

Promotion of the use of SME growth markets

2018/0165(COD) - 11/12/2019 - Final act

PURPOSE: to provide SMEs with easier and cheaper access to financial markets.

LEGISLATIVE ACT: Regulation (EU) 2019/2115 of the European Parliament and of the Council amending Directive 2014/65/EU and Regulations (EU) No 596/2014 and (EU) 2017/1129 as regards the promotion of the use of SME growth markets.

CONTENT: within the framework of the Capital Market Union, the EU seeks to help small and medium-sized enterprises (SMEs) to access new sources of finance.

[Directive 2014/65/EU](#) of the European Parliament and of the Council created a new type of trading venue, the SME growth market, a subcategory of multilateral trading facilities ('MTFs'), in order to facilitate access to capital for SMEs and enable them to grow, and also to facilitate the further development of specialist markets catering for the needs of SME issuers that have growth potential.

This amending Regulation introduces new rules to actively promote the use of SME growth markets.

Reducing formalities and administrative burdens on small businesses

The Regulation includes amendments to the [Market Abuse Regulation](#) and the [Prospectus Regulation](#), which make the obligations imposed on issuers in SME growth markets more proportionate, while preserving market integrity and investor protection. It also aims to promote liquidity by allowing any issuer present on an EU SME growth market to enter into a liquidity contract.

Disclosure obligations

The new rules adapt and reduce disclosure obligations, in particular with regard to persons who have access to information that may influence prices ("insider lists").

The current requirement is replaced by the possibility for issuers whose financial instruments are admitted to trading on an SME growth market to keep only a list of persons, such as directors, members of the management bodies or legal advisers, who, in the normal exercise of their duties, have regular access to inside information.

Member States may introduce an obligation for issuers in SME growth markets to provide extended insider lists including all persons having access to inside information. However, these lists shall contain less information than full insider lists. The obligation of drawing up insider lists rests both with issuers and any person acting on their behalf or on their account.

Simplified prospectus

The Regulation also extends the possibility of using a lighter "prospectus", more suitable for SMEs that have already been listed on an SME growth market. It amends the current rules to allow issuers making an initial public offer with an indicative market capitalisation of less than EUR 200 million to draw up an EU growth prospectus.

Lastly, the text invites the Commission, when reviewing legal acts affecting the financing of listed and unlisted SMEs, to analyse the regulatory and administrative barriers that limit or prevent investment in SMEs and to work towards creating a favourable regulatory environment to foster SME financing.

ENTRY INTO FORCE: from 31.12.2019 (Article 1 applies from 1.1.2021).