

# Capital market: prospectus to be published for securities

2001/0117(COD) - 02/07/2003 - Text adopted by Parliament, 2nd reading

The European Parliament adopted the resolution drafted by Christopher HUHNE (ELDR, UK) by 487 to 12 with 14 abstentions. There were 21 compromise amendments. This will enable the legislation to come into force immediately, thus avoiding conciliation. The main amendment concerns freedom of choice of regulator for the issuers of bonds worth more than EUR 1,000. The same regime will be applicable to non-equity securities in a currency other than the Euro, provided that the value of the minimum denomination is nearly equivalent to EUR 1000. Parliament also inserted a definition of "base prospectus". A further amendment takes up the question of the delegation of supervisory powers over the market, a question of particular importance for the smaller Member States. This provides for the Commission to review existing national arrangements after 5 years. If the Commission does not clear the arrangements, they must end after 8 years. Further improvements in investor protection involve the strengthening of legal obligations relating to the summary in translation, safeguards against providing misleading information and allowing national regulators to introduce higher standards. Parliament stated that the competent authorities of Member States may consult with operators of regulated markets particularly when deciding to suspend, or asking a regulated market to suspend or prohibit trading. The other amendments relate to timetables with regard to compliance.