifier ('LEI'), its legal and commercial name, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and the website, if any, with a disclaimer that the information on the website does not form part of the EU Growth issuance document unless that information is incorporated by reference into the EU Growth issuance document.

Any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the issuer's solvency.

Where applicable, credit ratings assigned to the issuer at the request or with the cooperation of the issuer in the rating process.

III. Responsibility statement and statement on the competent authority

1. Responsibility statement

Identify the persons responsible for drawing up the EU Growth issuance document and include a statement by those persons that, to the best of their knowledge, the information contained in the EU Growth issuance document is in accordance with the facts and that the EU Growth issuance document 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 Growth issuance document, specify that such approval is not an endorsement of the issuer nor of the quality of the securities to which the EU Growth issuance document relates, that the competent authority has only approved the EU Growth issuance document as meeting the standards of completeness, comprehensibility and consistency imposed by this

Regulation, and specify that the EU Growth issuance document has been drawn up in accordance with Article 15a.

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 securities 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 Growth issuance document.

V. Growth strategy and business overview

A brief description of the issuer's business strategy, including growth potential.

A description of the issuer's principal activities, including:

(a) the main categories of products sold and/or services performed;

(b) an indication of any significant new products, services or activities;

(c) the principal markets in which the issuer competes.

VI. Organisational structure

If the issuer is part of a group and where not covered elsewhere in the EU Growth issuance document and to the extent necessary for an understanding of the issuer's business as a whole, a diagram of the organisational structure.

VII. Corporate Governance

Provide a brief description of board practices and governance.

Provide the names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer:

(a) members of the administrative, management and/or supervisory bodies;

(b) partners with unlimited liability, in the case of a limited partnership with a share capital.

VIII. Financial statements

The financial statements (annual and half-yearly) published over the period of 12 months prior to the approval of the EU Growth issuance document. 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 must 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 Growth issuance document 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 Growth issuance document:

(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.

IX. 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 securities offered, the amount of the issue/offer and the conditions to which the offer is subject. If the amount is not fixed, an indication of the maximum amount of the securities to be offered (if available) and a description of the arrangements and the time period for announcing to the public the definitive amount of the offer.

Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.

Where applicable, indicate the SME growth Market or the MTF where the securities are to be admitted to trading and, if known, the earliest dates on which the securities will be admitted to trading.

Where applicable, details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.

X. Essential information on the securities and on their subscription

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

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

(c) provide information on where the securities 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 securities;

(d) an indication of the expected price at which the securities will be offered or, in alternative, a description of the method of for determining the price, pursuant to Article 17 of Regulation (EU) 2017/1129 and the process for its disclosure;

(d) information relating to interest payable or a description of the underlying, including the method used to relate the underlying and the rate, and an indication where information about the past and future performance of the underlying and its volatility can be obtained.

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 securities.

XI. Reasons for the offer, use of proceeds and, where applicable, ESG-related information

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.

Where applicable, ESG-related information in accordance with the schedule as further specified in the delegated act referred to in Article 13(1), first subparagraph, taking into account the conditions set out in Article 13(1), second subparagraph, point (g).

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. Documents available

A statement that for the term of the EU Growth issuance document 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 Growth issuance document.

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

ANNEX IX

INFORMATION TO BE INCLUDED IN THE DOCUMENT REFERRED TO IN ARTICLE 1(4), FIRST SUBPARAGPRAH, POINT (DB), AND IN ARTICLE 1(5), FIRST SUBPARAGPRAH, POINT (BA)

I. The name of the issuer (including its LEI), country of incorporation, link to the issuer's website.

II. A declaration by those responsible for the document that, to the best of their knowledge, the information contained in the document is in accordance with the facts and that the document makes no omission likely to affect its import.

III. A statement that the document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 and that the document has not been subject to the scrutiny and approval by the relevant competent authority in accordance with Article 20 of Regulation (EU) 2017/1129.

IV. A statement of continuous compliance with reporting and disclosure obligations throughout the period of being admitted to trading, including under Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014 and, where applicable, Commission Delegated Regulation (EU) 2017/565.

V. An indication of where the regulated information published by the issuer pursuant to ongoing disclosure obligations is available and, where applicable, where the most recent prospectus can be obtained.

VI. Where there is an offer of securities to the public, a statement that at the time of the offer the issuer is not delaying the disclosure of inside information pursuant to Regulation (EU) No 596/2014.

VII. The reason for the issuance and use of proceeds.

VIII. The risk factors specific to the issuance.

IX. The characteristics of the securities (including their ISIN).

X. For shares, the dilution and shareholding after the issuance.

XI. Where there is an offer of securities to the public, the terms and conditions of the offer.

XII. Where applicable, any regulated markets or SME growth markets where the securities fungible with the securities to be offered to the public or to be admitted to trading on a regulated market are already admitted to trading.'.