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

2022/0411(COD) - 14/11/2024 - Final act

PURPOSE: make the EU's public capital markets more attractive to businesses and facilitate access to capital for small and medium-sized enterprises (SMEs).

LEGISLATIVE ACT: Regulation (EU) 2024/2809 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.

CONTENT: this regulation is part of a package of measures that will make **EU public capital markets more attractive to EU companies** and facilitate the listing of companies of all sizes, including small and medium-sized enterprises (SMEs), on European stock exchanges.

The legislative package on listing includes:

- a regulation amending the Prospectus Regulation, the Market Abuse Regulation and the Regulation on markets in financial instruments;

- a directive amending the Markets in Financial Instruments and repealing the Listing Directive;

- a directive on multiple voting shares.

The measures seek to **streamline the rules applicable to companies going through a listing process or companies** already listed on EU public markets. The aim is to simplify the process for companies by alleviating administrative burdens and costs, while preserving a sufficient degree of transparency, investor protection and market integrity.

The main elements of the amending regulation are as follows:

Obligation to publish a prospectus and exemptions

Securities should only be offered to the public in the Union after prior publication of a prospectus in accordance with the Regulation. An offer of securities to the public should be exempted from the obligation to publish a prospectus provided that the total aggregated consideration in the Union for the securities offered is less than **EUR 12 million** per issuer or offeror.

By way of derogation, Member States may exempt an offer of securities to the public from the obligation to publish a prospectus provided that the total aggregated consideration in the Union for the securities offered is **less than EUR 5 million** per issuer or offeror. Member States will notify the Commission and ESMA where they decide to apply the exemption threshold of EUR 5 million.

Prospectus

A prospectus must contain the necessary information that is important to enable an investor to make informed assessments. The prospectus will be a document of a standardised format and the information disclosed in a prospectus will be presented in a standardised sequence. The information in a prospectus will be written and presented in an **easily analysable, concise and comprehensible form**.

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

ESMA will develop: (i) **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; (ii) draft **implementing technical standards** to specify the template and layout of prospectuses.

EU follow-on prospectus

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 will be available to companies that are seeking to make a transition from an SME growth market to a regulated market, provided that their securities have been admitted to trading on an SME growth market continuously for at least the preceding 18 months.

An EU Follow-on prospectus that relates to shares will be of a maximum length of 50 sides of A4-sized paper when printed and will be presented and laid out in a way that is easy to read, using characters of readable size.

EU Growth issuance prospectus

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:

- SMEs;

- issuers, other than SMEs, whose securities are, or are to be, admitted to trading on an SME growth market;

- 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 million 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.

Transitional provisions

Prospectuses approved until 4 June 2026 continue to be governed, until the end of their validity, by the version of these regulations in force on the day of their approval.

ENTRY INTO FORCE: 4.12.2024. The regulation is applicable from 5.3.2026 and 5.6.2026 according to the provisions.