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REGULATION (EU) 2024/2809 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 23 October 2024

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 ⁽¹⁾,

Acting in accordance with the ordinary legislative procedure ⁽²⁾,

Whereas:

- (1) The capital markets union (CMU) presented in the communication of the Commission of 30 September 2015 on an Action Plan on Building a Capital Markets Union aims to develop Union capital markets and decrease their fragmentation along national borders, thereby enabling 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 needs to reach the levels made necessary by the Union's policy priorities related to environmental protection, digitalisation and strategic autonomy. Moving forward in 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 effective and efficient regulatory framework that supports access to public equity funding for companies, including SMEs. Directive 2014/65/EU of the European Parliament and of the Council ⁽³⁾ created a new type of trading venue, the SME growth market, to facilitate access to capital specifically for SMEs. Directive 2014/65/EU also expressed the need to monitor how future regulation should further foster and promote the use of SME growth markets and provide further incentives for SMEs to access capital markets through SME growth markets. Such measures need to ensure not only that SME growth markets provide an increasingly attractive opportunity for SMEs to raise funds but also that, with time and success, SMEs are able to access other capital markets, if they choose to do so.
- (3) Regulation (EU) 2019/2115 of the European Parliament and of the Council ⁽⁴⁾ introduced proportionate alleviations to enhance the use of SME growth markets and to reduce the regulatory requirements for issuers seeking the 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

⁽¹⁾ OJ C 184, 25.5.2023, p. 103.

⁽²⁾ Position of the European Parliament of 24 April 2024 (not yet published in the Official Journal) and decision of the Council of 8 October 2024.

⁽³⁾ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

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

on the CMU recommended that the Commission remove regulatory obstacles that hold back companies from accessing public markets. The Technical Expert Stakeholder Group on SMEs set out detailed recommendations on how to foster access by companies and, in particular, SMEs to Union public markets.

- (4) Building on one of the Commission's initiatives within its post-COVID19 recovery strategy, namely, the Capital Markets Recovery Package, targeted amendments have been introduced into Regulations (EU) 2017/1129 ⁽⁵⁾ and (EU) 2017/2402 ⁽⁶⁾ of the European Parliament and of the Council, and into Directives 2014/65/EU and 2004/109/EC of the European Parliament and of the Council ⁽⁷⁾ 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 have had only a limited impact.
- (5) On the basis of the recommendations of the Technical Expert Stakeholder Group on SMEs and building on Regulation (EU) 2019/2115 and on the measures adopted under Regulation (EU) 2021/337 of the European Parliament and of the Council ⁽⁸⁾, and as part of the Capital Markets Recovery Package, the Commission committed to putting 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, initial public offering (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 ⁽⁹⁾.
- (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 through an 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 might 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 are able to exempt offers of securities to the public from the obligation to publish a prospectus where such offers have a total consideration below a certain threshold, which Member States are able to set between EUR 1 000 000 and EUR 8 000 000. Certain Member States have made use of that possibility, which has resulted in different exemption thresholds, creating complexity and a lack of clarity for

⁽⁵⁾ 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).

⁽⁶⁾ 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).

⁽⁷⁾ 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⁾ 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).

⁽⁹⁾ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1).

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, below which that Regulation does not apply, should be removed.

- (8) In order to reduce market fragmentation while also having regard to the different sizes of national capital markets within the Union, the existing system that allows Member States to set various exemption thresholds between EUR 1 000 000 and EUR 8 000 000 should be replaced by a dual-threshold system. A threshold with a 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 able to decide to apply a threshold of EUR 5 000 000. 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 require the issuer to publish either a document containing the information referred to in Article 7 of Regulation (EU) 2017/1129, or, a document containing the information requirements 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 passporting 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 are to 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 an offer to the public under Article 1(4) of that 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 the same SME growth market. Considering that subscription rights are intrinsically linked to the issuance of new shares, the right to subscribe for shares fungible with existing shares should also be covered by that 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 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 % threshold should be aligned with the threshold for the exemption for securities fungible with securities already admitted to trading on the same regulated market since the two exemptions are equivalent in scope.

- (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⁽¹⁰⁾. Where those companies issue securities fungible with securities already admitted to trading on those 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 to 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 to 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 the preferential right of existing shareholders to subscribe for the securities covered by the exemption. Where the scope of the new exemption makes other existing exemptions redundant, those other exemptions should be removed.
- (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 reach considerable sizes, becoming unfit for investors to be able 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 CMU. To improve the readability of prospectuses, reduce the costs for issuers related to the drafting of prospectuses, create convergence across the Union, and make it easier for investors to analyse and navigate through prospectuses, it is necessary to set 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 following should be excluded from the page limit: 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; and information to be provided where the issuer has a complex financial history or has made a significant financial commitment, or in the case of a significant gross change as defined in Commission Delegated Regulation (EU) 2019/980⁽¹¹⁾.

⁽¹⁰⁾ 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).

⁽¹¹⁾ 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).

- (17) The standardised format and the standardised sequence of the information to be disclosed in a prospectus should be set out in this Regulation, 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.
- (18) 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 be required to draw up several documents, the page limit as well as the standardised format and standardised sequence should not apply to a prospectus relating to the admission to trading of such securities.
- (19) In order to achieve convergence across the Union on the format of prospectuses, 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⁽¹²⁾ 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 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 having regard to the type of prospectus and the type of investors targeted. The Commission should adopt those implementing technical standards by means of implementing acts pursuant to Article 291 of the Treaty on the Functioning of the European Union (TFEU) and in accordance with Article 15 of Regulation (EU) No 1095/2010.
- (20) The prospectus summary is a key and essential document that serves as guidance to support retail investors in better understanding and navigating through the whole prospectus and thus in making 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, within the page limit set out in Article 7 of Regulation (EU) 2017/1129.
- (21) 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 might not be sufficient. It is therefore necessary to allow for the length of the prospectus summary to be further extended in the event of guarantees that are provided by more than one guarantor.
- (22) In order to ensure uniform conditions of application of the requirements regarding the prospectus summary, ESMA should be required to develop draft implementing technical standards to specify the template and layout of summaries, including the font size and style requirements. Furthermore, to help retail investors to navigate through the prospectus summary, 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. The Commission should adopt those implementing technical standards by means of implementing acts pursuant to Article 291 TFEU and in accordance with Article 15 of Regulation (EU) No 1095/2010.
- (23) Regulation (EU) 2017/1129 allows an issuer which has had a universal registration document approved by its competent authority for a period of two consecutive financial years to have the status of frequent issuer and be able to file all subsequent universal registration documents, and any amendments thereto, without prior approval. To reduce unnecessary burdens and incentivise the use of the universal registration document, that period should be reduced to one financial year. Such alleviation will not affect investor protection, as a universal registration document and any amendments thereto are not able to 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

⁽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).

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.

- (24) To facilitate the IPO of private companies on the Union's public markets and, in general, to reduce unnecessary costs and burdens for companies that offer securities to the public or seek admission to trading on a regulated market, the prospectus for both equity and non-equity securities should be significantly streamlined, while ensuring that a sufficiently high level of investor protection is maintained.
- (25) 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 Delegated Regulation (EU) 2019/980.
- (26) 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 the ESG-related information to be provided, where relevant, in the prospectus for equity or non-equity securities offered to the public or admitted to trading on a regulated market. That requirement should, however, not overlap with the requirement laid down in other Union legislative acts 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⁽¹³⁾. 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 required under Directive 2013/34/EU or, where applicable, those under Regulation (EU) 2023/2631 of the European Parliament and of the Council⁽¹⁴⁾, without undermining the voluntary nature of the label and of the opt-in templates set out in that Regulation.
- (27) 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 too close to that of 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 preceding 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.
- (28) To enable issuers to fully benefit from the EU Follow-on prospectus as an alleviated prospectus type, its scope should be broad and encompass public offers or admissions 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

⁽¹³⁾ 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).

⁽¹⁴⁾ Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L, 2023/2631, 30.11.2023, ELI: <http://data.europa.eu/eli/reg/2023/2631/oj>).

their securities have been admitted to trading on an SME growth market continuously for at least the preceding 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 that requires the disclosure of a full prospectus to enable investors to take an informed investment decision.

- (29) Since 31 December 2022, the EU Recovery prospectus referred to in Regulation (EU) 2017/1129 is no longer able to be used. The EU Recovery prospectus had the advantage that it 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. For those reasons, 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 secondary issuances of both 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.
- (30) 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.
- (31) 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.
- (32) To improve the readability of the EU Follow-on prospectus and to make it easier for investors to analyse it and navigate through it, it should be subject to a page limit for secondary issuances of shares. A page limit would, in contrast, not be appropriate 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 following should be excluded from the page limit: the summary; information incorporated by reference, including a universal registration document approved by, or filed with, a competent authority; and information to be provided where the issuer has a complex financial history or has made a significant financial commitment, or in the case of a significant gross change.
- (33) One of the key objectives of the CMU is to facilitate the access of SMEs to public markets in the Union and to provide those SMEs with sources of funding other than bank lending and the opportunity to scale up and grow. The cost of producing a prospectus might be a deterrent for SMEs willing to offer securities to the public, considering the typically 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 a market capitalisation of up to EUR 500 million whose securities 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 too close to that of a standard prospectus to make a significant difference for SMEs. There is therefore a need for an EU Growth issuance prospectus that has lighter 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.

- (34) 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 the case of an exemption from the obligation to publish a prospectus, the content of which 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 in order for it to be easily read by investors.
- (35) The EU Growth issuance prospectus should be available for SMEs, issuers other than SMEs whose securities are admitted or are to be admitted to trading on an SME growth market, and small unlisted companies whose total consideration for the securities offered to the public is not higher than 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 whose securities 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 base of investors, issuers whose securities have already been admitted to trading on an SME growth market continuously for at least the preceding 18 months should be allowed to use an EU Follow-on prospectus to transfer to a regulated market.
- (36) 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.
- (37) The EU Growth issuance prospectus should be a harmonised document which is easy for issuers, especially SMEs, to draw up and easy for investors to read, 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 effective in terms of providing the necessary information to enable investors to make informed investment decisions and efficient in terms of the lighter requirements as to the content of the EU Growth issuance prospectus. A page limit would, however, be inappropriate for the broad category of equity securities other than shares or non-equity securities, which encompass a wide range of different instruments, including complex ones. Furthermore, the following should be excluded from the page limit: the summary, any information incorporated by reference, and any 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.
- (38) The EU Follow-on prospectus and the EU Growth issuance prospectus should complement the standard prospectus in Regulation (EU) 2017/1129. Therefore, unless expressly stated otherwise, all references to 'prospectus' under Regulation (EU) 2017/1129 are to 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 means that an issuer is permitted to choose one from among the prospectus types available when an offer to the public or admission to trading on a regulated market requires a prospectus.
- (39) In order to instil 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 as a full prospectus, for both domestic and cross-border offers or admissions to trading. Therefore, where an issuer is entitled to use an EU Follow-on prospectus or an EU Growth issuance prospectus, both of which make the preparation of the transaction at stake more efficient and less onerous, and no other material considerations against the use of either of those prospectuses exist, the issuer's choice from among the prospectus types available to the issuer should be protected and neither advisers nor competent authorities should drive the issuer towards drawing up a full prospectus where that is not strictly required.

- (40) 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 the prospectus more comprehensible 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 specific risk factors of which investors should be aware.
- (41) Under Article 17(1) of Regulation (EU) 2017/1129, where the final offer price or amount of securities to be offered to the public cannot be included in the prospectus, the investor has a withdrawal right which can be exercised within two working days of the filing of the final offer price or amount of securities to be offered to the public. To increase the level of investor protection, the period during which investors can exercise that withdrawal right should be extended.
- (42) 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 will 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') established under Regulation (EU) 2023/2859 of the European Parliament and of the Council ⁽¹⁵⁾. ESAP should enable investors to find in one place the majority of relevant information, hence further facilitating access to information incorporated by reference in prospectuses. Furthermore, companies should be allowed to incorporate by reference on a voluntary basis information that is not to be disclosed in a prospectus, provided that such information fulfils the conditions laid down in Regulation (EU) 2017/1129 on incorporation by reference.
- (43) 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. It should instead be possible for the new annual or interim financial information to 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.
- (44) Regulation (EU) 2017/1129 promotes the convergence and harmonisation 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 necessary for investor protection. The peer review report from ESMA 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.
- (45) To foster convergence and harmonisation of 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 in addition to 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.
- (46) In order to ensure that issuers are timely informed of the result of the scrutiny of their prospectus, competent authorities should be required 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 reason for that failure 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 a yearly basis an aggregate report on the competent authorities' compliance with the set time limits.

⁽¹⁵⁾ 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, ELI: <http://data.europa.eu/eli/reg/2023/2859/oj>).

Furthermore, Member States should ensure that appropriate measures are in place to address any 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.

- (47) In addition, a maximum timeframe should be set for finalising the scrutiny procedure and for the competent authority's decision on the prospectus. Given 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 scrutiny cannot be finalised within the set timeframe, it is important to specify the conditions for possible derogations from that timeframe. In addition, in the same way as for the time limits laid down in Article 20 of Regulation (EU) 2017/1129, a failure by the competent authority to take a decision on the prospectus within that maximum timeframe 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.
- (48) 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. Given 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. Article 20(13) of Regulation (EU) 2017/1129, which requires ESMA to organise and conduct a peer review of the scrutiny and approval procedures of competent authorities, should therefore be removed.
- (49) Article 21(1) 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 six 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 six days between the publication of the prospectus and the end of an offer of shares should be reduced, without affecting investor protection.
- (50) 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.
- (51) To make the distribution of the prospectus to potential investors more sustainable, to increase digitalisation in the financial sector and to remove unnecessary costs, potential investors should no longer be entitled to request a paper copy of a prospectus. Therefore, a copy of the prospectus should be delivered to potential investors only in electronic format, upon request and free of charge.
- (52) 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 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 feedback from stakeholders on that regime, it should be made permanent.
- (53) 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 be required to inform those investors who agreed to be contacted by electronic means, for example by email, about the publication of a supplement. Furthermore, financial intermediaries should offer those investors that indicated their wish to be contacted only by means other than electronic ones an opt-in for electronic contact, for the purpose of receiving notification of the publication of a supplement. It is also necessary to oblige

financial intermediaries to point out to those 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 to check whether a supplement is published.

- (54) 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 doing 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.
- (55) 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 significantly reduce unnecessary burdens, 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 instead 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 cases, that Member State should be required to notify the Commission and ESMA of its 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.
- (56) Article 29 of Regulation (EU) 2017/1129 currently requires that a prospectus drawn up and approved in accordance with, and subject to, the national laws of a third country ('third country prospectus'), is approved by the competent authority of the home Member State of the issuer of the securities concerned, irrespective of whether that third country prospectus has already been approved by the relevant third country authority. That Article also requires the Commission to adopt 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 the 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 a 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. 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 or admissions to trading on a regulated market, by drawing up a prospectus in accordance with that Regulation.
- (57) Effective cooperation with the supervisory authorities of third countries concerning the exchange of information with those authorities and the enforcement of obligations under Regulation (EU) 2017/1129 in third countries is necessary to protect investors in the Union and ensure a 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 the request of at least one competent authority, should establish cooperation arrangements with the relevant supervisory authorities of third countries, 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 might be relevant to measures to be taken 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 or 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.

- (58) 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.
- (59) 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 12 000 000 or EUR 5 000 000 for an offer of securities to the public is conducive to converging national disclosure requirements and whether those national disclosures constitute an obstacle to the offer of securities to the public in those Member States.
- (60) The Commission should, after an appropriate period following 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 their objectives. 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 the proper balance between investor protection and the reduction of administrative burden. 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 amending Regulation. The Commission should also assess whether further harmonisation of the provisions on prospectus liability is warranted and, if so, consider amendments to the liability provisions set out in Regulation (EU) 2017/1129.
- (61) 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 the entry into force of Regulation (EU) No 596/2014, feedback from stakeholders collected in the context of public consultations and expert groups highlighted that some aspects of that Regulation 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.
- (62) Articles 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, however, contains 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 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 of the European Parliament and of the Council⁽¹⁶⁾. 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

⁽¹⁶⁾ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

shares. It is also necessary to simplify the disclosure obligation by allowing an issuer to only disclose to the public aggregated information which indicates the aggregated volume and the weighted average price per day and per trading venue.

- (63) The notion of inside information set out 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 concerning financial instruments, whereas in practice other persons might also be aware of a forthcoming order or transaction. That notion 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.
- (64) According to Article 11(1) of Regulation (EU) No 596/2014, a market sounding comprises the communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it, such as its potential size or pricing, to one or more potential investors. A market sounding is an established practice which contributes to efficient capital markets. A market sounding may, however, require the disclosure of inside information to potential investors 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 a market sounding should therefore also include communications of information not followed by any specific announcement of a transaction, as inside information might be disclosed to potential investors also in that case and issuers should be able to benefit from the protection afforded by Article 11 of Regulation (EU) No 596/2014.
- (65) 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 Article 11(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 a market sounding are obliged to comply with all of 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 optional for the disclosing market participants and entail 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 market participants that do 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 (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.
- (66) 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) 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 not, however, 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.
- (67) The prohibition of insider dealing has the objective of preventing 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 might mislead investors, rather than contribute to efficient price formation and address information asymmetry. Therefore, in a protracted process, the disclosure requirement should not cover announcements of mere intentions, ongoing negotiations or, depending on the circumstances, the progress of

negotiations, such as a meeting between company representatives. The issuer should only disclose 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 the occurrence of such circumstances or event. 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 final 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.

- (68) The exact identification of the moment when a set of circumstances or an event becomes final is not always straightforward. In order to enable the issuer to identify the moment when disclosure of the inside information is required, the Commission should be empowered to adopt a delegated act to set out a non-exhaustive list of final circumstances or final events in protracted processes which would trigger the obligation to disclose the information and, for each event or circumstance, the moment when the event or circumstance is deemed to have occurred.
- (69) Issuers should ensure the confidentiality of information related to intermediate steps where the circumstances or event that a protracted process intends to bring about or results in have not yet been disclosed. Once there has been disclosure of those circumstances or that event, the issuer should no longer be required to protect the confidentiality of the information related to intermediate steps.
- (70) There might be cases where an issuer needs 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 certain conditions are met. Non-disclosure by an issuer of inside information related to intermediate steps in a protracted process should not be subject to the requirements laid down 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 for delaying the disclosure of inside information, those conditions should be clarified by direct reference to previous public statements or other types of communications by the issuer or the emission allowance market participant. In order to provide further clarification, the Commission should be empowered to adopt a delegated act setting out a non-exhaustive list 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 emission allowance market participant on the same matter to which the inside information refers.
- (71) 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, limits that obligation for issuers whose financial instruments are admitted to trading on an SME growth market so that those issuers are required 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.
- (72) 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 more extensive insider lists that include all persons who have access to inside information, albeit 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.
- (73) 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 the notification of transactions in financial instruments of the relevant issuer to the prohibition to conduct transactions in such instruments during certain defined periods. In particular, Article 19(8) of Regulation (EU) No 596/2014 provides that persons discharging managerial responsibilities are required 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. Article 19(9) of Regulation (EU) No 596/2014 provides that competent authorities are able to increase the threshold to EUR 20 000.

- (74) 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 disclosures 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.

- (75) Article 19(11) of Regulation (EU) No 596/2014 prohibits persons discharging managerial responsibilities from trading, during a period of 30 calendar days before the issuer'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 its 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.

- (76) Certain transactions or activities carried out by the person discharging managerial responsibilities during the closed period might relate to irrevocable arrangements entered into outside of a closed period. Those transactions or activities might also result from a discretionary asset management mandate executed by an independent third party under a discretionary asset management mandate. Such transactions or activities might also be the consequence of duly authorised corporate actions not implying advantageous treatment for the person discharging managerial responsibilities. Furthermore, those transactions or activities might 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. 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 during the 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.

- (77) The increasing integration of markets heightens the risk of cross-border market abuse. 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 the possibility of coordinating any 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 proper 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, including the Agency for the Cooperation of Energy Regulators (ACER), when such concerns affect both financial and spot markets.

- (78) The monitoring of order data is crucial for the surveillance of market activity. Competent authorities should therefore have easy access to the 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. To ensure that the scope of that mechanism for exchanging order data is proportionate to its use, only competent

authorities that supervise markets that have a high level of cross-border activity should be obliged to participate in that mechanism. Member States whose competent authorities would have an interest in taking part in the mechanism on a voluntary basis should comply with 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 the Transaction Reporting Exchange Mechanism (TREM) or through the Single Access Point to EMIR Transaction Data through the implementation of the Trade Reporting and Compliance Engine (TRACE). Therefore, participating competent authorities should be able to set up the 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 delegated acts by taking into account, for each class of financial instruments, at least the trading volume on the 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 the 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. To ensure that 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 amend and update over time the list of designated trading venues by means of a delegated act, while ensuring proportionality, and to ask ESMA for an opinion. 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 as well as the capacity of competent authorities to process new data, the Commission should be empowered to further broaden the scope of instruments whose order data 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.

- (79) 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.
- (80) The risk of an inadvertent breach of the 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 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. Article 30(2), points (j)(iii) and (iv), of Regulation (EU) No 596/2014 establishes a minimum of the maximum amount of the sanctions that can be imposed by a national competent authority for 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 maximum level of sanctions for SMEs, as expressed in absolute amounts, as a way of ensuring their proportionate treatment. Nevertheless, a Member State should be allowed to establish in its national law the same maximum level as expressed in absolute amounts for all types of issuers.
- (81) When processing personal data within the framework of Regulation (EU) No 596/2014, competent authorities should comply with Regulation (EU) 2016/679 of the European Parliament and of the Council⁽¹⁷⁾. With regard to the processing of personal data by ESMA within the framework of that Regulation, ESMA should comply with Regulation (EU) 2018/1725 of the European Parliament and of the Council⁽¹⁸⁾. 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.

⁽¹⁷⁾ 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).

⁽¹⁸⁾ 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).

- (82) 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 specifying the content and the standardised format as well as the standardised sequence of the prospectus, the base prospectus and the final terms, specifying the minimum information to be included in the universal registration document, specifying the reduced content and the standardised format as well as the standardised sequence for the EU Follow-on prospectus and for the EU Growth issuance prospectus, fostering supervisory convergence by specifying the criteria for scrutiny and the procedures for the 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 setting out and reviewing a non-exhaustive list of final events in protracted processes and situations where disclosure should not be delayed, expanding the list of financial instruments to enable competent authorities to obtain order data, establishing and updating a list of designated trading venues 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⁽¹⁹⁾. 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.
- (83) In order to ensure uniform conditions for the implementation of this Regulation, the Commission should be empowered to adopt implementing technical standards developed by ESMA, with regard to: 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; the template and layout of the summaries of prospectuses, including the font size and style requirements; the alleviated format of insider lists; the appropriate arrangements required by the mechanism for the exchange of order data; and the appropriate arrangements, systems and procedures for trading venues to set up a mechanism for the ongoing and timely exchange of such data, including format and deadlines for the provision of the data requested by a competent authority. The Commission should adopt those implementing technical standards by means of implementing acts pursuant to Article 291 TFEU and in accordance with Article 15 of Regulation (EU) No 1095/2010.
- (84) 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.
- (85) Regulations (EU) No 596/2014, (EU) No 600/2014 and (EU) 2017/1129 should therefore be amended accordingly,

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:

⁽¹⁹⁾ OJ L 123, 12.5.2016, p. 1.

(i) the following points 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 all of the following conditions are met:

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

(ii) the issuer of the securities is not subject to a restructuring or to 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 that competent authority;

(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 to 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 that competent authority;’;

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

‘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)(iii) and point (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) or pursuant to Article 3(2a).’;

(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 of this paragraph;

(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 to 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 that competent authority;;

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

‘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;’

(3) 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 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.’;

(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:

(a) 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 (*);

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

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

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

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

‘(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;’

(c) point (z) is replaced by the following:

‘(z) “electronic format” means an electronic format as defined in Article 4(1), point (62a), of Directive 2014/65/EU;’

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

‘1. Without prejudice to Article 1(4) and to paragraphs 2 and 2a 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.

2a. By way of derogation from paragraph 2, point (b), Member States may exempt offers of securities to the public from the obligation to publish a prospectus set out in paragraph 1 provided that the total aggregated consideration in the Union for the securities offered is less than EUR 5 000 000 per issuer or offeror calculated over a period of 12 months.

2b. Member States shall notify the Commission and ESMA where they decide to adopt the exemption threshold of EUR 5 000 000 laid down in paragraph 2a. 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 paragraph 2, point (b).

2c. The total aggregated consideration for the securities offered to the public, as referred to in 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(3) to (10) and (12), or a document containing the information requirements at national level, provided that the extent and level of such information is equivalent to or lower than the information set out in Article 7(4) to (10) and (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) or (2a), 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 14a(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 the 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, from paragraphs 4 and 5 and from 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 the layout including the font size and style requirements.’;

- (c) the following paragraphs are added:

‘4. A prospectus that relates to shares shall be of a 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 (*), or the information to be provided in the case of a significant gross change, as defined in Article 1, point (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 paragraph 2, first subparagraph, and paragraphs 4 and 5, 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 in respect of standardised format, standardised sequence, maximum length, and the template and layout of prospectuses, including font size and style requirements, shall not apply to the prospectus for the admission to trading on a regulated market of those securities.

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 5 December 2025.

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.

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

(7) Article 7 is amended as follows:

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

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

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

‘The summary shall be made up of the following four sections in the following order.’;

(c) paragraph 5 is amended as follows:

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

‘The section referred to in paragraph 4, point (a), shall contain the following information in the following order.’;

(ii) the second subparagraph is amended as follows:

— the introductory wording is replaced by the following:

‘It shall contain the following warnings in the following order.’;

— the following point is added:

‘(g) 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 (*), 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.

(*) 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 replaced by the following:

‘12a. By way of derogation from paragraphs 3 to 12 of this Article, an EU Follow-on prospectus drawn up in accordance with Article 14a, 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 issuance prospectus shall be drawn up as a short document written in a concise manner and of a maximum length of seven 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 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 summarise 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 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.’;

(h) 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 5 December 2025.

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:

‘1. By 5 June 2026, 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 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 (*);

(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.

(*) 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).;

(b) the following paragraph is inserted:

‘1a. For the purposes of paragraph 1, second subparagraph, 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) 2023/2631 of the European Parliament and of the Council (*) shall incorporate by reference the relevant information contained in the European Green Bond factsheet as referred to in Article 10 of that Regulation;

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

(*) Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (OJ L, 2023/2631, 30.11.2023, ELI: <http://data.europa.eu/eli/reg/2023/2631/oj>).;

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

‘The Commission shall by 5 June 2026 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.’;

(d) 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) Article 14 is deleted;

(12) Article 14a is replaced by the following:

‘Article 14a

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;
- (b) 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;
- (c) 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;
- (d) 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 information that investors need in order to understand all of the following:

- (a) the prospects and financial performance of the issuer and the significant changes in the financial and business position of the issuer that have occurred since the end of the last financial year, if any;
- (b) the essential information on the securities, including the rights attached to those securities and any limitations on those rights;
- (c) the reasons for the issuance and its impact on the issuer, including on the overall capital structure of the issuer, and the use of proceeds.

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

4. The EU Follow-on prospectus shall contain the minimum information set out in Annex IV or 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 a maximum length of 50 sides of A4-sized paper when printed and shall be presented and laid out in a way that is easy to read, using characters of readable size.

6. The summary, the information incorporated by reference in accordance with Article 19 of this Regulation, 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 defined in Article 1, point (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 V, depending on the types of securities.

8. The Commission shall, by 5 March 2026, 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.

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

(13) Article 15 is deleted;

(14) the following article is inserted:

'Article 15a

EU Growth issuance prospectus

1. Without prejudice to Article 1(4), Article 3(2) and (2a), 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) or (2a). 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 VIII, depending on the types of securities.

5. An EU Growth issuance prospectus that relates to shares shall be of a 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 defined in Article 1, point (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 5 March 2026, 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:

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

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

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) in Article 17(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 three 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) in paragraph 1, the first subparagraph is amended as follows:

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

‘1. Information that is to be included in a prospectus pursuant to this Regulation and to the delegated acts adopted on the basis of it, may be incorporated by reference in that prospectus where it has been previously or simultaneously published electronically, drawn up in a language fulfilling the requirements of Article 27 and where it is contained in one of the following documents:’;

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

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

(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 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 pursuant to 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), point (d), of this Article. 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 in paragraphs 3, 6 and 6a, 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 failing to take a decision. Such failure shall not be deemed to constitute approval of the application.

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

ESMA shall make public on a 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 in paragraphs 3, 6 and 6a.’;

(b) paragraph 6a is replaced by the following:

‘6a. By way of derogation from paragraphs 2 and 4 of this Article, the time limits set out in paragraph 2, first subparagraph, and in paragraph 4 shall be reduced to seven working days for an EU Follow-on prospectus that is subject to the maximum length referred to in Article 14a(5) and (6). The issuer shall inform the competent authority at least five 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 14a(1), point (c).’;

(c) paragraph 11 is replaced by the following:

‘11. 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 information in addition to that which is required under Articles 6, 13, 14a, and 15a for drawing up a prospectus, an EU Follow-on prospectus or an EU Growth issuance prospectus, including the type of any additional information disclosed under the additional criteria referred to in point (a) of this subparagraph;
- (c) the maximum overall timeframe within which the scrutiny of the prospectus is to be finalised and a decision reached by the competent authority on whether that prospectus is approved or the approval is refused and the review process terminated, and the conditions for possible derogations from that timeframe.

The maximum timeframe referred to in point (c) of the first subparagraph of this paragraph shall take into account point (a) of that subparagraph, the average number of iterations between the issuer, offeror or 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 6a.

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 three working days before the end of the offer.’;

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

‘5a. An EU Follow-on prospectus shall be separately classified in the storage mechanism referred to in paragraph 6 in a way that is differentiated from the other types of prospectuses.

5b. 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.’;

(c) 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 three 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 during which investors can exercise their right of withdrawal;
 - (c) whom investors may contact if they wish to exercise the right of withdrawal.;
- (b) paragraph 2a is deleted;
- (c) paragraph 3 is replaced by the following:

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

- (a) inform those investors of the possibility of a supplement being published, where and the period when it would be published, including on its website, and that, in such a case, the financial intermediary would assist them in exercising their right to withdraw their acceptances;
- (b) inform those investors of the cases when the financial intermediary would contact them by electronic means, pursuant to the second subparagraph, to notify them 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 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 doing so is necessary to comply with capital requirements under Union law or national law transposing Union law.;

- (f) the following paragraph is added:

‘8. ESMA shall by 5 June 2026 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 a 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 more than one Member State including the home Member State or in one or more Member States excluding the home Member State, the prospectus shall be drawn up either in a language accepted by the competent authorities of the home Member State, where relevant, and of each host Member State or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market.

The summary referred to in Article 7 shall be available in the official language of 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 the admission to trading of securities on a regulated market established in the Union after prior publication of a prospectus drawn up and approved in accordance with, and which is subject to, the national laws of a third country (hereinafter “third country prospectus”), 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 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 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 material information to enable investors to make an informed investment decision in a manner equivalent to the requirements laid down in this Regulation;
- (b) where retail investors are allowed 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 in order 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 replaced by the following:

'Article 30

Cooperation with third countries

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 the 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 shall not 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 (*), 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 that 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 the first subparagraph, a competent authority shall inform ESMA and the other competent authorities thereof.

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 might be relevant to the taking of measures under Articles 38 and 39.

3. Cooperation arrangements on the exchange of information with supervisory authorities of third countries may be concluded only where the information disclosed is subject to guarantees of professional secrecy which are at least equivalent to those set out in Article 35. Such exchange of information shall be intended for the performance of the tasks of those supervisory 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 of this Article and the template document to be used for such cooperation arrangements.

(*) 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).;

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

‘(a) infringements of Articles 3, 5 and 6, Article 7(1) to (11) and (12a), Articles 8, 9 and 10, Article 11(1) and (3), Article 14a(1), Article 15a(1), Article 16(1), (2) and (3), Articles 17 and 18, Article 19(1), (2) and (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 (6a) 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 14a(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 14a(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) or (2), Article 14a(8), Article 15a(8), Article 16(5), Article 20(11), Article 29(5) or 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), first subparagraph, 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 14a and 15a, and 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) in Article 48, paragraphs 1 and 2 are replaced by the following:

‘1. By 31 December 2028 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 14a and 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 objectives. The report shall contain all of the following:

(a) the number of EU Growth issuance prospectuses drawn up by persons in each of the categories referred to in Article 15a(1), first subparagraph, 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 the proper balance between investor protection and the reduction of administrative burden 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 with the delegated acts adopted on the basis of that Article, ensure proper level of supervisory convergence throughout the Union and remain appropriate in light of their 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 with Article 3(2d) is conducive to converging national disclosure requirements 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.

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, proposing amendments to the liability provisions set out in Article 11.;

(30) the following article is added:

'Article 48a

Transitional provisions

1. Prospectuses approved until 4 June 2026 shall continue to be governed until the end of their validity by the version of this Regulation in force on the day of their approval.

2. By way of derogation from paragraph 1, prospectuses approved in accordance with Article 14 until 4 March 2026 shall continue to be governed by that Article until the end of their validity.

3. By way of derogation from paragraph 1, prospectuses approved in accordance with Article 15 until 4 March 2026 shall continue to be governed by that Article until the end of their validity.;

(31) Annexes I to Va are amended in accordance with the Annex to this Regulation.

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:

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

(2) 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.;

(3) 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.;

(4) Article 11 is amended as follows:

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

‘A market sounding comprises the communication of information prior to the announcement of a transaction, if any, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors by:’;

(b) paragraph 4 is replaced by the following:

‘4. 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) where that market participant opts to comply with the following conditions:

- (a) it obtained the consent of the person receiving the market sounding to receive inside information;
- (b) it informed the person receiving the market sounding that that person is prohibited from using that information, or attempting to use that information, by acquiring or disposing of, for that person’s own account or for the account of a third party, directly or indirectly, financial instruments relating to that information;
- (c) it informed the person receiving the market sounding that that person 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) it informed the person receiving the market sounding that by agreeing to receive the information that person is obliged to keep the information confidential;
- (e) it 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) it provided that record to the competent authority upon request.’;

(c) paragraph 5 is deleted;

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

‘6. Where information that has been disclosed in the course of a market sounding 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. That obligation shall not apply in cases where the information has otherwise been announced publicly.

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, persons receiving the market sounding shall assess for themselves whether they possess inside information.’;

(5) in Article 13(12), first subparagraph, 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.’;

(6) Article 17 is amended as follows:

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

‘1. 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 or resulting in particular circumstances or a particular event. In a protracted process, only the final circumstances or final event shall be required to 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 as referred to in Article 7 until such time as that information is disclosed pursuant to paragraph 1 of this Article.’;

(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 emission allowance market participant on the same matter to which the inside information refers;
- (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 second 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.

4a. Non-disclosure by an issuer of inside information related to intermediate steps in protracted processes, in accordance with paragraph 1, is not subject to the requirements laid down 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:

‘7. Where disclosure of inside information has been delayed in accordance with paragraph 4 or 5, or where inside information relating to intermediate steps in a protracted process has not been disclosed in accordance with paragraph 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 paragraph 4, first subparagraph, point (a).

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

- (a) final events or final circumstances in protracted processes and, for each event or circumstance, the moment when it is deemed to have occurred and is to be disclosed pursuant to paragraph 1;
- (b) 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 emission allowance market participant on the same matter to which the inside information refers, as referred to in paragraph 4, first subparagraph, point (b).;

(7) Article 18 is amended as follows:

(a) paragraph 6 is amended as follows:

(i) 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 paragraph 1, point (a).’;

(ii) the fourth, fifth and sixth subparagraphs are deleted.

(b) paragraph 9 is replaced by the following:

‘9. 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 paragraph 1 and in paragraph 6, first and second subparagraphs.

ESMA shall submit those draft implementing technical standards to the Commission by 5 September 2025.

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.’;

(8) 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 to 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 of this Article:

- (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;

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 of this Article in the 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 that are transactions or trade activities, including the exercise of derivatives, based on predetermined terms.;

(9) 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;’

(10) in Article 25 the following paragraph 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.’;

(11) 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 5 June 2026, set up a mechanism to permit the ongoing and timely exchange of order data on the financial instruments referred to in paragraph 4, point (a), and collected from those trading venues in accordance with Article 25 of Regulation (EU) No 600/2014. Competent authorities may delegate the set-up of the mechanism to ESMA.

Where a competent authority submits a request for data under paragraph 4, 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 6, point (c).

The ongoing and timely exchange of order data on the financial instruments referred to in paragraph 4, points (b) and (c), shall be made operational through the mechanism set up pursuant to the first subparagraph of this paragraph by 5 June 2028.

2. The relevant trading venue shall establish and maintain appropriate arrangements, systems and procedures to permit the ongoing and timely exchange of order data by 5 June 2026.

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

4. 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 that data could be relevant for the supervisory activities of that authority for the following financial instruments:

(a) shares;

(b) bonds;

(c) futures.

5. 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.

Where a Member State makes a decision pursuant to the first subparagraph, that Member State and its competent authority shall comply with this Article.

6. ESMA shall develop draft implementing technical standards:

- (a) to specify the appropriate mechanism for the exchange of order data and in particular, to 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 paragraph 1, second subparagraph; and
- (c) to determine the format and the deadline for providing without delay the requested data in paragraph 1, second subparagraph.

ESMA shall submit those draft implementing technical standards to the Commission by 5 September 2025.

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. 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 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, 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 four years. The criterion referred to in the first subparagraph, 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. That ratio shall not be below 50 %.

8. By 5 December 2027, ESMA shall submit a report to the Commission on the functioning of the mechanism set up pursuant to paragraph 1.

That report shall cover at least the following:

- (a) a description of technical challenges faced by 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 paragraph 7, second subparagraph.

The report shall include a cost-benefit analysis linked to the future development of the mechanism set up pursuant to paragraph 1 with regard to the inclusion in its scope of possible relevant financial instruments, including bonds and futures. The report shall also include recommendations on the extension of the scope to the financial instruments referred to in paragraph 4, taking into account the added value, technical challenges and expected costs.

9. The Commission shall adopt delegated acts in accordance with Article 35 to amend paragraphs 4 and 7 of this Article by updating the financial instruments and the list of designated trading venues with a significant cross-border dimension, and amending paragraph 1, third subparagraph, to postpone the extension of the scope of the mechanism set up pursuant to paragraph 1 to bonds and futures, taking into account the report mentioned in paragraph 8 of this Article, 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.
3. Where two or more competent authorities of a collaboration platform disagree about the procedure or content of an action to be taken, or inaction, ESMA may, at the request of any relevant competent authority, 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 the Agency for the Cooperation of Energy Regulators (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.;

(12) Article 28 is deleted;

(13) 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 that the requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council (*) are fulfilled and only on a case-by-case basis. Competent authorities shall ensure that such a transfer is necessary for the purpose of this Regulation and that the third country does not transfer the data to another third country unless it is given express written authorisation to do so and complies with the conditions specified by the competent authority of the Member State concerned.
2. Competent authorities of a Member State shall only disclose personal data received from a competent authority of another Member State to a supervisory authority of a third country where the competent authority of the Member State concerned has obtained express agreement from the competent authority which transmitted the data and, where applicable, provided that the data are disclosed solely for the purposes for which that competent authority gave its agreement.

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

(14) Article 30 is amended as follows:

(a) paragraph 2 is amended as follows:

(i) in the first subparagraph, points (e), (f) and (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 in benchmark administrators or in supervised contributors;
- (f) in the event of repeated infringements of Article 14 or 15, a ban of at least 10 years of any person discharging managerial responsibilities within an investment firm, a benchmark administrator or supervised contributor or any other natural person who is held responsible for the infringement, from exercising management functions in investment firms, as well as in benchmark administrators or in supervised contributors;

(g) a temporary ban of a person discharging managerial responsibilities within an investment firm, a benchmark administrator or a supervised contributor, or any other natural person who is held responsible for the infringement, from dealing on own account;';

(ii) in the first subparagraph, 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), and (d) to (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), and (d) to (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) the third subparagraph is replaced by the following:

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

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

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

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

(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 (*).

(*) 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).;

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

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

- (a) the gravity and duration of the infringement;
- (b) the degree of responsibility of the person responsible for the infringement;
- (c) the financial strength of the person responsible for the infringement, as indicated, for example, by the total turnover of a legal person or the annual personal income of a natural person;
- (d) the importance of the profits gained or losses avoided by the person responsible for the infringement, insofar as they can be determined;
- (e) the level of cooperation of the person responsible for the infringement with the competent authority, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
- (f) previous infringements by the person responsible for the infringement;
- (g) measures taken by the person responsible for the infringement to prevent its repetition; and
- (h) the disadvantage for the person responsible for the infringement resulting from the duplication of criminal and administrative proceedings and penalties for the same conduct.’;

(16) 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(2), third subparagraph, Article 17(3) and (12), Article 19(13) and (14), Article 25a(7) and (9) and Article 38, shall be conferred on the Commission for a period of five years from 4 December 2024. 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(2), third subparagraph, Article 17(3) and (12), Article 19(13) and (14), Article 25a(7) and (9) 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) or (12), Article 19(13) or (14), Article 25a(7) or (9), 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.’;

(17) Article 38 is amended as follows:

(a) the title is replaced by the following:

‘Reports’;

(b) the first subparagraph is amended as follows:

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

‘By 5 December 2028, 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*;

(ii) 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(1) strikes an adequate balance between reducing the 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), points (j)(iii) and (iv), and their appropriateness in relation to micro, small and medium-sized enterprises.’;

(iii) point (e) is deleted;

(c) after the second subparagraph, the following subparagraph is inserted:

‘By 5 December 2031, 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’;

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

‘By 5 December 2028, 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), points (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

In Article 25 of Regulation (EU) No 600/2014, paragraphs 2 and 3 are 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.

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.

Those draft regulatory technical standards shall include the identification code of the member or participant which transmitted the order, the identification code of the order, the date and time the order was transmitted, the characteristics of the order, including the type of order, the limit price if applicable, the validity period, any specific order instructions, details of any modification, cancellation, partial or full execution of the order, the agency or principal capacity.

ESMA shall submit those draft regulatory technical standards to the Commission by 5 September 2025.

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, point (7)(g), and points (11) to (14), shall apply from 5 March 2026.
3. Article 1, point (3), point (6)(b) and (c), point (7)(a) to (f), point 10(a)(i), (ii) and (iii), point 10(b) and (c), and point 21 (a) with respect to Article 27(1) of Regulation (EU) 2017/1129, and Article 2, point (6)(a), (b), (c) and (e) of this amending Regulation shall apply from 5 June 2026.
4. Member States shall take necessary measures to comply with Article 2, point (14)(a) and point (15) by 5 June 2026.

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

Done at Strasbourg, 23 October 2024.

For the European Parliament

The President

R. METSOLA

For the Council

The President

ZSIGMOND B. P.

ANNEX

The Annexes to Regulation (EU) 2017/1129 are amended as follows:

(1) Annexes I to Va are replaced by the following:

‘ANNEX I

THE PROSPECTUS**I. Summary****II. 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 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 of this section 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 of this section 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 shall include the information referred to in Article 5 of Directive (EU) 2024/2810 of the European Parliament and of the Council (*).

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)

The purpose of this section is to set out, where applicable, ESG-related information in accordance with the delegated act referred to in Article 13(1), second subparagraph, point (g).

X. Corporate governance

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

XI. Financial information

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

A. Consolidated statements and other financial information.

B. Significant changes.

XII. Shareholder and security holder information

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

XIII. 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.

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

The purpose of this section 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.

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

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

XVI. Information on consent (where applicable)

The purpose of this section 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).

XVII. Documents available

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

 ANNEX II
REGISTRATION DOCUMENT

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

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

II. Strategy, performance and business environment

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

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

The purpose of this section is to 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.

IV. Risk factors

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

V. Corporate governance

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

VI. Financial information

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

A. Consolidated statements and other financial information.

B. Significant changes.

VII. Shareholder and security holder information

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

VIII. 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.

IX. Documents available

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

ANNEX III

SECURITIES NOTE

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

The purpose of this section is to provide information on the persons who are responsible for the content of the securities note and to provide comfort to investors on the accuracy of the information disclosed in the prospectus. In addition, this section provides information on the interests of persons involved in the offer, as well as the

reasons of the offer, the use of proceeds and the expenses of the offer. Moreover, this section provides information on the legal basis of the prospectus and its approval by the competent authority.

II. Working capital statement (equity securities only)

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

III. Risk factors

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

IV. Terms and conditions of the securities

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

Where applicable, this information shall include the information referred to in Article 5 of Directive (EU) 2024/2810.

V. Details of the offer/admission to trading

The purpose of this section is to provide information regarding the offer or the admission to trading on a regulated market or an MTF, including the final offer price and amount of securities (whether in number of securities or aggregate nominal amount) which will be offered, the reasons for the offer, the plan for distribution of the securities, the use of proceeds of the offer, the expenses of the issuance and offer, and dilution (for equity securities only).

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

The purpose of this section is to set out, where applicable, ESG-related information in accordance with the delegated act referred to in Article 13(1), second subparagraph, point (g).

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

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

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

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

IX. Information on consent (where applicable)

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

ANNEX IV

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

I. Summary

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

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).

III. Responsibility statement and statement on the competent authority

A. 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:

- (i) name;
- (ii) business address;
- (iii) qualifications; and
- (iv) material interest (if any) in the issuer.

B. Statement on the competent authority

The statement shall:

- (i) indicate the competent authority that has approved, in accordance with this Regulation, the EU Follow-on prospectus;
- (ii) specify that such approval does not constitute an endorsement of the issuer or of the quality of the shares to which the EU Follow-on prospectus relates;
- (iii) specify 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
- (iv) specify that the EU Follow-on prospectus has been drawn up in accordance with Article 14a.

IV. Risk factors

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

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

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:

- (i) a prominent statement disclosing which auditing standards have been applied;
- (ii) an explanation of any significant departures from the International Standards on Auditing.

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

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

Where applicable, pro forma information must also be included.

VI. Dividend policy

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

VII. Trend information

A description of:

- (i) 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;
- (ii) 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;
- (iii) 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 point (i) or (ii) of this section, a statement to that effect is to be made.

VIII. Profit forecasts and estimates

Where an issuer has published a profit forecast or a profit estimate that remains 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 remains outstanding, but is no longer valid, a statement to that effect shall be provided along with an explanation as to why such forecast or estimate is no longer valid.

IX. Details of the offer or admission to trading

Set out the offer price, the number of shares offered, the amount of the issue or offer, the conditions to which the offer is subject, and the procedure for the exercise of any right of pre-emption. If the amount is not fixed, an indication of the maximum amount of the shares 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 regarding where investors may subscribe for the shares or exercise their right of pre-emption, the duration of the offer period, including any possible amendments thereto, 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.

X. 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:

- (i) a description of the type, class and amount of the shares being offered to the public or admitted to trading on a regulated market;
- (ii) the international security identification number (ISIN);
- (iii) the rights attached to the shares, the procedure for the exercise of those rights and any limitations of those rights;
- (iv) the price at which the shares will be offered or, if the price is not known, an indication of the maximum price or a description of the method for determining the price, pursuant to Article 17 of this Regulation and the process for its disclosure;
- (v) 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; and
- (vi) where applicable, information on the underlying securities and, where applicable, the issuer of the underlying securities.

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.

XI. 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 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.

XII. Lock-up agreements

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

- (i) the parties involved;
- (ii) the content and exceptions of the agreement; and
- (iii) an indication of the period of the lock up.

XIII. 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.

XIV. 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.

XV. 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.

XVI. Documents available

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

- (i) the up-to-date memorandum and articles of association of the issuer;
- (ii) 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 V

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

I. Summary

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

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).

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:

- (i) name;
- (ii) business address;
- (iii) qualifications; and
- (iv) material interest (if any) in the issuer.

2. Statement on the competent authority

The statement shall:

- (i) indicate the competent authority that has approved, in accordance with this Regulation, the (registration document/securities note/EU Follow-on prospectus);
- (ii) specify that such approval does not constitute an endorsement of the issuer or of the quality of the securities to which the (registration document/securities note/EU Follow-on prospectus) relates;
- (iii) specify that the competent authority's approval only attests to the (registration document/securities note/EU Follow-on prospectus)'s compliance with the standards of completeness, comprehensibility and consistency required by this Regulation;
- (iv) 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 14a.

IV. Risk factors (Registration document/Securities note)

A description of the material risks, in a limited number of categories, that are specific to the issuer (registration document/EU Follow-on prospectus) and a description of the material risks, in a limited number of categories, 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 section headed "Risk Factors".

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

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 and Regulation (EU) No 537/2014.

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:

- (i) a prominent statement disclosing which auditing standards have been applied;
- (ii) an explanation of any significant departures from the International Standards on Auditing.

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

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

VI. Trend information (Registration document)

A description of:

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

- (ii) 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 point (i) or (ii) of this section, a statement to that effect is to be made.

VII. Details of the offer (****) or admission to trading (Securities note)

Set out the offer price, the number of securities offered, the amount of the issue or 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 regarding where investors may subscribe for the securities, the duration of the offer period, including any possible amendments thereto, 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.

VIII. Essential information on the securities (Securities note)

The purpose of this section is to provide the following essential information about the securities offered to the public or admitted to trading on a regulated market:

- (i) the international security identification number (ISIN);
- (ii) the rights attached to the securities, the procedure for the exercise of those rights and any limitations of those rights;
- (iii) the price at which the securities will be offered or, if the price is not known, an indication of the maximum price or a description of the method for determining the price, pursuant to Article 17 of this Regulation and the process for its disclosure;
- (iv) 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;
- (v) a description of the type, class and amount of the securities being offered to the public or admitted to trading on a regulated market;
- (vi) 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; and
- (vii) where applicable, information on the underlying securities and, where applicable, the issuer of the underlying securities.

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, 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 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, 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).

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.

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.

- (*) Directive (EU) 2024/2810 of the European Parliament and of the Council of 23 October 2024 on multiple-vote share structures in companies that seek admission to trading of their shares on a multilateral trading facility (OJ L, 2024/2810, 14.11.2024, ELI: <http://data.europa.eu/eli/dir/2024/2810/oj>).
- (**) 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).
- (****) Not applicable to non-equity securities referred to in Article 7(1), second subparagraph, points (a) and (b).'

(2) the following Annexes are added:

‘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(12a).

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

A. 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:

- (i) name;

- (ii) business address;
- (iii) qualifications; and
- (iv) material interest (if any) in the issuer.

B. 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, in a limited number of categories, that are specific to the issuer and a description of the material risks, in a limited number of categories, that are specific to the shares being offered to the public in a section headed "Risk Factors".

V. Growth strategy and business overview

A. 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.

B. 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.

C. 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.

D. Profit forecasts and estimates

Where an issuer has published a profit forecast or a profit estimate that remains 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 remains outstanding, but is no longer valid, a statement to that effect shall be provided along with an explanation as to why such forecast or estimate is no longer valid.

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:

- (i) 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;
- (ii) details of the nature of any family relationship between any of those persons;
- (iii) 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

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 and Regulation (EU) No 537/2014.

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:

- (i) a prominent statement disclosing which auditing standards have been applied;
- (ii) an explanation of any significant departures from the International Standards on Auditing.

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

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

Where applicable, pro forma information must also be included.

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

The management report as referred to in Chapters 5 and 6 of Directive 2013/34/EU for the periods covered by the historical financial information including, where applicable, the sustainability reporting, must be alternatively incorporated by reference or the information contained therein must be included in the EU Growth issuance prospectus.

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

X. Dividend policy

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

XI. Details of the offer or admission to trading

Set out the offer price, the number of shares offered, the amount of the issue or offer, the conditions to which the offer is subject, and the procedure for the exercise of any right of pre-emption. If the amount is not fixed, an indication of the maximum amount of the shares 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 regarding where investors may subscribe for the shares or exercise their right of pre-emption, the duration of the offer period, including any possible amendments thereto, 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 SME growth market or the MTF where the securities are to be admitted to trading and, if known, the earliest dates on which the securities will be admitted to trading.

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

XII. Essential information on the shares

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

- (i) a description of the type, class and amount of the shares being offered to the public;
- (ii) the international security identification number (ISIN);
- (iii) the rights attached to the shares, the procedure for the exercise of those rights and any limitations of those rights;
- (iv) where applicable, the information referred to in Article 5 of Directive (EU) 2024/2810;
- (v) the price at which the shares will be offered or, if the price is not known, an indication of the maximum price or a description of the method for determining the price, pursuant to Article 17 of this Regulation and the process for its disclosure;
- (vi) 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; and
- (vii) where applicable, information on the underlying securities and, where applicable, the issuer of the underlying securities.

XIII. Reason for the offer and use of proceeds

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

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

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

XIV. Working capital statement

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

XV. Conflicts of interest

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

XVI. Dilution and shareholding after the issuance

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

XVII. Documents available

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:

- (i) the up-to-date memorandum and articles of association of the issuer;
- (ii) 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.

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**

I. Summary

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

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.

III. Responsibility statement and statement on the competent authority

A. 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:

- (i) name;
- (ii) business address;
- (iii) qualifications; and
- (iv) material interest (if any) in the issuer.

B. 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.

IV. Risk factors

A description of the material risks, in a limited number of categories, that are specific to the issuer and a description of the material risks, in a limited number of categories, that are specific to the securities being offered to the public, in a section headed "Risk Factors".

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

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:

- (i) the main categories of products sold and/or services performed;
- (ii) an indication of any significant new products, services or activities;
- (iii) the principal markets in which the issuer competes.

VI. Organisational structure

If the issuer is part of a group and where not covered elsewhere in the EU Growth issuance 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 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:

- (i) members of the administrative, management and/or supervisory bodies;
- (ii) partners with unlimited liability, in the case of a limited partnership with a share capital.

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 and Regulation (EU) No 537/2014.

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:

- (i) a prominent statement disclosing which auditing standards have been applied;
- (ii) an explanation of any significant departures from the International Standards on Auditing.

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

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

IX. Details of the offer or admission to trading

Set out the offer price, the number of securities offered, the amount of the issue or 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 regarding where investors may subscribe for the securities, the duration of the offer period, including any possible amendments thereto, 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.

X. Essential information on the securities

The purpose of this section is to provide that the essential information on the securities shall include the following:

- (i) the international security identification number (ISIN);
- (ii) the rights attached to the securities, the procedure for the exercise of those rights and any limitations of those rights;
- (iii) the price at which the securities will be offered or, if the price is not known, an indication of the maximum price or a description of the method for determining the price, pursuant to Article 17 of this Regulation and the process for its disclosure;
- (iv) 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;
- (v) a description of the type, class and amount of the securities being offered to the public.

- (vi) 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; and
- (vii) where applicable, information on the underlying securities and, where applicable, the issuer of the underlying securities.

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

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

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

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

XII. Conflicts of interest

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

XIII. Documents available

A statement that for the term of the EU Growth issuance prospectus the following documents, where applicable, can be inspected:

- (i) the up-to-date memorandum and articles of association of the issuer;
- (ii) 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 SUBPARAGRAPH, POINTS (DA) AND (DB), AND IN ARTICLE 1(5), FIRST SUBPARAGRAPH, POINT (BA)

- I. The name of the issuer (including its LEI), country of incorporation, link to the issuer's website.
- II. A declaration by those responsible for the document that, to the best of their knowledge, the information contained in the document is in accordance with the facts and that the document makes no omission likely to affect its import.
- III. The name of the competent authority of the home Member State in accordance with Article 20. A statement that the document does not constitute a prospectus within the meaning of this Regulation 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, 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.’.
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