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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises and repealing Directive 2001/34/EC 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 - Letter to the Chair of the European Parliament Committee on Economic and Monetary Affairs

Following the Permanent Representatives' Committee meeting of 14 February 2024 which endorsed the final compromise text with a view to agreement, delegations are informed that the Presidency has sent the attached letter, together with its Annex, to the Chair of the European Parliament Committee on Economic and Monetary Affairs.

SGS 24 / 000875

Council of the European Union
General Secretariat

Ms Irene TINAGLI
Chair of the Committee on Economic and Monetary Affairs
European Parliament
Rue Wiertz 60
B-1047 Brussels

Brussels, 14. 02. 2024

Subject: Proposal for a Directive of the European Parliament and of the Council amending Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises and repealing Directive 2001/34/EC
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

Dear Ms TINAGLI,

Following the informal negotiations between the representatives of the three institutions, a draft overall compromise package was agreed today by the Permanent Representatives' Committee. I am therefore now in a position to confirm that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form set out in the compromise package contained in the Annex to this letter (subject to revision by the legal linguists of both institutions), the Council would, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.

On behalf of the Council I also wish to thank you for your close cooperation which should enable us to reach agreement on this file at first reading.

Yours sincerely,

Willem van de VOORDE
Chair of the
Permanent Representatives Committee

Copy: Ms Mairéad McGUINNESS, Commissioner
Mr Alfred SANT, European Parliament Rapporteur

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2022/0405 (COD)

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises and repealing Directive 2001/34/EC

(Text with EEA relevance)

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 50, 53(1) and 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,

[1] OJ C , , p. .

Whereas:

(1) Directive 2014/65/EU of the European Parliament and of the Council[2] has been amended by Regulation (EU) 2019/2115 of the European Parliament and of the Council[3], which introduced proportionate alleviations to enhance the use of SME growth markets and to reduce the excessive regulatory requirements for issuers seeking admission of securities on SME growth markets, while preserving an appropriate level of investor protection and market integrity. However, to streamline the listing process and to render the regulatory treatment of companies more flexible and proportionate to their size, further amendments to Directive 2014/65/EU are necessary.

(2) Directive 2014/65/EU and Commission Delegated Directive (EU) 2017/593[4] set out the conditions under which the provision of investment research by third parties to investment firms providing portfolio management or other investment or ancillary services is not to be regarded as an inducement. In order to foster more investment research on companies in the Union, in particular small and ***middle*** capitalisation companies, and to bring those companies greater visibility and more prospect of attracting potential investors, it is necessary to introduce ▌ amendments to that Directive.

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[2] 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).

[3] 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).

[4] Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits (OJ L 87, 31.3.2017, p. 500).

(3) The ***Articles*** concerning research laid down in Directive 2014/65/EU require investment firms to separate payments which they receive as brokerage commissions from the compensation perceived for providing investment research ('research unbundling rules'), or to pay for investment research from their own resources and assess the quality of the research they purchase based on robust quality criteria and the ability of such research to contribute to better investment decisions. In 2021, those rules have been amended by Directive (EU) 2021/338 of the European Parliament and of the Council[5] to allow for bundled payments for execution services and research for small and ***middle*** capitalisation companies below a market capitalisation of EUR 1 billion. The decline of investment research has, however, not slowed down.

(4) In order to revitalise the market for investment research and to ensure sufficient research coverage of companies, in particular ***for small and middle-capitalisation companies, the research unbundling rules need to be further adjusted to offer investment firms more flexibility in the way that they choose to organise payments for execution services and research, thus limiting the situations where separate payments may be too cumbersome.***

[5] Directive (EU) 2021/338 of the European Parliament and of the Council of 16 February 2021 amending Directive 2014/65/EU as regards information requirements, product governance and position limits, and Directives 2013/36/EU and (EU) 2019/878 as regards their application to investment firms, to help the recovery from the COVID-19 crisis (OJ L 68, 26.2.2021, p. 14).

Accordingly, the market capitalisation ***threshold for*** companies ***for which the re-bundling of payments for trading execution and research would be possible should be removed to allow investment firms to proceed in the way they find most appropriate in terms of payments for research and execution services. Doing so would, however, require transparency vis-a-vis clients as to the choice of payment method.***

Investment firms should inform their clients whether they apply a separate or joint payment method for the provision of third-party research ***and execution services.***

The choice of an investment firm as to whether to apply separate or joint payments for research and execution services should be made in compliance with the investment firm's policy. That policy should be provided to clients and should indicate, depending on the method of payment selected by the firm, the type of information on costs attributable to third-party research. In the case of joint payment for research and execution services, clients should be entitled to receive, upon request and on an annual basis, information on the total costs attributable to third-party research provided to the investment firm, if known to the firm. The investment firm's policy on separate or joint payments should also include information on the measures to prevent or manage the conflicts of interest arising from the use or delivery of third-party research to clients while providing investment services to those clients.

Regardless of the selected payment method, the investment firm should also perform an assessment of the quality, usability and value of the research it uses, to ensure that such research contributes to enhancing the investment decision process of the firm's clients, where that research ***is distributed directly to them or where used by the portfolio management services of the firm.***

Sales and trading commentary comprises analyses of market conditions, trading and trade execution ideas, trade execution management tools and other bespoke analyses related to executing a trade in financial instruments. Such sales and trading commentary is incidental to the execution of transactions in financial instruments as it allows investment firms offering execution services to demonstrate the quality of the execution they achieve for their clients. Therefore, sales and trading commentary cannot be separated from execution services and should not be considered to be investment research.

(4a) The adjustment of unbundling rules alone will not suffice to revitalise the market of research investment and address the longstanding shortage of research coverage of small and middle-capitalisation companies. Further measures should be introduced to improve the research coverage of small and middle-capitalisation companies.

Putting in place organisational arrangements ensuring that issuer-sponsored research is produced in compliance with an EU code of conduct for issuer-sponsored research should enhance the trust in and the use of issuer-sponsored research. The code of conduct should be established on the basis of regulatory technical standards to be developed by ESMA.

Another measure to improve the research coverage of small and middle-capitalisation companies should be to allow issuers paying for issuer-sponsored research to make such research more visible to the public by giving them the possibility of submitting such research to the relevant collection body as defined in Article 2(2) of Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability, subject to it being accompanied by the necessary metadata. Such measures should not prevent Member States or ESMA from considering and assessing additional measures based on public or private initiatives, such as the establishment of dedicated research marketplaces, drawing inspiration from successful initiatives launched in recent years across several financial centres, to revitalise research on small and middle-capitalisation companies and increase their visibility.

(5) In ***order to reinforce the recognition of issuer-sponsored research prepared in compliance with the EU code of conduct for issuer-sponsored research and to avoid such research being confused with other forms of recommendation that do not comply with the EU code of conduct, only issuer-sponsored research prepared in compliance with the EU*** code of conduct ***for issuer-sponsored research should be authorised to be labelled as such. Recommendations of the type covered by Article 3(1), point (35), of Regulation (EU) No 596/2014 that do not meet the conditions required for*** issuer-sponsored research ***should be treated as marketing communications for the purposes of Directive 2014/65/EU and identified as such***.

(5a) In order to ensure that issuer-sponsored research, labelled as such, is produced in compliance with the EU code of conduct, competent authorities should be given supervisory powers to control that investment firms that produce or distribute such research, have in place organisational arrangements to ensure such compliance. Where those firms do not comply with the EU code of conduct, the competent authorities should be empowered to suspend the distribution of such research and to warn the public that despite its label, the issuer-sponsored research was not produced in compliance with the EU code of conduct. Those supervisory powers should be without prejudice to the general supervisory powers and to the power to adopt sanctions.

(6) Directive 2014/65/EU introduced the SME growth market category to increase the visibility and profile of markets specialised in SMEs and foster the development of common regulatory standards in the Union of markets specialised in SMEs. SME growth markets play a key function in facilitating access to capital for those smaller issuers by catering for their needs. To foster the development of such specialised markets and to limit the organisational burden for the operators of multilateral trading facilities (MTFs), it is necessary to allow the segment of ***an*** MTF to apply to become ***an*** SME growth market provided that such segment is clearly separated from the rest of the MTF.

(6a) To reduce the risk for fragmentation of liquidity for SME shares, considering the lower liquidity of these instruments, Article 33(7) of Directive 2014/65/EU requires that a financial instrument that is admitted to trading on one SME growth market may only be traded also on another SME growth market where the issuer of the financial instrument has not objected to it. However, the Article currently does not provide the corresponding requirement for non-objection by the issuer where the second trading venue is another type of trading venue than an SME growth market. Hence, the issuers non-objection requirement regarding the admission to trading of their instruments already admitted to trading on an SME growth market should be extended to any other trading venue in order to in order to further reduce the risk of fragmentation of the liquidity of these instruments. If a financial instrument admitted to trading on an SME growth market is also traded on another type of trading venue, the issuer should follow any obligation relating to corporate governance or initial, ongoing or ad hoc disclosure with regard to the latter trading venue.

(7) Directive 2001/34/EC of the European Parliament and of the Council[6] lays down rules concerning listing on Union markets. That Directive aims at coordinating the rules on the admission of securities to official stock exchange listing and on information to be published on those securities to provide equivalent protection for investors at Union level. That Directive also lays down the rules of the regulatory and supervisory framework for Union primary markets. In the course of the years, Directive 2001/34/EC has been amended significantly several times. Directives 2003/71/EC of the European Parliament and of the Council[7] and Directive 2004/109/EC of the European Parliament and of the Council[8] have replaced most of the provisions harmonising the conditions for the provision of information regarding requests for the admission of securities to official stock exchange listing and the information on securities admitted to trading, and have made large parts of Directive 2001/34/EC redundant. ***In light of this and the fact that*** Directive 2001/34/EC as a minimum harmonisation Directive gives Member States a rather broad discretion to deviate from the rules laid down in that Directive, ***Directive2001/34/EC should be repealed to allow*** a single rule book ***at Union level.***

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6 Directive 2001/34/EC of the European Parliament and of the Council of 28 May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities (OJ L 184, 6.7.2001, p. 1).

7 Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (OJ L 345, 31.12.2003, p. 64).

8 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).

(8) Directive 2014/65/EU, like Directive 2001/34/EC, provides for the regulation of markets of financial instruments and strengthens investor protection in the Union. Directive 2014/65/EU also sets out rules on the admission of financial instruments to trading. ▌Extending the scope of Directive 2014/65/EU to cover specific provisions from Directive 2001/34/EC will ensure that all relevant provisions from Directive 2001/34/EC are maintained. A number of provisions of Directive 2001/34/EC, including the requirements on free float and market capitalisation which still apply, are enforced by competent authorities and are considered important rules for seeking admission to trading of shares on regulated markets in the Union by market participants. It is therefore necessary to transfer those rules in Directive 2014/65/EU to set out, in a new provision of that Directive, specific minimum conditions for the admission to trading of shares on regulated markets. The application of that new provision should complement the general provisions on the admission of financial instrument to trading laid down in Directive 2014/65/EU.

(9) ***The level of minimum free float of 25% required by Directive 2001/34/EC is considered excessive and no longer appropriate.*** To allow for more flexibility for issuers and to make Union capital markets more competitive, the minimum free float requirement should be decreased to 10%, which is a threshold that ensures for a sufficient level of liquidity in the market. ***However, to better take into account the characteristics and sizes of the issuances of shares, Member States should allow alternative ways to measure whether a sufficient number of shares have been distributed to the public. Compliance with the 10% threshold or with the alternative requirements provided at national level for ensuring a minimum free float should be assessed at time of admission.*** The free float requirement laid down in Directive 2001/34/EC that a sufficient number of shares is to be distributed to the public in one or more Member States refers to the public within the Union and the European Economic Area (EU/EEA). That geographical restriction of the free float requirement to the EU/EEA should not be maintained as Directive 2014/65/EU does not provide for such restriction for financial instruments admitted to trading.

Certain requirements set out in Directive 2001/34/EC are already covered by provisions laid out in other Union legislation in force or became obsolete. Hence they should not be transferred to Directive 2014/65/EU. For instance the requirement ***for*** a company ***to publish or file*** its annual accounts for a specific period of time ***is already included in*** Regulation (EU) 2017/1129 of the European Parliament and of the Council[9]***. Similarly,*** Directive 2014/65/EU already lays down provisions to designate competent authorities. ***Furthermore***, ▌ the requirement for ▌ the ***minimum*** amount of the loan ***for debt securities no longer reflects market practice. Therefore those provisions have not been transferred to Directive 2014/65/EU***.

[9] 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).

(10) The concept of admission of securities to official listing on stock exchanges provided for in Directive 2001/34/EC is no longer ***prevailing,*** given market developments, as Directive 2014/65/EU already provides for the concept of 'admission of financial instruments to trading on a regulated market'. ***While in some Member States*** the two concepts 'admission to official listing' and 'admission to trading on a regulated market' are used interchangeably***, in other*** Member States ***the concept of 'admission to official listing' continues to play an important role alongside the concept of '***admission to trading ***on a regulated market', in particular by providing an alternative to issuers of securities, notably debt securities, who seek increased visibility but for whom admission to trading is not a relevant or viable option. The repeal of*** Directive ***2001/34/EC by this*** Directive ***should be without prejudice to the validity and continuation*** of the ***regimes of admission to official listing on stock exchanges in*** those ***Member States who would like to continue to*** apply ***the regime. In any case, Member States should retain the ability to provide for and regulate such regimes under national legislation***.[10]

[10] ***Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive) (OJ L 173, 12.6.2014, p. 179).***

(11) To enhance the visibility of listed companies, in particular ***small and middle-capitalisation companies*** and to adapt the listing conditions to improve requirements for issuers, 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 amending Directive 2014/65/EU. The ***adoption*** of the listing rules in the Union should also reflect market practice for it to be effective and promote competition. 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[11]. 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.

(12) Directive 2014/65/EU should therefore be amended accordingly.

[11] OJ L 123, 12.5.2016, p. 1.

(13) Since the objectives of this Directive, namely to ease Union small and ***middle-capitalisation companies*** capitalisation companies' access to capital markets, and to increase the coherence of Union listing rules cannot be sufficiently achieved by the Member States but can rather, by reason of the improvements and effects sought, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go beyond what is necessary in order to achieve those objectives.

HAVE ADOPTED THIS DIRECTIVE:

Article 1

Amendments to Directive 2014/65/EU

Directive 2014/65/EU is amended as follows:

(1) in Article 4(1), point (12) is replaced by the following:

'(12) 'SME growth market' means ***an*** MTF, or a segment of ***an*** MTF, that is registered as an SME growth market in accordance with Article 33; ***'***;'

(2) Article 24 is amended as follows:

(a) the following paragraphs ▌ are inserted:

‘3a. Research ***used by, or distributed to, clients or potential clients by*** investment firms providing portfolio management or other investment or ancillary services ***that has been produced by those investment firms, or produced by third parties and provided to those investment*** firms***,*** shall be fair, clear and not misleading. Research shall be clearly identifiable as such or in similar terms, provided that all conditions ***laid down in Delegated Regulation EU 2017/565*** applicable to the research are met.

3b. ***Investment firms providing portfolio management or other investment or ancillary services shall ensure that the research they distribute to clients or potential*** clients ***which is paid for, fully or partially, by an issuer*** shall be labelled as ***‘***issuer-sponsored research***’ only if*** it is produced in compliance with ***the EU*** code of conduct ***for issuer-sponsored research***.

ESMA shall develop draft regulatory technical standards to establish an EU code of conduct for issuer-sponsored research. That code of conduct shall set out standards of independency and objectivity, and specify procedures and measures for the effective identification, prevention and disclosure of conflicts of interest.

In developing the regulatory technical standards on the EU code of conduct, ESMA shall take into account the content and parameters of codes of conduct for issuer-sponsored research which have been established at national level prior to the date of application of the regulatory technical standards, especially where such codes have been widely endorsed and adhered to. ESMA shall also, where applicable, take into account the relevant obligations and standards on investment recommendations set out in Article 20 of Regulation (EU) No 596/2014.

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

Power is delegated to the Commission to supplement this Directive by adopting the regulatory technical standards referred to in the second subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council[12] .

The EU code of conduct for issuer-sponsored research shall be made publicly available on ESMA's website.

ESMA shall assess on a regular basis and at least every five years whether the EU code of conduct needs to be reviewed, in which case it shall submit amended draft regulatory technical standards to the Commission.

Member States shall provide that investment firms that produce or distribute issuer-sponsored research have in place organisational arrangements to ensure that such research is produced in compliance with the EU code of conduct as referred to in paragraph 3b and complies with paragraphs 3a, 3b and 3d.

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12 ***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).***

3c. Member States shall ensure that any issuer may submit its issuer-sponsored research, as referred to in paragraph 3b of this Article, to the relevant collection body as defined in ▌ Article 2(2) of ***Regulation (EU) 2023/2859***[13]***.***

When submitting such information to the collection body, the issuer shall ensure that it is accompanied by metadata specifying that the information complies with the EU code of conduct for issuer-sponsored research. Such information is not regulated information within the meaning of Directive 2004/109/EU of the European Parliament and of the Council[14] ***nor investment research within the meaning of Directive 2014/65/EU and is therefore not subject to the same level of regulatory scrutiny as such regulated information or investment research.***

3d. Research that is labelled as "issuer-sponsored research" shall indicate on its front page in a clear and prominent way that it has been prepared in accordance with ***the EU*** code of conduct ***referred to in paragraph 3b***. Any other research material paid fully or in part by the issuer but not ***prepared*** in compliance with ***that EU*** code of conduct ▌ shall be labelled as marketing communication. '

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[13] ***Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing*** a European single access point ***providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability***.

[14] ***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).***

(b) ▌ paragraph 9a ***is amended as follows***:

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

'9a. The provision of research by third parties to an investment firm providing portfolio management or other investment or ancillary services to clients is to be regarded as fulfilling the obligations under paragraph 1 if:'

(a) an agreement has been entered into between the investment firm and the third-party provider of research and execution services, establishing a methodology for remuneration, including how the total cost of research is generally taken into account when establishing the total charges for investment services;

(b) the investment firm informs its clients about its choice to pay either jointly or separately for execution services and research and makes available to them its policy on payments for execution services and third-party research, including the type of information that may be provided depending on the firm's choice of payment and, where relevant, how the investment firm prevents or manages conflicts of interest pursuant to Article 23 when providing joint payments for execution services and research;

(c) the investment firm assesses the quality, usability and value of the research used, as well as the ability of the research used to contribute to better investment decisions, on an annual basis. ESMA may develop guidelines for investment firms for the purpose of conducting those assessments;

(d) where the firm chooses to pay separately for execution services and third-party research, the provision of research by third parties to investment firms providing portfolio management or other investment or ancillary services to clients is received in return for either of the following:

i) direct payments by the investment firm out of its own resources;

ii) payments from a separate research payment account controlled by the investment firm.

(ii) the following subparagraphs are added:

For the purpose of this Article, trading commentary and other bespoke trade advisory services intrinsically linked to the execution of a transaction in financial instruments shall not be considered to be research.

Where a research provider is not engaged in execution services and is not part of a financial services group that includes an investment firm that offers execution or brokerage services, the provision of research to investment firms providing portfolio management or other investment or ancillary services to clients is regarded as fulfilling the obligations under paragraph 1. In such cases, the investment firm shall comply with the requirement under point (c) of the previous subparagraph.

Where known to them, investment firms shall keep a record of the total costs attributable to third-party research provided to them. Upon request, such information shall be made available on an annual basis to the investment firm's clients.

By … [4 years from the date of entry into force of this amending Directive], ESMA shall prepare a report with a comprehensive assessment of market developments regarding research within the meaning of this Article. That assessment shall incorporate at least the research coverage of listed firms, the evolution of the costs and quality of that research, the impact of joint payments on execution quality, the share of separate and joint payments made by investment firms to third party providers for execution services and research, and the level of fulfilment of the demand for research by investors and other buyers.

Based on that report, the Commission may, if appropriate, submit to the European Parliament and to the Council a legislative proposal concerning changes to the rules laid down in this Directive regarding research.'

(3) Article 33 is amended as follows:

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

'1. Member States shall provide that the operator of ***an*** MTF may apply to its home competent authority to have the MTF or a segment thereof, registered as an SME growth market.

2. Member States shall provide that the home competent authority may register the MTF, or a segment thereof, as an SME growth market if the competent authority receives an application as referred to in paragraph 1 and is satisfied that the requirements in paragraph 3 are complied with in relation to the MTF, or that the requirements in paragraph 3a are complied with in relation to a segment of the MTF.;'

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

‘3a. Member States shall ensure that the relevant segment of the MTF is subject to effective rules, systems and procedures which ensure that the conditions referred to in paragraph 3 and all of the following conditions have been complied with:

(a) the segment of the MTF registered as ‘SME growth market’ is clearly separated from the other market segments operated by the MTF operator, which is ***inter alia*** indicated by a different name, different rulebook, different marketing strategy, and different publicity, as well as a specific allocation of the market identification code to the SME growth market segment;

(b) the transactions made on the specific SME growth market segment are clearly distinguished from other market activity within the other segments of the MTF;

(c) upon request of the MTF’s home competent authority, the MTF shall provide a comprehensive list of the instruments listed on the SME growth market segment concerned, as well as any information on the operation of the SME growth market segment that the competent authority may request.’;’

(c) paragraphs 4 to ***8*** are replaced by the following:

‘4. ***Compliance by the investment firm or market operator operating the MTF, or a segment thereof, with the conditions*** laid down in paragraphs 3 and 3a ***is*** without prejudice to ***the*** compliance ***with other obligations under this Directive relevant to the operation of MTFs. Without prejudice to paragraph 7, the investment firm or market operator operating the MTF***, or a segment thereof, ***may impose additional requirements.***

5. Member States shall provide that the home competent authority may deregister ***an*** MTF, or a segment thereof, as an SME growth market in any of the following cases:

(a) the investment firm or market operator operating the MTF, or a segment thereof, applies for its deregistration;

(b) the requirements in paragraph 3 or 3a are no longer complied with in relation to the MTF, or a segment thereof.

6. Members States shall require that if a home competent authority registers or deregisters ***an*** MTF, or a segment thereof, as an SME growth market under this Article, that authority shall as soon as possible notify ESMA of that registration or deregistration. ESMA shall publish on its website a list of SME growth markets and shall keep that list up to date.***’***;’

7. Member States shall require that where a financial instrument of an issuer is admitted to trading on one SME growth market, the financial instrument may also be traded on another trading venue only where the issuer has been informed and has not objected. Where the other trading venue is another SME growth market, the issuer shall not be subject to any obligation relating to corporate governance or initial, ongoing or ad hoc disclosure with regard to the latter SME growth market. Where the other trading venue is not an SME growth market, the issuer shall be informed of any obligation relating to corporate governance or initial, ongoing or ad hoc disclosure with regard to the latter trading venue which it will be subject to. ESMA shall develop guidelines by ...[date of application] on the communication methods to be used and the relevant timelines.

‘8. The Commission is empowered to adopt delegated acts in accordance with Article 89 to supplement this Directive by further specifying the requirements laid down in paragraphs 3 and 3a of this Article. Those requirements shall take into account the need to maintain high levels of investor protection to promote investor confidence in those markets while minimising the administrative burdens for issuers on the market. They shall also take into account that de-registrations do not occur nor shall registrations be refused merely because of a temporary failure to comply with the requirement laid down in paragraph 3, point (a), of this Article.’;’

(4) the following article ▌ is inserted:

‘ Article 51a

Specific conditions for the admission of shares to trading

1. Member States shall ***ensure that regulated markets*** require that the foreseeable market capitalisation of the shares for which admission to trading is sought, or if this cannot be assessed, the company’s capital and reserves, including profit and loss, from the last financial year, shall be at least EUR 1 000 000 or an equivalent amount in a national currency other than the Euro.

2. Paragraph 1 shall however not apply to the admission to trading of shares fungible with shares already admitted to trading.

3. Where, as a result of an adjustment of the equivalent amount ***in a national currency other than the euro***, the market capitalisation expressed in ***the*** national currency remains for a period of ***one*** year at least 10 % ***more, or at least 10 % less, than*** EUR 1 000 000, the Member State shall, within the 12 months following the expiry of that period, adjust its laws, regulations or administrative provisions to comply with paragraph 1.

4. Member States shall ***ensure*** that regulated markets ***require that*** at least 10% of the subscribed capital represented by the class of shares concerned by the application for admission to trading is held by the public ***at the time of admission***.

5. ***By way of derogation from paragraph 4***, Member States ***may require*** that regulated markets ***establish at least one of the following requirements for an application for admission to trading of shares at the time of admission:***

   (a) a sufficient number of shares is held by the public;

   (b) the shares are held by a sufficient number of shareholders;

   (c) the market value of the shares held by the public represents a sufficient level of subscribed capital in the class of shares concerned.

6. Where admission to trading is sought for shares fungible with shares already admitted to trading, regulated markets shall assess, to fulfil the requirement laid down in paragraph 4, whether a sufficient number of shares has been distributed to the public in relation to all the shares issued and not only in relation to the shares fungible with shares already admitted to trading.

7. The Commission is empowered to adopt delegated acts in accordance with Article 89 to amend this Directive by modifying the thresholds referred to in paragraphs 1 and 3 or in ***paragraph 4*** or in both, when the applicable thresholds impede the liquidity on public markets taking into account the financial developments.***’***;’

(4a) In Article 69(2), first subparagraph, the following points are added:

'(v) take all necessary measures to control that investments firms have in place organisational arrangements to ensure that issuer-sponsored research that they produce or distribute is produced in compliance with the EU code of conduct for issuer-sponsored research;

(w) suspend the distribution by investment firms of any issuer-sponsored research not produced in compliance with the EU code of conduct issuer-sponsored research;

(x) issue warnings to inform the public that research which has been labelled as an issuer-sponsored research is not produced in compliance with the EU code of conduct issuer-sponsored research.'

(5) Article 89 is amended as follows:

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

‘2. The delegation of power referred to in Article 2(3), Article 2(4), Article 4(1)(2), second subparagraph, Article 4(2), Article 13(1), Article 16(12), Article 23(4), Article 24(13), Article 25(8), Article 27(9), Article 28(3), Article 30(5), Article 31(4), Article 32(4), Article 33(8), Article 51a(7), Article 52(4), Article 54(4), Article 58(6), Article 64(7), Article 65(7) and Article 79(8) shall be conferred on the Commission for an indeterminate period of time.

3. The delegation of power referred to in Article 2(3), Article 2(4), Article 4(1)(2), second subparagraph, Article 4(2), Article 13(1), Article 16(12), Article 23(4), Article 24(13), Article 25(8), Article 27(9), Article 28(3), Article 30(5), Article 31(4), Article 32(4), Article 33(8), Article 51a(7), Article 52(4) Article 54(4), Article 58(6), Article 64(7), Article 65(7) and Article 79(8) 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 5 is replaced by the following:

‘5. A delegated act adopted pursuant to Article 2(3), Article 2(4), Article 4(1)(2), second subparagraph, Article 4(2), Article 13(1), Article 16(12), Article 23(4), Article 24(13), Article 25(8), Article 27(9), Article 28(3), Article 30(5), Article 31(4), Article 32(4), Article 33(8), Article 51a(7), Article 52(4), Article 54(4), Article 58(6), Article 64(7), Article 65(7) or Article 79(8) shall enter into force only if no objection has been expressed either by the European Parliament or 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.**’**.’

(5a) Article 90 is amended as follows:

(a) The following paragraph is added:

‘6. By ... [four years after entry into force of this Directive], the Commission shall review and assess the impact of the provision on non-objection in Article 33(7) on the competition among trading venues, in particular SME growth markets, and its impact on access to capital for SMEs. ’

Article 2

Repeal of Directive 2001/34/EC

Directive 2001/34/EC is repealed as of … [OP please insert the date = 24 months from date of entry into force of this Directive].

Article 3

Transposition *and application*

Member States shall adopt***, publish and apply***, by … [OP please insert the date ***18*** months ***from*** the date of entry into force of this Directive] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.

▌

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 4

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Article 5

Addressees

This Directive is addressed to the Member States.

Done at Brussels,

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

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)

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[15],

Acting in accordance with the ordinary legislative procedure,

[15] OJ C , , p. .

Whereas:

(1) By developing Union capital markets and decreasing their fragmentation along national borders, the Capital Markets Union ***(CMU)***[16] 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 CMU 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 CMU, especially in the short term, but as a stand-alone measure it cannot be sufficient.***

(2) The ***CMU*** 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[17]*1* created a new type of trading venue, the SME growth market, to facilitate access to capital specifically for SMEs. 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.***

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16 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).

17 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).

(3) Regulation (EU) 2019/2115 of the European Parliament and of the Council[18] 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 proportionate to their size. The High-Level Forum on the ***CMU***[19] recommended the Commission to remove regulatory obstacles that hold companies back from accessing public markets. The Technical Expert Stakeholder Group on SMEs[20] set out detailed recommendations on how to foster companies and, in particular, SMEs to access Union public markets.

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[18] 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).

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

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

(4) Building on a Commission's initiative within its ***post-COVID19*** recovery strategy, i.e. the Capital Markets Recovery Package, targeted amendments have been introduced into ***Regulations*** (EU) 2017/1129[21], Regulation (EU) 2017/2402[22] of the European Parliament and of the Council[3], Directive 2014/65/EU and Directive 2004/109/EC of the European Parliament and of the Council[23] 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.***

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21 ***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)***

22 ***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).***

23 ***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).***

(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[24], and as part of the Capital Markets Recovery Package, the Commission committed to put forward a legislative initiative to make access to public markets ***in the Union*** more attractive by reducing compliance costs, and by removing significant obstacles that hold back companies, including SMEs, from ***accessing*** 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 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[25].

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[24] 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).

[25] 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).

(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, creating complexity and lack of clarity for both issuers and investors. In order to reduce complexity under Regulation (EU) 2017/1129 and to foster legal clarity, the lower threshold of EUR 1 000 000 for the non-applicability of that Regulation should be removed.

(8) To ***streamline the threshold level while also considering the different sizes of national capital markets within*** the Union***, a dual threshold system should be introduced and should replace the existing regime allowing Member States to set various thresholds within an interval. A threshold with the total aggregated consideration in the Union*** of EUR 12 000 000 ***per issuer or offeror, calculated over a period of 12 months,*** should be ***the principal threshold, while Member States*** should ***be allowed to opt for a threshold of EUR 5 000 000 instead***. Below ***the*** threshold ***of either EUR 12 000 000 or EUR 5 000 000***, offers of securities to the public should be exempted from the obligation to publish a prospectus, provided that those offers do not require passporting. In the case of such an exemption, however, Member States should be ***allowed but not be obliged to introduce a requirement to publish either a document containing the information as referred to in Article 7 of Regulation (EU) 2017/1129. Alternatively, Member States may*** require ***a document containing information*** requirements ***set out*** at national level***, provided that*** the extent ***and level of such information is equivalent or lower than the information set out in Article 7 of Regulation (EU) 2017/1129. Nothing in this Regulation should prevent those Member States from introducing rules at national level which allow the operators of multilateral trading facilities (MTFs) to determine the content of the admission document which an issuer is required to produce upon initial admission to trading of its securities or the modalities of its review***.

(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 offers of securities to the public***, including ongoing offers of securities to the public,*** to be calculated over a period of 12 months. To provide clarity to issuers, investors and competent authorities and to avoid divergent approaches across the Union, it is necessary to specify how ▌ 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 ***on*** the same regulated market and provided ***that*** 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 ***also*** apply to ▌ the offer to the public ***under Article 1(4) of the Prospectus Regulation. For the same reasons,*** the percentage threshold that determines the eligibility for ***the*** exemption should be increased ***in both the offer to the public and the admission to trading on a regulated market. In addition, the exemption for offers of securities to the public*** should ▌ encompass an offer to the public 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 regulated market or*** SME growth market. ***Considering that subscription rights are intrinsically linked to the issuance of new shares, the right to subscribe shares fungible with existing shares should also be covered by this exemption. To ensure investor protection, in particular for retail investors, a short-form document with key information for investors should be made available to the public when an offer of fungible securities is made under the exemption. The document should be made available to the public and filed with the competent authority of the home Member State, but not be subject to its approval.***

(12) Article 1(5), point (b), 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 shares resulting from the conversion or ***the*** 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 ***and***, for issuers on SME growth markets, in Commission Delegated Regulation (EU) 2017/565[26]. Where those companies issue securities fungible with securities already admitted to trading on ***these types of*** 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 ***subject to a*** restructuring or ***the opening of insolvency proceedings, as defined under Union law***. 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***.*** ***The document should be*** filed with the competent authority of the home Member State***, but not be subject to its approval. Where subscription rights are connected to securities covered by the exemption for the offer to the public or the admission to trading on a regulated market the*** exemption ***should, consequently,*** also be applicable to ***subscription rights representing existing shareholders' preferential right to subscribe for the securities covered by the exemption. Where the scope of the new exemption makes other existing exemptions redundant, such other exemptions should be removed.***

[26] 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).

(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 ***consideration*** 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 ***thus improving*** 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 prospectuses 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 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***, including a universal registration document approved by or filed with a competent authority, information included in a universal registration document that is used as a constituent part of a prospectus,*** or information to be provided when the issuer has a complex financial history or has made a significant financial commitment***, or in the case of a significant gross change,*** 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***, except where information is included in a universal registration document***. 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.

(17a) In order to reduce the burden for issuers who seek admission to trading on a regulated market in the Union and simultaneously offer or privately place securities with investors in a third-country, and who would otherwise have to draw up several documents, the page limit as well as the standard format and sequence should not apply to a prospectus relating to the admission to trading of such securities.

(17b) In order to achieve convergence across the Union on the format of prospectuses, ESMA should be required to develop draft implementing technical standards to specify the template and layout of prospectuses, including the font size, and style requirements depending on the type of prospectus and the type of investors targeted. Furthermore, in order to help investors to navigate through the prospectus, ESMA should be required to 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 depending on the type of prospectus and the type of investors targeted.

(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 the page limit set out in Article 7 of Regulation (EU) 2017/1129***.

(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 ***allow for extending*** further the ▌ length of the prospectus summary in the event of guarantees that are provided by more than one guarantor.

(19a) In order to ensure uniform conditions of application of the requirements on the summary of the prospectus, ESMA should be required to develop draft implementing technical standards to specify the template and layout of the summaries, including the font size and style requirements. Furthermore, to help retail investors to navigate through the summary of the prospectus, ESMA should be required to 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.

(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 ***approved by*** 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[27].

(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 ***parts of the*** Union law to 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[28]. Moreover, the Commission should be empowered to set out ***schedules*** 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 information required to be disclosed in a prospectus and, where applicable, the sustainability disclosures under Directive 2013/34/EU or, where applicable, those under Regulation (EU) 2023/... of the European Parliament and the***

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[27] 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).

[28] ***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[29], without undermining the voluntary nature of the label and of the opt-in templates set out in the latter Regulation.

(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 ***several categories of*** 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 ***such*** 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. ▌

[29] ***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:...)***

(24a) To enable issuers to fully benefit from the EU Follow-on prospectus as an alleviated prospectus type, the scope 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. Furthermore, to enable successful companies to scale up and benefit from greater exposure to a broader pool of investors, the EU Follow-on prospectus should be available to companies that are seeking to make a transition from an SME growth market to a regulated market, provided that their securities have been admitted to trading on an SME growth market continuously for at least the last 18 months. 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 this 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*** 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, ***and in cases where*** the EU Follow-on prospectus ***relates to shares and is subject to a page limit, 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 ***limited scrutiny period should not apply in the case of a transfer from an SME growth market to a regulated market. Moreover, 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 ***an alleviated*** summary as a useful source of information for ▌ retail 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 ***securities*** to study further, and subsequently to review the EU Follow-on prospectus as a whole to take an informed investment decision. ***However, the summary should not be required for the admission to trading of non-equity securities as referred to in Article 7(1) of Regulation (EU) 2017/1129.***

(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. ***However, in order to support secondary issuances of non-equity securities, including as part of offering programs, the scope of application of the EU Follow-on prospectus for*** non-equity securities ***should be broad, and provide issuers with the possibility to draw it up either as a single document, or as separate documents***.

(27a) To improve the readability of the EU Follow-on prospectus and to make it easier for investors to analyse it and navigate through it, such prospectus should be subject to a page limit 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, including a universal registration document approved by or filed with a competent authority, information included in a universal registration document that is used as a constituent part of a prospectus or information to be provided when the issuer has a complex financial history or has made a significant financial commitment, or in the case of a significant gross change, should be excluded from the page limit.

(28) One of the key objectives of the ***CMU*** 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 ***small*** 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 ***a*** 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 issuance ***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 ***concerning*** the content of the EU Growth issuance ***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 issuance ***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. ***Furthermore,*** the EU Growth issuance ***prospectus should consist of a single document, in order to make it an easy and straightforward document to be drawn up by companies, especially SMEs, and be easily read by investors***.

(30) The EU Growth issuance ***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 issuance ***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 ***whose securities*** have already ***been*** 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.

(31) The EU Growth issuance ***prospectus*** should contain ***an alleviated*** 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 issuance ***prospectus*** and should focus on key information enabling investors to decide which offers to the public ***of securities*** to study further, and subsequently to review the EU Growth issuance ***prospectus*** as a whole in order to take an informed investment decision.

(32) The EU Growth issuance ***prospectus*** should be a harmonised document which is easy to ***draw up by issuers, especially SMEs, and easy to be*** read by investors, irrespective of the jurisdiction within the Union where the securities concerned are offered to the public ▌. Its format should therefore be standardised for both equity and non-equity securities and the information included in the EU Growth issuance ***prospectus*** should be disclosed in a standardised sequence. To further standardise and improve the readability of the EU Growth issuance ***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 issuance ***prospectus*** is drawn up for ▌ issuances of shares. That page limit should also be efficient in terms of the lighter requirements as to the content of the EU Growth issuance ***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***, or in the case of a significant gross change,*** should be excluded from the page limit.

(33) The EU Follow-on prospectus and the EU Growth issuance ***prospectus*** should complement the ***standard prospectus*** 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 ***prospectus. The voluntary nature of the prospectus types should implicate that an issuer may choose one of the prospectus types available to them when an offer to the public or admission to trading on a regulated market requires a prospectus***.

(33a) In order to instill confidence in the use of the EU Follow-on prospectus and the EU Growth issuance prospectus, it is important that their effectiveness and scope are clear, as the EU Follow-on prospectus and the EU Growth issuance prospectus are subject to the same liability regime set out in Article 11 of Regulation (EU) 2017/1129 as a full prospectus, for both domestic and cross-border offers or admissions to trading. Therefore, where the issuer is entitled to use an EU Follow-on prospectus or an EU Growth issuance prospectus, which makes the preparation of the transaction at stake more efficient and less onerous, and no other material considerations against the use of any of those prospectuses exist, the issuers' choice among the prospectus types available to them should be protected and neither advisers nor competent authorities should drive issuers towards drawing up a full prospectus when this is not strictly required.

(34) Risk factors that are material and specific to the issuer and ***its*** 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. However, ***to ease the burden for*** issuers***, the requirement to rank the most material risk factors*** should ***be replaced by a requirement to list, in each category,*** the most material risk factors ***in a manner*** which is ***consistent with the assessment undertaken by the issuer. To make more comprehensible*** 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 ***conceal*** the specific risk factors that investors should be aware of.

(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 working 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. ▌

(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. ***The*** possibility ***to incorporate information*** by reference ▌ would ***be further facilitated in the future, once*** investors***, are*** able to access ***it*** in a more efficient and effective way ▌ on the European Single Access Point ('ESAP')[30]***.*** The ESAP ***should*** 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. ***Furthermore***, companies should ▌ be allowed to incorporate by reference on voluntary basis information that is not to be disclosed in a prospectus, provided that such information fulfils the conditions laid down in Article 19(1) of Regulation (EU) 2017/1129 on incorporation by reference.

(37) To remove unnecessary costs and burdens and to increase the efficiency and effectiveness of the incorporation into the prospectus of information by reference, ***it should be clarified that*** companies should not be required to publish a supplement for ***new annual or interim financial information in a base prospectus which is still valid, contrary to the situations specified in Delegated Regulation (EU) 2019/979. The new*** annual or interim financial information ***should instead be*** incorporated by reference in ***the*** base prospectus***, provided that the requirements for incorporation by reference, such as electronic publication and language requirements, are fulfilled. However, companies should be allowed to voluntarily publish such information in a supplement***.

[30] ***Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability (OJ L, 2023/2859, 20.12.2023).***

(38) Regulation (EU) 2017/1129 promotes the convergence and harmonization of rules ***related to*** 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 ▌ 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[31] from the European ***Supervisory Authority (European*** Securities and Markets Authority***),*** ('ESMA') ***established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council***[2] 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. ▌

(38a) To foster convergence and harmonisation of the prospectus supervisory activity by competent authorities, which should provide certainty to issuers and confidence to investors, it is appropriate to specify the circumstances under which a competent authority may use such additional criteria, the type of additional information that competent authorities may require to be disclosed over and above the information that is required for drawing up a prospectus, an EU Follow-on prospectus or an EU Growth issuance prospectus, including the type of additional information that may be required to be disclosed under the additional criteria and the timeline for the approval of the prospectus.

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

(38b) In order to ensure that issuers are timely informed on the result of the scrutiny of their prospectus, competent authorities should be compelled to respect a clear deadline for their scrutiny. In the case of failure to take a decision on the prospectus within the set time limits, a competent authority should notify the relevant reason to the issuer, the offeror or the person asking for admission to trading on a regulated market as well as to ESMA, which should publish on yearly basis an aggregate report in compliance with the set time limits. Furthermore, Member States should ensure that appropriate measures are in place to address failure by competent authorities to comply with the set time limits to take a decision on the prospectus. However, such failure should not be deemed to constitute approval of the application.

(38c) In addition, a maximum timeframe should be set for finalising the scrutiny and for the competent authority's decision on the prospectus. Considering that the duration of the scrutiny procedure is influenced also by factors outside the control of the competent authority, the timeframe should be established as the maximum duration of the procedure overall, covering activities from both the person applying for approval of a prospectus and the competent authority. As it may be difficult to anticipate all situations where the scrutiny cannot be finalised within the set timeframe, it is important to specify the conditions for possible derogations from this timeframe. In addition, in the same way as for the time limits laid down in Article 20, a failure by the competent authority to take a decision on the prospectus within the maximum timeframe to be set should not be deemed to constitute approval of the prospectus. For the sake of legal clarity, the definition of "approval" should also clarify that it does not concern the accuracy of the information in a prospectus.

(39) ***ESMA's peer review of the scrutiny and approval of prospectuses by competent authorities was conducted and the peer review report was published prior to the Commission proposal for this amending Regulation. Considering that ESMA can conduct peer reviews at any time ESMA deems appropriate in accordance with Regulation (EU) No 1095/2010, it is not necessary to specify such a requirement in Regulation (EU) 2017/1129. Paragraph 13 of Article 20 of that Regulation, providing that ESMA should organise and*** conduct ***a peer review of*** the scrutiny and approval ***procedures of competent authorities, should therefore be removed***.

(40) Article 21 of Regulation (EU) 2017/1129 requires, for an IPO ***to the public of a class*** of shares ***that is admitted to trading on a regulated market for the first time***, the publication of ***a*** 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 ***such offers***, 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.

(41) In order to collect data that support the assessment of the EU Follow-on prospectus and the EU Growth issuance ***prospectus***, 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 ***prospectus***, which should be clearly differentiated from the other types of prospectuses.

(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 ▌ 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 ***expired*** 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***, for example by e-mail,*** 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 ***where*** a supplement ***should be*** published.

(45) ***Diverging interpretations on whether an issuer should be allowed to supplement a base prospectus to introduce other securities or securities with different features than the ones for which that base prospectus has been approved have led to a lack of convergence between Member States. In order*** to ensure investor protection and foster regulatory convergence across the Union, it is ***therefore*** 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 ***unless to do so is necessary to comply with capital requirements under Union law or national law transposing Union law. Furthermore, to further foster convergence on the use of the base prospectus, ESMA should 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. ***However, a Member State should be allowed to opt out and require that the prospectus for an offer of securities to the public or an admission to trading on a regulated market which is sought only in that Member State is drawn up in a language accepted by the competent authority of that Member State. In such a case, that Member State should be required to notify the Commission and ESMA of that decision. To provide transparency to issuers and investors, ESMA should publish on its website a list of the languages accepted by the competent authorities of each Member State for an offer of securities to the public or an admission to trading on a regulated market which is sought only in that Member State.***

(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 ***country*** 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 ***provisions on the equivalence regime***. ***It*** should be clarified that, in the case of an admission to trading on an EU regulated market***, or of*** 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 ***expanded*** to encompass provisions on liability, validity of the prospectus, risk factors, scrutiny, approval and publication of the prospectus ▌ 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. ***Third country issuers are also 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.***

(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, ***the competent authorities of the Member States or ESMA, upon request of at least one competent authority,*** 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. ***Furthermore, ESMA should facilitate the coordination of the development of cooperation arrangements between competent authorities and the relevant supervisory authorities of third countries and, where necessary, the distribution to competent authorities of the information obtained from supervisory authorities of third countries that may be relevant to take measures referred to under Articles 38 and 39 of Regulation (EU) 2017/1129.*** 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 issuance ***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 ***prospectuses***, differentiated by types of issuers, and should analyse the usability of disclosure regimes applicable under the EU Follow-on prospectus, the EU Growth issuance ***prospectuses*** and the universal registration ***documents. 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. ***Furthermore, that report should include, based on a report provided by ESMA to the Commission, an analysis of whether the scrutiny and approval procedures of competent authorities ensure supervisory convergence throughout the Union and remain appropriate in light of their pursued objectives. Finally, that report should include an analysis of whether the possibility for Member States to require national disclosures below the relevant exemption threshold of EUR 12 million or EUR 5 million for offer of securities to the public is conducive to converging national disclosure requirement and whether those national disclosures constitute an obstacle to the offer of securities to the public in those Member States.***

(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 issuance ***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 ***to*** the EU Follow-on prospectus and the EU Growth issuance ***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 CMU 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. ***The aggregated form should indicate the aggregated volume and the weighted average price per day and per trading venue.***

(54) ***The definition in*** Article 7(1), point (d), of Regulation (EU) No 596/2014 ***is*** 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***, in addition to the mandatory*** requirements laid down in Article 11(3) and ***in Article11(6), complies with the requirements laid down in Article 11(4)*** of that Regulation. In order to avoid an interpretation whereby disclosing market participants carrying out market sounding are obliged to comply with all the requirements set out in Article ***11(4),*** of Regulation (EU) No 596/2014, it should be specified that the market sounding regime and the ***requirements in Article 11(4)*** are a mere option for the disclosing market participants to benefit from the protection from the allegation of unlawful disclosure of inside information. At the same time, while there should be no presumption that disclosing market participants that do not comply with the requirements set out in Article ***11(4)*** of Regulation (EU) No 596/2014 when conducting a market sounding have unlawfully disclosed inside information, those disclosing market participants should not be able to take advantage of the protection afforded to those that choose to comply with those requirements. To ensure the possibility for competent authorities to obtain an audit trail of a process that may imply disclosure of inside information to third parties, it should also be specified that the requirements set out in Article 11(3) ***and article 11 (6)*** of Regulation (EU) No 596/2014 are mandatory for all disclosing market participants***, regardless of whether the optional procedure in Article 11(4) of that Regulation is followed***.

(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***, primarily,*** to enable investors to take well-informed decisions. 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. ***Therefore,*** in a protracted process, ***disclosure should not cover announcements of mere intentions, ongoing negotiations or, depending on the circumstances, progresses of negotiations (such as, a meeting between the companies' representatives).*** The issuer should only disclose the information related to the ***particular circumstances or the particular*** event that ***the*** protracted process intends to bring about ***or results in (final event), as soon as possible after such circumstances or event have occurred. For instance, in the case of a merger, disclosure should be made as soon as possible after*** the management ▌ has taken the ***decision to sign off on the merger agreement, once the core elements of the merger have been agreed upon. In general, for contractual agreements the event should be deemed to have occurred when the core conditions of that agreement have been agreed upon***. In the case of non-protracted processes related to ***a one-off event or set of circumstances***, notably when the occurrence of ***that event or set of circumstances*** does not depend on the issuer, the disclosure should take place as soon as the issuer becomes aware of that event ***or set of circumstances***.

(59) ***The exact identification*** of the moment ***when an event becomes final is not always straightforward. In order to enable*** the issuer ***to identify the moment of disclosure*** of the ***relevant information***, the Commission should be empowered to adopt a delegated act to set out a non-exhaustive list of ***final events in protracted processes which would trigger the obligation to disclose the*** information ▌ and, for each ***event***, the moment when the ***event is deemed to have occurred***.

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

(61) ***There may be cases when the issuer may need to postpone the disclosure of certain circumstances or events after they have occurred.*** Article 17(4) of Regulation (EU) No 596/2014 provides that an issuer or an emission allowance market participant, may, on its own responsibility, delay disclosure to the public of inside information provided that specified conditions are met. ***Non-disclosure by*** an issuer ***of inside information related to intermediate steps in protracted processes should not be subject to the requirements provided for in Article 17(4) of Regulation (EU) No 596/2014.***
To ensure legal certainty for the issuer or the emission allowance market participant and a consistent interpretation of the conditions ***to delay disclosure, it should be clarified when the delay may not be applied by direct reference to previous*** public ***statements or other types of communications by the issuer or the emission allowance market participant. In order to clarify in which cases delay of disclosure*** should ***not be allowed, the Commission should be empowered to adopt a delegated act to set out a non-exhaustive list of situations in which the inside information that the issuer or the emission allowance market participant intend*** to delay ***is in contrast with the latest public announcement or other type of communication by the issuer or emission allowance market participant on the same matter to which the inside information refers to***.

(62) Article 18(1) of Regulation (EU) No 596/2014 obliges issuers and any person acting on their behalf or on their account to draw up and to keep updated a list of all persons who have access to inside information and who are working for them under a contract of employment, or otherwise perform tasks through which they have access to inside information, including advisers, accountants and credit rating agencies. Article 18(6) of Regulation (EU) No 596/2014, however, restricts that obligation for issuers whose financial instruments are admitted to trading on an SME growth market. Those issuers are to include in their insider lists only those persons who, due to the nature of their function or position within the issuer, have regular access to inside information. ▌

(63) In some Member States, insider lists are considered particularly important for ensuring a high level of market integrity. For that reason, Article 18(6), second subparagraph, of Regulation (EU) No 596/2014 allows Member States to require issuers on SME growth markets to draw up the more extensive insider lists that include all persons who have access to inside information, however, on the basis of an alleviated format, requiring less information. To avoid excessive regulatory burden, while maintaining the essential information for competent authorities to investigate market abuse breaches, such an alleviated format should be used for all insider lists. ▌

(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***. At the same time*** competent authorities ***should be given flexibility*** to increase that threshold ***to EUR 50 000 or to decrease it to EUR 10 000***, where justified ***in light of national market conditions***.

(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 ***exclusively*** 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 ***at the initiative 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 to***, at the initiative of one or more competent authorities,*** 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, at the initiative of one or more competent authorities,*** be able to set up such platforms with public bodies monitoring wholesale commodity markets ***as well***, 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 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 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 ***data*** 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. ***Member States whose competent authorities would have an interest to take part in the mechanism on a voluntary basis should be able to apply the same provisions and contribute to the funding of the mechanism. ESMA has demonstrated its expertise in setting up data exchange hubs, such as the exchange of transaction reporting data through the proven implementation of TREM or EMIR data access under TRACE. Therefore, participating competent authorities should be able to set up this new mechanism to exchange order data by delegating the project development to ESMA.***

The list of trading venues that have a significant cross-border ***dimension*** should be determined by the Commission in a delegated act ***by taking into account for each class of financial instruments at least the trading volume on that trading venue as well as the trading volume on that trading venue in financial instruments for which the competent authority of the most relevant market differs from the competent authority of that trading venue. In order to provide legal certainty and not to delay the implementation of the mechanism, the criteria for the determination of trading venues with a significant cross-border dimension should be set in this regulation with specific thresholds set for shares. However, to ensure the criteria remain workable and flexible enough to take into account the developments of financial markets and the need for effective supervision, the Commission should be empowered to adapt over time these thresholds by means of a delegated act, while ensuring proportionality, and to ask ESMA an opinion on the calibration of thresholds***. Furthermore, that mechanism for exchanging order data should at first only concern shares, ***before being extended to*** 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 reflects*** developments in financial markets and the capacity of competent authorities to process new data, the Commission should be empowered to ***further*** broaden the scope of instruments the order data of which can be exchanged through that mechanism ***and potentially postpone the inclusion of bonds and futures, taking into account ESMA's analysis of the deployment of the mechanism, particularly in terms of costs***.

(70) ***To enhance the monitoring of orders through technological developments and reinforce market integrity***, competent authorities should be able to access order data 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 ▌

(71) ▌ 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, ***including micro-sized enterprises, the final amount of*** sanctions for infringements committed by legal persons in relation to disclosure requirements should be proportionate to the size of the company ***Points (j)(iii) and (iv) of*** Article ***30(2)*** of Regulation (EU) No 596/2014 ***establish a minimum of the maximum amount of the*** sanctions ***that can be imposed by a national competent authority in an infringement related to the disclosure regime. To ensure proportionality, such*** amounts should be ***determined, as a general rule, based on the total annual turnover of the company. Nevertheless, where by applying the maximum established in national law*** based on the total annual turnover***, the final amount of the sanction imposed*** would be disproportionately low in light of the circumstances set out in Article 31 of Regulation (EU) No 596/2014***, Member States should ensure that national competent authorities may increase the final amount of sanctions, by taking into account the maximum established in national law, as expressed in absolute amounts***. In those cases, it is also appropriate to ***allow each Member state in its national law to apply a lower*** the maximum level of sanctions for SMEs, as expressed in absolute amounts, ***as a way*** to ensure their proportionate treatment. ***Nevertheless, a Member State should be allowed to establish in its national law the same maximum as expressed in absolute amounts for all types of issuers.***

(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[32]. 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[33]. 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 ▌

[32] 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).

[33] 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).

(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 and sequence for the EU Follow-on prospectus and the EU Growth issuance 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 ***competent authorities or, where requested by at least one of those authorities,*** ESMA and third country supervisory authorities, pursuant to Regulation (EU) 2017/1129, as well as ***expanding*** the list of ***financial instruments to enable competent authorities to obtain order data, and reviewing the calibration of the thresholds to determine the list of markets with a significant cross-border dimension in shares***, 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[1]. 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.

(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 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***, provided that a document containing the information set out in Annex IX is filed, in electronic format, 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) at the same time as it is filed with the competent authority***;

(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 ***subject to a*** restructuring ***or insolvency proceedings***;

(iii) a document containing the information set out in Annex IX is filed***, in electronic format,*** 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) ***at the same time as it is filed with the competent authority***.;'

(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 ***the first subparagraph,*** point (***da)(i) and (***db)(iii)***,*** shall have a maximum length of ***11*** 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 ***ongoing*** offers of securities to the public ***and offers of securities to the public made within*** 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 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 ***second*** subparagraph;***’***;’

(2) the following point (ba) is inserted:

‘(ba) securities fungible 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 ***subject to a*** restructuring ***or insolvency proceedings***;

(iii) a document containing the information set out in Annex IX is filed***, in electronic format,*** 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) ***at the same time as it is filed with the competent authority.’; ’***

(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 two subparagraphs are added:

‘ The document referred to in ***the first subparagraph,*** point (ba)(iii)***,*** shall have a maximum length of ***11*** 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 (i), shall take into account the total aggregated consideration of all ***ongoing*** offers of securities to the public ***and offers of securities to the public made within*** 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 other exemption from the obligation to publish a prospectus in accordance with the first subparagraph [redacted] .’;’

(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, 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.;’

(2) Article 2 is amended as follows:

(-b) the following points are inserted:

(da) ‘restructuring’ means restructuring as defined in Article 2(1), point (1), of Directive (EU) 2019/1023 of the European Parliament and of the Council [34];

(db) ‘insolvency proceedings’ means insolvency proceedings as defined in Article 2(4) of Regulation (EU) 2015/848 of the European Parliament and of the Council[35];

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[34] ***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).***

[35] ***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).’;***

(-a) point (r) is amended as follows:

(r) 'approval' means the positive act at the outcome of the scrutiny by the home Member State's competent authority of the completeness, the consistency and the comprehensibility of the information given in the prospectus, but does not concern the accuracy of that information".

(a) point (z) is deleted;

(b) the following point (za) is added:

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

(3) Article 3 is amended as follows:

(a) 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.

(b) the following paragraphs 2a, 2b, 2c and 2d are inserted:

2a By way of derogation from the paragraph 2, point (b), Member States may instead 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.

2b 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 paragraph 2, point (b).'

2c. The total aggregated consideration for the securities offered ***to the public***, as referred to in the ***paragraph 2***, point (b) ***and in paragraph 2a***, shall take into account the total aggregated consideration of all ***ongoing*** offers of securities to the public ***and offers of securities to the public made within*** 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. ***Moreover, the total aggregated consideration of the securities offered to the public shall include all types and classes of securities offered.***

2d. Where an offer of securities to the public is exempted from the obligation to publish a prospectus pursuant to ***paragraph 2, point (b) or paragraph 2a*** a Member State may require ***the issuer to file and make available to the public in accordance with the arrangements set out in Article 21(2) a document containing the information set out in Article 7 paragraphs (3) to (10) and paragraph (12), or a document containing information*** requirements ***set out*** at national level, ***provided that*** the extent ***and level of such information is equivalent or lower than the information set out in Article 7 paragraphs (4) to (10) and paragraph (12)***.***'***;

(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.;

By way of derogation from the first subparagraph and from paragraphs 4, 5 and the requirements set out in the implementing technical standards adopted pursuant to paragraph 8 of this Article, information included in a universal registration document may be included without regard to the standardised format, the standardised sequence, the maximum length, the template and layout including the font size and style requirements’;’

(c) the following paragraphs ▌ are added:

‘4. A prospectus that relates to shares ▌ shall be of maximum length of 300 sides of A4-sized paper when printed and shall be presented and laid out in a way that is easy to read, using characters of readable size.

5. The summary, the information incorporated by reference in accordance with Article 19***,*** the additional information to be provided where the issuer has a complex financial history or has made a significant financial commitment, as referred to in Article 18 of Commission Delegated Regulation (EU) 2019/980[36]***, or in the case of a significant gross change, as referred to in Article 1(e) of that Delegated Regulation,*** shall not be taken into account for the maximum length referred to in paragraph 4 of this Article.

6. By way of derogation from the first subparagraph of paragraph 2 and paragraphs 4 and 5 of this article, when securities are to be admitted to trading on a regulated market in the Union and are simultaneously offered to or privately placed with investors in a third country where an offering document is prepared under law, rule or market practice, the requirements of standardised format, standardised sequence, maximum length, the template and layout including the font size and style requirements shall not apply to the prospectus for the admission to trading on a regulated market of those securities.'

[36] ***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. 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 depending on the type of prospectus and the type of investors targeted;

8. ESMA shall develop draft implementing technical standards to specify the template and layout of prospectuses, including the font size, and style requirements depending on the type of prospectus and the type of investors targeted.

ESMA shall submit those draft implementing 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 implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.';

(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:;

(iii) in the second subparagraph, the following point is added:

'(fa) where applicable, a statement 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 of equity securities is subject to Article 8 of Regulation (EU) 2020/852 of the European Parliament and Council[37], a statement on whether the issuer's activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation.';

[37] ***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 ***per*** guarantor ▌ , ***provided that the*** additional sides of A4-sized paper ***are dedicated to the description of the*** 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 Growth issuance ***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 issuance ***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 ▌ 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 ***prospectus***;

(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 issuance ***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 issuance ***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 ***per*** guarantor ▌ , ***provided that the*** additional sides of A4-sized paper ***are dedicated to the description of the*** guarantors.***'***;

(ha) the following paragraphs are added:

14. '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.

15. 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 ... [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 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 Directive 2004/109/EC and Directive 2013/34/EU of the European Parliament and of the Council[38];

(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 paragraph is inserted:

‘1a. For the purposes of the second subparagraph of paragraph 1, point (g), when setting out the various prospectus schedules, the following shall apply:

(a) the prospectus for a European Green Bond as referred to in Article 1, point (a) of Regulation (EU) 2023/... of the European Parliament and of the Council[39] shall incorporate by reference the relevant information contained in the European Green Bond factsheet as referred to in Article 10 of that Regulation.

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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).’;***

39 ***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:...).’;***

(b) the prospectus for a bond marketed as environmentally sustainable or for a sustainability-linked bond, as referred to in Article 1(c) of that Regulation, shall include the relevant optional disclosures set out in that Regulation, provided that the issuer has opted in for those optional disclosures.';

(b) in paragraph 2, the first subparagraph is replaced by the following:

‘ The Commission shall ***by [18 months after entry into force of this Regulation]*** 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.;’

(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 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;

(aa) issuers whose securities have been admitted to trading on an SME growth market continuously for at least the 18 months preceding the offer to the public of the new securities;

(ab) issuers who seek admission to trading on a regulated market of securities fungible with securities that have been admitted to trading on an SME growth market continuously for at least the last 18 months preceding the admission to trading of the 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[40].

4. The EU Follow-on prospectus shall ***contain the minimum information set out in Annex IV or Annex V, depending on the types of securities.***

   An EU Follow-on prospectus containing the minimum information set out in Annex IV shall be drawn up as a single document***.***

   An EU Follow-on prospectus containing the minimum information set out in Annex ***V may be drawn up either as a single document or as separate documents***.

5. An EU Follow-on prospectus that relates to shares ▌ 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.

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[40] ***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).';'***

6. The summary, the information incorporated by reference in accordance with Article 19 of this Regulation***,*** 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***, or the information to be provided in the case of a significant gross change, as referred to in Article 1(e) of that Delegated Regulation***, 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.

8. The Commission shall, by [15 months after entry into force of this Regulation], 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 Follow-on prospectus.

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

(13) Article 15 is deleted;

(14) the following Article 15a is inserted:

‘ Article 15a

EU Growth issuance ***prospectus***

Without prejudice to Article 1(4) and Article 3(2), the following persons ***may*** draw up an EU Growth issuance ***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).

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 of securities to the public ***and offers of securities to the public made within*** 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, or pursuant to Article 3(2). ***Moreover, the total aggregated consideration of the securities offered to the public shall include all types and classes of securities offered.***

2. By way of derogation from Article 6(1) and without prejudice to Article 18(1), an EU Growth issuance ***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***, including*** on the overall capital structure of the issuer, and the use of proceeds.

3. The information contained in the EU Growth issuance ***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 issuance ***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 issuance ***prospectus*** that relates to shares ▌ 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, ***or the information to be provided in the case of a significant gross change, as referred to in Article 1(e) of that Delegated Regulation,*** shall not be taken into account for the maximum length referred to in paragraph 5 of this Article.

7. The EU Growth issuance ***prospectus*** shall be a document of a standardised format and the information disclosed in an EU Growth issuance ***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. ▌

8. The Commission shall, by [15 months after entry into force of this Regulation], 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 issuance prospectus.

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

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

' 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 listed in a manner that is consistent with 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 3 working 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:***’***;’

(ia) ***point (a) is replaced by the following:***

‘(a) documents which have been approved by a competent authority, or filed with it, in accordance with this Regulation, including a universal registration document or any sections therof;’

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

‘(b) the documents referred to in Article 1(4), first subparagraph, points (***da), (***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 and 1b are 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.***’;***

1b. An issuer, an offeror or a person asking for admission to trading on a regulated market shall not be required to publish a supplement pursuant to Article 23(1) for ***new annual or interim financial information published when a base prospectus is still valid under Article 12(1). Where that new*** annual or interim financial information ***is published electronically, it may be*** incorporated by reference in ***the*** base prospectus ***in accordance with paragraph (1)(d). However, an issuer, an offeror or a person asking for admission to trading on a regulated market shall be entitled to voluntarily publish a supplement for such information***.’;

(18) Article 20 is amended as follows:

(-a) ***in paragraph 2, the second subparagraph is replaced by the following:***

Where the competent authority fails to take a decision on the prospectus within the time limits laid down in the first subparagraph of this paragraph and paragraphs 3 and 6, that competent authority shall notify the issuer, the offeror or the person asking for admission to trading on a regulated market and ESMA of the reasons for not reaching a decision. However, such failure shall not be deemed to constitute approval of the application.

Member States shall ensure that appropriate measures are in place to address failure by competent authorities to comply with the time limits laid down in the first subparagraph of this paragraph and paragraphs 3 and 6.

ESMA shall make public on yearly basis an aggregate report on the compliance of competent authorities with the time limits referred to in the first subparagraph of this paragraph and paragraphs 3 and 6.

(a) paragraph 6a is deleted;

(b) the following paragraph is inserted:

‘6b. By way of derogation from paragraphs 2 and 4 ***of this Article***, the time limits set out in paragraph 2, first subparagraph, and paragraph 4 shall be reduced to 7 working days for an EU Follow-on prospectus ***that is subject to the maximum length as referred to in paragraphs 5 and 6 of Article 14b***. The issuer shall inform the competent authority at least 5 working days before the date envisaged for the submission of an application for approval.

The reduced time limit set out in the first subparagraph of this paragraph shall not apply to an EU Follow-on prospectus drawn up by issuers as referred to in Article 14b(1), point (ab)’’

(c) paragraph 11 is replaced by the following:

‘ The Commission is empowered to adopt***, after consulting with ESMA,*** 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***;***

(b) ***the circumstances under which*** a competent authority ***is allowed, where deemed necessary for investor protection, to require additional information over and above that which is required under Articles 6, 13, 14b, and 15a for drawing up a prospectus, an EU Follow-on prospectus or an EU Growth issuance*** prospectus***, including the type of additional information that may be required to be disclosed under the additional criteria*** as referred to in ***point (a)***;

(c) the maximum ***overall timeframe within which*** the scrutiny of the prospectus ***shall be finalised and*** a decision ***reached by the competent authority*** on whether that prospectus is approved ▌ or whether the approval is refused and the review process terminated***, and the conditions for possible derogations from this timeframe***.

The maximum timeframe referred to in point (c) shall ***take into account point (a) of the first subparagraph of this paragraph, the average number of iterations between the issuer, offeror and the person asking for admission to trading on a regulated market and the competent authority within the same application for approval of a draft prospectus, and the timeframes laid down in paragraphs 2, 3, 4, 6 and 6b***. ▌

Where the competent authority fails to take a decision on the prospectus within the maximum timeframe referred to in point (c) of the first subparagraph of this paragraph, such failure shall not be deemed to constitute approval of the prospectus.';'

(d) paragraph 13 is ***deleted;***

(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 3 working 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 issuance ***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 3 working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in paragraph 1 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. That period may be extended by the issuer or the offeror. The final date of the right of withdrawal shall be stated in the supplement.

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:

' 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 ***the period*** 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 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 working 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***, where and the period when*** 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 necessary to comply with capital requirements under Union law or national law transposing Union law***.;’

(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.

By way of derogation from the first subparagraph, a Member State may opt out and require that the prospectus for an offer of securities to the public or an admission to trading on a regulated market which is sought only in that Member State is drawn up in a language accepted by the competent authority of that Member State. In such case, that Member State shall notify the Commission and ESMA of that decision.

ESMA shall publish on its website a list of the languages accepted by the competent authorities of each Member State for an offer of securities to the public or an admission to trading on a regulated market which is sought only in the home Member State.

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 ***the home and host*** 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 ***offer securities to the public in the Union or*** 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 ▌ third country ▌ , provided that all of the following conditions are met:

(a) the Commission has adopted an implementing act in accordance with paragraph ***4***;

(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) ***The competent authority of the home Member State or, where relevant,*** ESMA has concluded cooperation arrangements with the relevant supervisory authorities of the third country issuer in accordance with Article 30.

▌

2. Where, in accordance with ***paragraph 1*** , 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.

3. Where all criteria laid down in ***paragraph 1 ,*** 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.

4. 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.

5. The Commission is empowered to adopt delegated acts, in accordance with Article 44, to supplement this Regulation by specifying further the ***conditions*** referred to in paragraph ***4***.;'

(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, ***the competent authorities of the Member States or ESMA, upon request of at least one competent authority, shall conclude cooperation arrangements*** concerning the exchange of information ***with*** supervisory authorities ***in*** third countries ▌ and the enforcement of obligations arising under this Regulation in third countries***. Cooperation arrangements cannot be concluded with a*** third country ***that***, in accordance with a delegated act ***in force adopted by the Commission pursuant to*** Article ***9*** of Directive (EU) 2015/849 of the European Parliament and of the Council[41], 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 to the EU list of non-cooperative jurisdictions for tax purposes.*** Those cooperation arrangements shall ensure ***at least*** an efficient exchange of information that allows the competent authorities to carry out their duties under this Regulation.

Before concluding a cooperation arrangement in accordance with paragraph 1, a competent authority shall inform ESMA and the other competent authorities.’;

[41] 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) ***the paragraph 2 is replaced by the following:***

'2. For the purpose of Article 29 and, where deemed necessary, for the purpose of Article 28, ESMA shall facilitate and coordinate the development of cooperation arrangements between the competent authorities and the relevant supervisory authorities of third countries. ESMA shall also, where necessary, facilitate and coordinate the exchange between competent authorities of information obtained from supervisory authorities of third countries that may be relevant to the taking of measures under Articles 38 and 39.'

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

'3. ***'***Cooperation arrangements on exchange of information with ▌supervisory authorities of third countries ***may only be concluded*** 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 ***those*** 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 ***14b(8), Article 15a(8), Article*** 16(5), Article 20(11), Article ***29(5)*** 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 ***14b(8), Article 15a(8), Article*** 16(5), Article 20(11), Article ***29(5)*** 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 ***14b(8), Article 15a(8), Article*** 16(5), Article 20(11), Article ***29(5)*** 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, ***points (da) and*** (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) Article 48 is amended as follows:

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

‘1. By 31 December…[***4*** 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**,** the universal registration document referred to in Article 9 ***and the framework for the scrutiny and approval of the prospectus referred to in Article 20*** remain appropriate in light of their pursued objectives. The report shall contain all of the following:

(a) the number of EU Growth issuance ***prospectus*** 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 ***prospectus***;

(b) an analysis of whether the EU Growth issuance ***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 issuance ***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 ***prospectus***;

(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.**'**;

(g) an analysis of whether the scrutiny and approval procedures of competent authorities, in accordance with Article 20 and the delegated acts adopted on the basis of it, ensure proper level of supervisory convergence throughout the Union and remain appropriate in light of their pursued objectives. Such analysis shall be based on a report provided by ESMA no later than one year before the date of the review report by the Commission.

(h) an analysis of whether the possibility for Member States to require national disclosures in accordance in accordance with Article 3(2d) is conducive to converging national disclosure requirement below the relevant exemption threshold set out in Article 3(2) or 3(2a) and whether those national disclosures constitute an obstacle to the offer of securities to the public in those Member States.

(b) the following paragraph is added:

‘ 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. Prospectuses approved in accordance with Regulation (EU) 2017/1129 before [18 months after the date of entry into force of the amending Regulation minus one day] shall continue to be governed by the provisions of that Regulation until the end of their validity.

2. Article 14 of Regulation (EU) 2017/1129 as applicable on … [***15 months after the*** 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.

3. Article 15 of Regulation (EU) 2017/1129 as applicable on … [***15 months after the*** date of entry into force of this amending Regulation minus one day] shall continue to apply to EU Growth prospectuses ***drawn up in accordance with that Article 15 and*** 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:

‘ ***In case of compliance with the conditions set out in points, a) to f) of this first subparagraph, the disclosing market participant shall be deemed to have disclosed inside information 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);***

(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.

(c) paragraph 5 is deleted;

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

‘ Where information that has been disclosed in the course of a market sounding ▌ 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 ***inside information related to*** intermediate steps in a protracted process as referred to in Article 7(2) and (3) where those steps are connected with bringing about ***particular circumstances or an event. In a protracted process, only the final*** circumstances or ***event shall be disclosed as soon as possible after they have occurred***. ▌

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

‘1a. ***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***.’

(c) paragraph 4 is replaced by the following:

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

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

(b) the inside information that the issuer ***or emission allowance market participant*** intends to delay ***is not in contrast with the latest public announcement or other type of communication by the issuer or by the emission allowance market participant on the same matter to which the inside information refers to;***

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

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

By way of derogation from the third subparagraph of this paragraph, an issuer whose financial instruments are admitted to trading only on an SME growth market shall provide a written explanation to the competent authority specified under paragraph 3 only upon request. As long as the issuer is able to justify its decision to delay, the issuer shall not be required to keep a record of that explanation.

4b. Non-disclosure by an issuer of inside information related to intermediate steps in protracted processes, according to paragraph 1, is not subject to the requirements provided for in paragraph 4.'

(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 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) ▌paragraph 7▌ is replaced by the following:

‘ ***Where disclosure of inside information has been delayed in accordance with paragraph 4 or 5, or when inside information relating to intermediate steps in a protracted process has not been disclosed in accordance with article 17(1), and the confidentiality of that inside information is no longer ensured, the issuer or the emission allowance market participant shall disclose that inside information to the public as soon as possible.***

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, ***or to inside information related to intermediate steps in a protracted process that has not been disclosed in accordance with paragraph 1,*** 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 issue guidelines to establish a non-exhaustive indicative list of the legitimate interests of issuers, as referred to ***in*** point (a) ***of paragraph 4***.

(g) the following paragraph is inserted:

‘12. The Commission shall be empowered to adopt a delegated act to set out and review, where necessary a non-exhaustive list:

(a) of final events in protracted processes and, for each event, the moment when it is deemed to have occurred and shall be disclosed pursuant to paragraph 1 of this Article;

(b) of situations in which the inside information that the issuer or the emission allowance market participant intends to delay is in contrast with the latest public announcement or other type of communication by the issuer or the emission allowance market participant on the same matter to which the inside information refers to, as referred to in point (b), subparagraph 1, paragraph 4 of this Article. ’

(6) Article 18 is amended as follows:

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

'By way of derogation from the first subparagraph of this paragraph and where justified by specific national market integrity concerns, Member States may require issuers whose financial instruments are admitted to trading on an SME growth market to include in their insider lists all persons referred to in point (a) of paragraph 1.';

(d) ***in*** paragraph 6***, the fourth, fifth and sixth subparagraphs are*** deleted***.***

(e) paragraph 9 is replaced by the following:

' ESMA shall review the implementing technical standards on the alleviated format of the insider lists for issuers admitted to trading on SME growth markets to extend the use of such a format to all insider lists referred to in paragraphs 1 ***and 6, first and second subparagraphs***.

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 conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1095/2010.***'***;'

(7) Article 19 is amended as follows:

(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.

9. A competent authority may decide to increase the threshold set out in paragraph 8 to EUR 50 000 ***or decrease it 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 higher ***or 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.***’***;’

(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 financial instruments other than 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; ▌

(ba) paragraph 12a is added:

'12a. Without prejudice to Articles 14 and 15, an issuer shall 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, in case of transactions or trade activities ***that*** do not ***relate to*** active investment decisions ***undertaken*** by the person discharging managerial responsibilities, or ***that*** result ***exclusively*** from external factors or ***actions of*** third parties, or are ***transactions or trade activities, including*** 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***, at the request of at least one competent authority,*** 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.**’**;’

(10) the following articles ▌ are inserted:

‘ Article 25a
Mechanism to exchange order ▌ data

1. Competent authorities supervising trading venues with a significant cross-border dimension shall, by [***18*** months from the date of entry into force of this Regulation], set up a mechanism to permit ongoing and timely exchange of order ***data on the financial instruments*** referred to in paragraph 2 ***point (a)*** and collected from those trading venues in accordance with Article 25 of Regulation (EU) No 600/2014 with respect to the ***financial*** 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 requested competent authority shall ***request*** that data ***from the relevant trading venue*** in a timely manner and not later than ***four working days*** from the date of the request. The ***requested data shall be made available to the*** competent authority ***that submitted the first request as soon as possible and no later than the deadline determined in paragraph 4 point (c)***.

The ongoing and timely exchange of order data on the financial instruments referred to in paragraph 2 point (b) and point (c) shall be made operational through this mechanism by [42 months from the date of entry into force of this Regulation].

1b. The relevant trading venue shall establish and maintain appropriate arrangements, systems and procedures to permit ongoing and timely exchange of order data by 18 months from the date of entry into force of this Regulation.

1c. The request for ongoing data from a competent authority may be submitted for a specific set of financial instruments.

2. A competent authority may obtain order data originating from a trading venue that has a ***significant*** 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 ***and this data could be relevant for the supervisory activities of this authority*** 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 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 ***Member State makes a decision in accordance with the first subparagraph, that Member State and its competent authority shall comply with the provisions of this Article***.

4. ESMA shall develop draft implementing technical standards

(a) 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***,***

(b) to determine appropriate arrangements, systems and procedures for trading venues to comply with the requirement in paragraph 1, third subparagraph, and

(c) to determine the format and the deadline for providing without delay the requested data in paragraph 1, third subparagraph.

ESMA shall submit those draft implementing technical standards to the Commission by [9 months after the ***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 ***Article 15*** of Regulation (EU) No 1095/2010.

5. The Commission ***shall adopt delegated acts in accordance with Article 35*** to establish a list of designated trading venues that have a significant cross-border dimension in the supervision of market abuse, by taking into account ***for each class of financial*** instruments ▌ at least ***all the following:***

(a) the trading volume on the trading venue; and

(b) the trading volume on that trading venue in financial instruments for which the competent authority of the most relevant market referred to in Article 26 of Regulation (EU) No 600/2014 differs from the competent authority of the trading venue.

With regard to shares, the criterion referred to in the first subparagraph, of point (a), shall be measured as turnover in shares aggregated at the level of the trading venue, and shall not be below EUR 100 billion per year in any of the last 4 years. The criterion referred to in the first subparagraph, of point (b), shall be defined as the ratio between the turnover in shares for which the competent authority of the most relevant market referred to in Article 26 of Regulation (EU) No 600/2014 is different from the competent authority of the trading venue and the total turnover in all shares traded on that venue in a year. This ratio shall not be below 50 percent.

5a. By [36 months after the date of entry into force of this Regulation], ESMA shall submit a report to the Commission on the functioning of the mechanism.

That report shall cover at least the following:

(a) a description of technical challenges faced by the trading venues, competent authorities, and ESMA during the implementation of the mechanism for shares;

(b) the costs incurred by competent authorities and ESMA in the set-up of the mechanism for shares.

(c) the functioning of the thresholds referred to in the last subparagraph of paragraph 5 of this Article.

The report shall include a cost-benefit analysis linked to the future development of the mechanism with regards to the inclusion in the scope of possible relevant financial instruments, including those referred to in points (b) and (c) of paragraph 2. The report shall also include recommendations on the extension of the scope to the financial instruments referred to in paragraph 2, taking into account the added value, technical challenges and expected costs.

6. The Commission ***shall*** adopt delegated acts in accordance with Article 35 to amend paragraph 2 ***and 5*** by updating the ***list of designated trading venues with a significant cross-border dimension and*** financial instruments, ***and amend the second subparagraph of paragraph 1 to postpone the extension of the mechanism to bonds and futures,*** taking into account ***the report mentioned in paragraph 5a,*** 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 ▌ at the request of one or more competent authorities, in the case of ***serious*** concerns about market integrity or the ***orderly*** 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.

   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 ▌ , assist the competent authorities in reaching an agreement in accordance with Article 19(1) ***first subparagraph*** of Regulation (EU) No 1095/2010.

ESMA may also***, at the request of one or more competent authorities,*** coordinate on-site inspections. ▌ The competent authority of the home Member State as well as other relevant competent authorities of the collaboration platform ***may invite ESMA*** to participate in such on-site inspections.

ESMA may also***, at the request of one or more competent authorities,*** set up a collaboration platform jointly with ACER and the public bodies monitoring wholesale commodity markets where the concerns about market integrity and the ***orderly*** 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[42] 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.

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.’

[42] ***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 ***ban of at least ten years*** 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. ***Where competent authorities 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),*** Member States ***shall ensure that such authorities may impose administrative sanctions of at least EUR 2 500 000.Where the legal person is an SME, Member States may ensure that such authorities may alternatively impose administrative sanctions of at least 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***;

(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. ***Where competent authorities 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), Member States shall ensure that such authorities may impose administrative sanctions of at least EUR 1 000 000.Where the legal person is an SME, Member States may ensure that such authorities may alternatively impose*** administrative ***sanctions of at least 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*** ;

(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.;

(iii) in the third subparagraph the introductory wording is replaced by the following:

'For the purposes of point (j) of the first subparagraph, ';'

(b) the following paragraph 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[43*8*1].

(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;

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[43] ***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).';'***

(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 disadvantage for the person responsible for the infringement resulting from*** the duplication of criminal and administrative proceedings and penalties for the same ***conduct.'***;'

(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 25***a(5), (5a) and (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 (5), (5a) and (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(2), third*** subparagraph, Article ***17(3)***, Article ***17(12)***, Article 19(13) or (14), Article 25a(5), ***(5a) and (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.***'***;’

(15a) In article 38, the title is replaced as follows:

‘***Reports’***

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

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

‘ ***‘By ...*** [***4*** 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) ***points (c) and (d) are*** replaced by the following:

‘(c) whether the provision on non-disclosure of inside information relating to intermediate steps in a protracted process in Article 17 paragraph 1 strikes an adequate balance between reducing burden for issuers and allowing investors to take informed investment decisions; and

(d) the proportionality of the ***absolute amounts, as expressed in Article 30(2)(j)(iii) and (iv), and their appropriateness in relation to micro, small and medium-sized enterprise***.’

(c) point (e) is deleted

(d) after the second subparagraph, the following subparagraph is introduced:

> ***'(g) By [7 years after entry into force of this amending Regulation], the Commission shall submit a report to the European Parliament and to the Council on the functioning of the cross-market order data surveillance mechanism, its impact on the ability of national competent authorities to ensure effective supervision, how to enforce such mechanism, and the merits of the potential inclusion of systematic internalisers in the scope of the mechanism;'***

(e) the third subparagraph is replaced by the following:

> '***By [4 years after entry into force of this amending Regulation], the Commission shall, after consulting ESMA, submit a report to the European Parliament and to the Council on the level of the thresholds set out in Article 19(1a)(a) and (b) in relation to managers' transactions where the issuer's shares or debt instruments form part of a collective investment undertaking or provide exposure to a portfolio of assets, with a view to assessing whether that level is appropriate or should be adjusted.'***

Article 3

Amendments to Regulation (EU) No 600/2014

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

(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 ***in a machine-readable format and using a common template***. The competent authority of the trading venue may request those data 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.;’

(2) paragraph 3 is replaced by the following:

'3. 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..'

Article 4

Entry into force and application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the ***Official Journal of the European Union***.

2. Article 1, ***points (7)(h), (11), (12), (13) and*** (***14***)▌ , shall apply from [***15*** months after the date of entry into force] ▌

3. ***Article 1, point (3), point (6)(b) and (c), point (7) (a) – (f), point 10(a)(i), (a)(ii) and (a)(iia), point 10(b), point 10(c), point 21 (a) (1), and Article 2, point (5)(a), (b), (c) and (e) shall apply from [18 months after the date of entry into force].***

4. ***Member states shall take necessary measures to comply with Article 2, point (13)(a) and (14) by [18 months after 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 ***either*** incorporate by reference ***or include the information set out in*** 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.

Where applicable, this information must include information referred to in Article 6 of [Directive (EU) XXXX/X of the European Parliament and of the Council on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market.[1]

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).

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1 ***Directive (EU) XXXX/X of the European Parliament and of the Council on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market (OJ L XXX, XX.X.XXXX, p. X).***

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

XIIa. Dividend policy (equity securities only)

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

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

Part 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.

Part 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.

Part III

Management report, including sustainability reporting (equity securities only)

The purpose of this section is to ***either*** incorporate by reference ***or include the information set out in*** 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.

Part 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.

Part 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.

Part 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.

Part 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.

Part VIIa

Dividend policy (equity securities only)

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

Part 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

Part 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.

Part II

Working capital statement *(equity securities only)*

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

Part 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.

Part 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.

Where applicable, this information must include information referred to in Article 6 of [Directive (EU) XXXX/X of the European Parliament and of the Council on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market.

Part 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).

Part 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).

Part 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.

Part 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.

Part 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

Part I

Summary

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

Part II

Information about **the issuer**

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 ***EU Follow-on*** prospectus).

Part 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.

Part 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.

Part V

Financial *information*

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.

Part VI
Dividend policy

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

Part 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.

Part VIIa

Profit forecasts and estimates

Where an issuer has published a profit forecast or a profit estimate (which is still outstanding and valid), that forecast or estimate shall be included in the EU Follow-on prospectus.
If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid

Part VIII

Details **of the offer** */ admission to trading***.**

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.

Provide information on 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.

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 regulated markets, the SME growth markets or the MTFs where the shares are to be admitted to trading and, if known, the earliest dates on which the shares will be admitted to trading.

Part IX

Essential information on the shares ▌

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) ***a description of the type, class and amount of the shares being offered to the public or admitted to trading on a regulated market;***

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.

Part 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.

Part 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.

Part 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.

Part 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.

Part 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.

Part 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

Part I

Summary

Without prejudice to Article 7(1), second subparagraph, the EU Follow-on prospectus must include a summary drawn up in accordance with Article 7(12b).

Part II

Information about **the issuer** *[Registration document]*

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 ***EU Follow-on*** prospectus).

Part III

Responsibility statement and statement on the competent authority

1. Responsibility statement ***[Registration document / Securities note]***

Identify the persons responsible for drawing up the ***[registration document / securities note /*** EU Follow-on prospectus***]*** and include a statement by those persons that, to the best of their knowledge, the information contained in the ***[registration document / securities note /*** EU Follow-on prospectus***]*** is in accordance with the facts and that the ***[registration document / securities note /*** 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 [registration document / securities note / 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 [registration document / securities note / EU Follow-on prospectus] relates;

specify that the competent authority has only approved the [registration document / securities note / EU Follow-on prospectus] as meeting the standards of completeness, comprehensibility and consistency imposed by this Regulation;

specify that the [registration document / securities note / EU Follow-on prospectus] has been drawn up as [part of] an EU Follow-on prospectus in accordance with Article 14b.

Part IV

Risk factors *[Registration document / Securities note]*

A description of the material risks that are specific to the issuer ***[registration document / EU Follow-on prospectus]*** 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 ***[securities note / EU Follow-on prospectus]***, in a limited number of categories, in a section headed 'Risk Factors'.

The risks shall be corroborated by the content of the ***[registration document / securities note /*** EU Follow-on prospectus***]***.

Part V

Financial *information [Registration document]*

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.

Part VI

Trend information *[Registration document]*

A description of:

(a) ***any material adverse change in the prospects of the issuer*** since the ***date of its last published audited financial statements;***

(b) ***any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document***;

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

Part VII

Details **of the offer**[1] */ admission to trading. [Securities note]*

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.

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.

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 regulated markets, the SME growth markets or the MTFs where the securities are to be admitted to trading and, if known, the earliest dates on which the securities will be admitted to trading.

[1] ***Not applicable to non-equity securities referred to in Article 7(1), second subparagraph, points (a) and (b).'***

Part VIII

Essential information on the securities *[Securities note]*

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)

(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.

Part IX

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

[Securities note]

For non-equity securities other than those referred to in Article 7(1), second subparagraph, points (a) and (b), 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.***

For non-equity securities referred to in Article 7(1), second subparagraph, points (a) and (b), the use and estimated net amount of the proceeds.

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).

Part X

Conflicts of interest *[Securities note]*

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.

Part XI

Documents available *[Registration document]*

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 ***PROSPECTUS*** FOR SHARES AND OTHER TRANSFERABLE SECURITIES EQUIVALENT TO SHARES IN COMPANIES

I. Summary

The EU Growth issuance ***prospectus*** 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 ***prospectus*** unless that information is incorporated by reference into the EU Growth issuance ***prospectus***. ▌

III. Responsibility statement and statement on the competent authority

1. Responsibility statement

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

IV. Risk factors

The risks shall be corroborated by the content of the EU Growth issuance ***prospectus***. ▌

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'.

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 ***prospectus*** 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 ***prospectus*** up to the date of the EU Growth issuance ***prospectus*** 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

Where an issuer has published a profit forecast or a profit estimate (which is still outstanding and valid), that forecast or estimate shall be included in the EU Growth issuance prospectus. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid[PC(1] [PC(1]Suggest to use current L2 language, which is less burdensome

VI. Organisational structure

▌ If the issuer is part of a group and where not covered elsewhere in the EU Growth issuance ***prospectus*** 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 ***information***

Where applicable, pro forma information must also be included.

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 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.

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 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 ***prospectus***:

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

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

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.

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

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

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

▌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, must be ***either*** incorporated by reference ***or the information contained therein must be included in the EU Growth Issuance Prospectus***.

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. ***Details*** of the offer ***/ admission 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.

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.

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.

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.

Provide information on 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.

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.

XII. Essential information on the shares ▌

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.

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

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

(-a) a description of the type, class and amount of the shares being 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)

(ca) Where applicable, information referred to in Article 6 of [Directive (EU) XXXX/X of the European Parliament and of the Council on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market.

XIII ▌ Reason for the offer and use of proceeds

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

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 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.

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

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

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

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Annex VIII

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

Part I

Summary

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

Part 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 ***prospectus*** unless that information is incorporated by reference into the EU Growth issuance ***prospectus***.

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.

Part III

Responsibility statement and statement on the competent authority

1. Responsibility statement

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

Part 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 ***prospectus***.

Part 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.

Part VI

Organisational structure

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

Part 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.

Part VIII

Financial *information*

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

Part IX

Details **of the offer** */ admission to trading*

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.

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.

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.

Part X

Essential information on the securities

(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)

(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.

Part 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).

Part 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.

Part XIII

Documents available

A statement that for the term of the EU Growth issuance ***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 Growth issuance ***prospectus***.

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, ***POINTS (DA) AND*** (DB), AND IN ARTICLE 1(5), FIRST SUBPARAGPRAH, POINT (BA)

(-1) The name of the issuer (including its LEI), country of incorporation, link to the issuer's website.

(-1a) 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) The name of the competent authority of the home Member State in accordance with Article 20 of Regulation (EU) 2017/1129. 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 ▌competent authority ***of the home Member State***. ▌

(***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 ***issuer***.

(***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.'