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

2022/0405(COD) - 14/11/2024 - Final act

PURPOSE: to ease EU small and medium capitalisation companies' access to capital markets, and to increase the coherence of Union listing rules.

LEGISLATIVE ACT: Directive (EU) 2024/2811 of the European Parliament and of the Council amending Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises and repealing Directive 2001/34/EC.

CONTENT: this directive 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 directive are as follows:

General principles and customer information

Research produced by investment firms or by third parties and used by, or distributed to, those investment firms, their clients or potential clients, should be **fair, clear and not misleading**.

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

ESMA should develop draft regulatory technical standards to establish an EU code of conduct for issuer-sponsored research. The EU code of conduct for issuer-sponsored research will be made publicly available on ESMA's website.

Provision of research by third parties

The provision of research by third parties to an investment firm providing portfolio management or other investment or ancillary services to clients will be regarded as fulfilling the obligations under the Regulation if:

- an **agreement** has been entered into between the investment firm and the third-party provider of research and execution services establishing a methodology for remuneration;

- the investment firm **informs its clients** of its choice to pay either jointly or separately for execution services and research and makes available to them its policy on payments for execution services and research;

- where the investment firm chooses to pay separately for execution services and third-party research, the provision of research by third parties to the investment firm is received in return for either of the following: (i) direct payments by the investment firm out of its own resources; (ii) payments from a separate research payment account controlled by the investment firm.

SME growth markets

Member States will:

- provide that the operator of an MTF may apply to its home competent authority to have the MTF, or a segment thereof, registered as an SME growth market;

- ensure that the relevant segment of the MTF is subject to effective rules, systems and procedures which ensure that transactions carried out on the relevant segment of the SME growth market are clearly distinguished from other market activities in other segments of the MTF;

- require that where a financial instrument of an issuer is admitted to trading on one SME growth market, that financial instrument may also be traded on another trading venue only where the issuer has been informed and has not objected. Where the other trading venue is another SME growth market, the issuer should not be subject to any obligation relating to corporate governance, or initial, ongoing or ad hoc disclosure, with regard to that other SME growth market.

Specific conditions for the admission of shares to trading

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

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

Supervisory powers

Competent authorities will be given all supervisory powers to: (i) suspend the distribution by investment firms of any issuer-sponsored research not produced in compliance with the EU code of conduct for issuer-sponsored research; (ii) issue warnings to inform the public that that research is not produced in compliance with the EU code of conduct for issuer-sponsored research.

ENTRY INTO FORCE: 4.12.2024.

TRANSPOSITION: from 5.6.2026.

APPLICATION: from 6.6.2026.