Capital market: prospectus to be published for securities

2001/0117(COD) - 26/02/2002

The committee adopted the report by Chris HUHNE (ELDR, UK) amending the Commission proposal under the codecision procedure (1st reading). It was particularly concerned that the costs of complying with the new rules could have an adverse impact on small businesses, especially those who only want to raise funds on the domestic market. It therefore voted to allow exemptions for companies with a market capitalisation of less than EUR 350 million and wishing to raise funds only in the home state. Another cause for concern was the cost of complying with rules on "shelf registration" and updating information as proposed by the Commission, so the committee voted to make this optional rather than obligatory. Another amendment aimed to maintain current market practice, allowing the issuer the choice of competent regulatory authority, where appropriate. Some amendments sought to introduce an element of flexibility on the language question to take account of market practice, extend the scope of the definition of a ·qualified investor· and bring debt securities within the scope of the directive. The committee also wanted to exclude Eurobonds traded between professional investors from the directive. Further amendments were designed to bring the legislation in line with the Lamfalussy procedure approved by Parliament in the February 2002 part-session in Strasbourg. They took account of Commission President Romano PRODI·s solemn declaration before the House undertaking to respect Parliament·s views and were designed to ensure the maximum amount of transparency and parliamentary scrutiny over implementing measures.