

Basic information	
2022/0405(COD)	Procedure completed
COD - Ordinary legislative procedure (ex-codecision procedure) Directive	
Making public capital markets in the Union more attractive for companies and facilitating access to capital for small and medium-sized enterprises	
Repealing Directive 2001/34 2000/0174(COD) Amending Directive 2014/65 2011/0298(COD)	
Subject	
2.50 Free movement of capital 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 3.45.02 Small and medium-sized enterprises (SME), craft industries	
Legislative priorities	
Joint Declaration 2022 Joint Declaration 2023-24	

Key players			
European Parliament	Committee responsible <div style="display: flex; align-items: center;"> ECON Economic and Monetary Affairs </div>	Rapporteur SANT Alfred (S&D)	Appointed 25/01/2023
		Shadow rapporteur VAIDERE Inese (EPP) GRUFFAT Claude (Greens /EFA) VAN OVERTVELDT Johan (ECR) GRANT Valentino (ID) PAPADIMOULIS Dimitrios (The Left)	
	Committee for opinion <div style="display: flex; align-items: center;"> ITRE Industry, Research and Energy (Associated committee) </div>	Rapporteur for opinion The committee decided not to give an opinion.	
	<div style="display: flex; align-items: center;"> JURI Legal Affairs </div>	The committee decided not to give an opinion.	
Council of the European Union			

European Commission	Commission DG	Commissioner
	Financial Stability, Financial Services and Capital Markets Union	MCGUINNESS Mairead
European Economic and Social Committee		

Key events			
Date	Event	Reference	Summary
07/12/2022	Legislative proposal published	COM(2022)0760	 Summary
01/02/2023	Committee referral announced in Parliament, 1st reading		
15/06/2023	Referral to associated committees announced in Parliament		
24/10/2023	Vote in committee, 1st reading		
24/10/2023	Committee decision to open interinstitutional negotiations with report adopted in committee		
26/10/2023	Committee report tabled for plenary, 1st reading	A9-0303/2023	Summary
08/11/2023	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
09/11/2023	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
22/02/2024	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE759.039 GEDA/A/(2024)000992	
24/04/2024	Decision by Parliament, 1st reading	T9-0351/2024	Summary
24/04/2024	Results of vote in Parliament		
08/10/2024	Act adopted by Council after Parliament's 1st reading		
23/10/2024	Final act signed		
14/11/2024	Final act published in Official Journal		

Technical information	
Procedure reference	2022/0405(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Repealing Directive 2001/34 2000/0174(COD) Amending Directive 2014/65 2011/0298(COD)
Legal basis	Rules of Procedure EP 57_o Treaty on the Functioning of the EU TFEU 051-p2 Treaty on the Functioning of the EU TFEU 114 Treaty on the Functioning of the EU TFEU 050
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee

Stage reached in procedure	Procedure completed
Committee dossier	ECON/9/10906

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE749.149	14/06/2023	
Amendments tabled in committee		PE751.683	11/07/2023	
Committee report tabled for plenary, 1st reading/single reading		A9-0303/2023	26/10/2023	Summary
Text agreed during interinstitutional negotiations		PE759.039	14/02/2024	
Text adopted by Parliament, 1st reading/single reading		T9-0351/2024	24/04/2024	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2024)000992	14/02/2024	
Draft final act	00039/2024/LEX	23/10/2024	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2022)0760 	07/12/2022	Summary
Document attached to the procedure	SEC(2022)0760	08/12/2022	
Document attached to the procedure	SWD(2022)0762 	08/12/2022	
Document attached to the procedure	SWD(2022)0763 	08/12/2022	
Commission response to text adopted in plenary	SP(2024)394	08/08/2024	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2022)0760	23/03/2023	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES5409/2022	22/03/2023	

Additional information			
Source	Document	Date	
EP Research Service	Briefing	12/12/2023	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
SANT Alfred	Rapporteur	ECON	26/01/2024	European Issuers
SANT Alfred	Rapporteur	ECON	16/01/2024	Czech/Slovak Permanent Representation to the EU
POPTCHEVA Eva-Maria Alexandrova	Shadow rapporteur	ECON	15/05/2023	Association for Financial Markets in Europe
POPTCHEVA Eva-Maria Alexandrova	Shadow rapporteur	ECON	15/03/2023	Association Française des Marchés Financiers

Other Members

Transparency		
Name	Date	Interest representatives
FERBER Markus	21/11/2023	AmCham EU

Final act		
Directive 2024/2811 OJ OJ L 14.11.2024		Summary

Making public capital markets in the Union more attractive for companies and facilitating access to capital for small and medium-sized enterprises

2022/0405(COD) - 07/12/2022 - Legislative proposal

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

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Directive 2014/65/EU of the European Parliament and of the Council has been amended by Regulation (EU) 2019/2115 of the European Parliament and of the Council, which introduced proportionate alleviations to enhance the use of SME growth markets and to reduce the excessive regulatory requirements for issuers seeking admission of securities on SME growth markets, while preserving an appropriate level of investor protection and market integrity. However, to streamline the listing process and to render the regulatory treatment of companies more flexible and proportionate to their size, further amendments to Directive 2014/65/EU are necessary.

Directive 2014/65/EU and Commission Delegated Directive (EU) 2017/593 30 set out the conditions under which the provision of investment research by third parties to investment firms providing portfolio management or other investment or ancillary services is not to be regarded as an inducement. To foster more investment research on companies in the Union, in particular small and medium capitalisation companies, and to bring those companies greater visibility and more prospect of attracting potential investors, it is necessary to introduce some amendments to that Directive.

This proposal is part of the Listing Act package, a set of measures to make public capital markets more attractive for EU companies and facilitate access to capital for small and medium-sized companies (SMEs).

CONTENT: the Commission proposal seeks to introduce targeted adjustments to the EU rulebook in order to enhance visibility of listed companies, especially SMEs, and streamline the listing process with a view to enhancing legal clarity.

The proposal:

- introduces a new provision regarding the qualities of investment research. It sets out that research provided by third parties shall be fair, clear and not misleading;
- includes the conditions to label research as 'issuer-sponsored research'. Such conditions include the requirement for research to comply with a code of conduct, as well as the requirements for the content, publication and review of such code of conduct;
- clarifies that issuers may submit their issuer-sponsored research to the collection body under the proposal for a European single access point. A final clarification is added that any research material paid by the issuer but not produced in compliance with such code of conduct should be labelled as a marketing communication;
- increases the threshold of companies' market capitalisation from **EUR 1 billion to EUR 10 billion** to capture a broader scope of small and medium capitalisation companies, and in particular more medium size companies;
- clarifies that a segment of multilateral trading facilities can be registered as an SME growth market and set out the conditions and requirements for its registration or de-registration;
- covers conditions for the admission of shares to trading on a regulated market. Such conditions are the EUR 1 million minimum market capitalisation requirement for companies that seek to list their shares on a regulated market, as well as a 10% minimum free float requirement. Furthermore, the Commission is empowered to adopt delegated acts to change such thresholds when they hamper the liquidity on public markets, taking into account financial developments.

Making public capital markets in the Union more attractive for companies and facilitating access to capital for small and medium-sized enterprises

2022/0405(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 directive 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.

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:

General principles and information to clients

Members called on the ESMA to develop draft regulatory technical standards to establish a harmonised **Union code of conduct for issuer-sponsored research**. The code of conduct shall set out minimum standards of independency and objectivity to be complied with by the providers of such research and specify procedures for the identification and prevention of conflicts of interest.

The Union-wide code of conduct for issuer-sponsored research should be made publicly available on ESMA's website.

Research that is labelled as issuer-sponsored research should indicate on its front page in a clear and prominent way that it has been prepared in accordance with the Union code of conduct. Any other research material paid fully or in part by the issuer but not prepared in compliance with the Union code of conduct should be labelled as marketing communication. Member States should ensure that competent authorities have the necessary supervisory and investigative powers to enforce compliance by investment firms producing or using issuer-sponsored research with the Union code of conduct.

Obligation to execute orders on terms most favourable to the client

Member States should require that investment firms take all sufficient steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature, the provision of investment research, or any other consideration relevant to the execution of the order.

ESMA should develop guidelines on how investment firms providing portfolio management or other investment or ancillary services to clients can comply with their best execution obligations when the investment firm uses joint payments for execution services and research.

SME growth markets

The amended text proposed that Member States should require that a financial instrument of an issuer which is admitted to trading on an SME growth market is able to be traded on another trading venue only if the issuer has been duly informed and has not objected.

Making public capital markets in the Union more attractive for companies and facilitating access to capital for small and medium-sized enterprises

2022/0405(COD) - 24/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 535 votes 16, with 39 abstentions, a legislative resolution on the proposal for a directive 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.

The aim of the proposed Directive is to ease Union small- and middle-capitalisation companies' access to capital markets and increase the coherence of Union listing rules.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal 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.

The amended text stipulates that 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. That code of conduct should set out standards of independence and objectivity, and specify procedures and measures for the effective identification, prevention and disclosure of conflicts of interest.

ESMA should submit those draft regulatory technical standards to the Commission by 12 months from the date of entry into force of this amending Directive.

The EU code of conduct for issuer-sponsored research should be made publicly available on ESMA's website.

ESMA should assess at least every five years following the adoption of the regulatory technical standards referred to in the Regulation, whether the EU code of conduct for issuer-sponsored research needs to be amended, in which case it should submit draft regulatory technical standards to the Commission.

When submitting that research to the collection body, the issuer should ensure that it is accompanied by **metadata** specifying that the information complies with the EU code of conduct for issuer-sponsored research.

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 should 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;
- the investment firm assesses on an annual basis the quality, usability and value of the research used, as well as the ability of the research used to contribute to better investment decisions; ESMA may develop guidelines for investment firms for the purpose of conducting those assessments;
- 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 should 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 should 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 1 000 000** or an equivalent amount in a national currency other than the euro.

Where, as a result of an adjustment of the equivalent amount in a national currency other than the euro, the market capitalisation expressed in the national currency remains for a period of one year at least **10 %** more, or at least 10 % less, than EUR 1 000 000, the Member State should, within the 12 months following the expiry of that period, adjust its laws, regulations or administrative provisions to comply with the Regulation.

Supervisory powers

Competent authorities should 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) where any issuer-sponsored research is not produced in compliance with the EU code of conduct for issuer-sponsored research, issue warnings to inform the public that that research is not produced in compliance with the EU code of conduct for issuer-sponsored research.

Making public capital markets in the Union more attractive for companies and facilitating access to capital for small and medium-sized enterprises

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.