Increasing the attractiveness of public capital markets and facilitating access to capital for SMEs – amending certain Regulations

2022/0411(COD) - 26/10/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Alfred SANT (S&D, MT) on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Obligation to publish a prospectus and exemption

Having a wide range of exemption thresholds across Member States is not ideal in the context of cross-border activity and the development of the capital markets union. However, in order to adapt to the different national stock market conditions within the Union, Member States should be able to **exempt offers of securities to the public from the obligation to publish a prospectus** where the total aggregated consideration in the Union for the securities offered is less than EUR 5 000 000 per issuer or offeror, calculated over a period of 12 months, up to a threshold of EUR 12 000 000. Member States should also notify the Commission and ESMA where they subsequently decide to adopt instead the exemption threshold of EUR 12 000 000.

ESMA's increased role

Members considered that ESMA should take an increasingly leading role in the establishment of guidelines and regulatory technical standards in order to achieve flexibility and responsiveness to market outcomes, while continuing to guarantee investor protection.

Therefore, the report stated that ESMA should:

- 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;

- develop draft regulatory technical standards to establish a non-exhaustive list of the situations where delays in the disclosure of inside information are likely to mislead the public;

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

EU Growth prospectus

The information contained in the EU Growth prospectus should 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. By 12 months from the date of entry into force of this amending

Regulation, the Commission should adopt delegated acts to supplement this Regulation by specifying the reduced content and the standardised format and sequence for the EU Growth prospectus, as well as the reduced content and the standardised format of the specific summary.