

## Deal to help companies access diverse sources of fresh capital

**Economic and Monetary Affairs Committee negotiators struck a deal so that EU companies can attract a diverse range of funding and support the post-COVID-19 recovery.**

The agreement reached with the Council on targeted adjustments to the [Prospectus Regulation](#) should facilitate economic recovery by removing red tape for companies while protecting investors. Negotiators agreed on a temporary regime (until 31 December 2022) for a short form “EU recovery prospectus”, which is a simplified version of the secondary issuance prospectus, so that companies are able to raise the necessary capital to rebuild their business quickly in the wake of the COVID-19 pandemic.

[Ondřej KOVAŘÍK](#) (Renew, CZ), the lead MEP, said: “I am very happy with the agreement on the Recovery Prospectus proposal. It is the final piece of the puzzle in the Capital Markets Recovery Package. The agreed proposal will cut the cost of drawing up a prospectus for those eligible by up to 50%.

The Recovery Prospectus will help SMEs raise money from markets on growth market or secondary issuance at a lower cost. The exemptions that we negotiated will allow banks to raise more money without the need for a prospectus. The final text will help businesses re-capitalise without jeopardising investment protection and transparency for consumers and investors.”

### Next steps

Technical work on both texts is now being carried out by the three institutions. Thereafter, the agreement must be approved by the Economic and Monetary Affairs Committee and Parliament as a whole.

### Background

This legislative proposal amending the [Prospectus Regulation](#) is part of a set of measures ( [Capital Markets Recovery Package](#)) to facilitate post-COVID-19 economic recovery, which also includes legislative proposals amending the [Securitisation Regulation](#), the [Capital Requirements Regulation](#) and the [Markets in Financial Instruments Directive](#) (MIFID II).

With the latest deal on the Prospectus, the whole Capital Markets Recovery Package was provisionally agreed by the negotiators from the ECON committee and the Council.

A prospectus is a legally required document presenting information about a company and the securities that it offers to the public or seeks to admit to trading on a regulated market. This information should be the basis on which investors can decide whether to invest in securities issued by that company

### Further information

[Procedure file](#)

[Prospectuses for investors – Simplifying equity-raising during the pandemic](#)  
[Committee on Economic and Monetary Affairs](#)

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