

# Targeted consultation on the listing act: making public capital markets more attractive for EU companies and facilitating access to capital for SMEs

Fields marked with \* are mandatory.

## Introduction

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### Background for this consultation

EU capital markets remain underdeveloped in size, notably in comparison to capital markets in other major jurisdictions. In particular, EU companies make less use of capital markets for debt and equity financing than their peers in other jurisdictions around the world, with a negative impact on economic growth and macroeconomic resilience.

In recognition of these issues, the [Commission's new capital markets union \(CMU\) action plan of September 2020](#) has as one of its main objectives to ensure that companies, and in particular small and medium-sized enterprises (SMEs), have unimpeded access to the most suitable form of financing. Given the underdevelopment of market-based finance in the EU, the Commission highlighted the need to support the access of businesses in particular to public markets. Specifically, in [Action 2 of the action plan](#), the Commission announced that it will assess whether the rules governing companies' listing on public markets need to be further simplified. Furthermore, [Commission President von der Leyen announced in her letter of intent addressed to Parliament and the Presidency of the Council on 15 September 2021](#) a legislative proposal for 2022 to facilitate SMEs' access to capital.

In order to inform its further initiatives in this area, the Commission has already taken a number of steps. The Commission has commissioned studies on the topic of [how to improve the access to capital markets by companies in the EU](#) and on the [functioning of primary and secondary markets in the EU](#). Furthermore, in October 2020, the Commission set up a Technical Expert Stakeholder Group (TESG) on SMEs to monitor the functioning and success of SME growth markets. In May 2021, the [TESG published their final report on the empowerment of EU capital markets for SMEs](#) with twelve concrete recommendations to the Commission and Member States to help foster SMEs' access to public markets. They build on the [work already undertaken by the High Level Forum on capital markets union \(CMU HLF\)](#) and on [ESMA's recently published MiFID II review report on the functioning of the regime for SME growth markets](#).

### Structure of this consultation and how to respond

In line with the [better regulation principles](#), the Commission is launching this targeted consultation to gather evidence in the form of stakeholders' views on the need to make listing on EU public markets more attractive for companies and on

ways of doing so. The Commission is also seeking views regarding specific ways of listing, including via Special Purpose Acquisition Companies (SPACs). A special focus is dedicated to SMEs and issuers listed on SME growth markets.

For the purposes of this consultation, the reference to SMEs should be understood as encompassing both SMEs as defined in the [Commission Recommendation 2003/361](#) and SMEs as defined in Article 4(1)(13) of [MiFID II](#). The Commission Recommendation 2003/361 classifies as SMEs companies that employ fewer than 250 people and have a turnover not exceeding EUR 50 million and/or a balance sheet not exceeding EUR 43 million. MiFID II classifies SMEs as companies that had an average market capitalisation of less than EUR 200 million on the basis of end-year quotes for the previous three calendar years. The concept of SME growth markets was introduced by MiFID II as a new category of multilateral trading facilities (MTFs) to facilitate high-growth SMEs' access to public markets and increase their funding opportunities. In order to be registered as an SME growth market, an MTF must comply with the requirements laid down in Article 33 of MiFID II, including the rule that at least *'50% of issuers are SMEs'*.

This targeted consultation is available in English only. It is split into two main sections. The first section contains general questions and aims at gathering views on stakeholders' experience with the current listing rules and the possible need to adapt those rules. The second section seeks views from stakeholders on various technical aspects of the current listing rules, with questions grouped according to the legal act that they pertain to.

In parallel to this targeted consultation, the Commission is launching an [open public consultation](#) which covers only general questions and is available in 23 official EU languages. As the general questions are asked in both questionnaires, we advise stakeholders to reply to only one of the two versions (either the targeted consultation or the open public consultation) to avoid unnecessary duplications. Please note that replies to both questionnaires will be equally considered.

Views are welcome from all stakeholders. You are invited to provide feedback on the questions raised in this online questionnaire. We invite you to add any documents and/or data that you would deem useful to accompany your replies at the end of this questionnaire, and only through the questionnaire. Please explain your responses and, as far as possible, illustrate them with concrete examples and substantiate them numerically with supporting data and empirical evidence. This will allow further analytical elaboration.

You are requested to read the [specific privacy statement](#) attached to this consultation for information on how your personal data and contribution will be dealt with.

The consultation will be open for 12 weeks.

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**Please note:** In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact [fisma-listing-act@ec.europa.eu](mailto:fisma-listing-act@ec.europa.eu).

More information on

- [this consultation](#)
- [the public consultation running in parallel](#)
- [the consultation document](#)
- [SME listing on public markets](#)
- [the protection of personal data regime for this consultation](#)

## About you

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\* Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

\* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen

- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

\* First name

Lena

\* Surname

Elmgren

\* Email (this won't be published)

lena.elmgren@deutsche-boerse.com

\* Organisation name

*255 character(s) maximum*

Deutsche Börse Group

\* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

*255 character(s) maximum*

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

20884001341-42

\* Country of origin

Please add your country of origin, or that of your organisation.

- Afghanistan
- Djibouti
- Libya
- Saint Martin

- Åland Islands
- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Namibia
- Saint Pierre and Miquelon
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden

- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
- Canada
- Cape Verde
- Cayman Islands
- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Iraq
- Ireland
- Isle of Man
- Israel
- Italy
- Jamaica
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- Northern Mariana Islands
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan
- Palau
- Palestine
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tokelau
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- United States

- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena
- Ascension and Tristan da Cunha
- Saint Kitts and Nevis
- Saint Lucia
- United States Minor Outlying Islands
- Uruguay
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe

\* Field of activity or sector (if applicable)

- Operator of a trading venue (regulated market, MTF including SME growth markets, OTF)
- Operator of market infrastructure other than trading venue (clearing house, central security depositary, etc.)
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, pension funds)
- Broker/market-maker/liquidity provider
- Financial research provider
- Investment bank
- Accounting and auditing
- Insurance
- Credit rating agency

- Corporate, issuer
- Other
- Not applicable

The Commission will publish all contributions to this targeted consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association, 'consumer association', 'EU citizen') is always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

### \* Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

#### **Anonymous**

Only the organisation type is published: The type of respondent that you responded to this consultation as, your field of activity and your contribution will be published as received. The name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

#### **Public**

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the [personal data protection provisions](#)

## 1. General questions on the overall functioning of the regulatory framework

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The current EU rules relevant for company listing consist of provisions contained in a number of legal acts, such as the [Prospectus Regulation](#), the [Market Abuse Regulation \(MAR\)](#), the [Market in Financial Instruments Directive \(MiFID II\)](#), the [Market in Financial Instruments Regulation \(MiFIR\)](#) the [Transparency Directive](#) and the [Listing Directive](#). These rules primarily aim at balancing the facilitation of companies' access to EU public markets with an adequate level of investor protection, while also pursuing a number of secondary or overarching objectives.



**Question 1. In your view, has EU legislation relating to company listing been successful in achieving the following objectives?**

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Ensuring adequate access to finance through EU capital markets	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing an adequate level of investor protection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creating markets that attract an adequate base of professional investors for companies listed in the EU	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creating markets that attract an adequate base of retail investors for companies listed in the EU	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Providing a clear legal framework	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Integrating EU capital markets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Please explain the reasoning of your answer to question 1:

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Deutsche Börse Group (DBG) welcomes the opportunity to provide feedback on the European Commission's consultation on the Listing Act and the current EU listing regime. As the European Commission notes, EU capital markets underperform compared to other jurisdictions: not only in terms of retail investor participation, but also in terms of significantly fewer companies going public (coupled with a significant number of delistings). This is even more concerning given that the United Kingdom (UK) has left the European Union (EU) and the latest steps the UK has taken to simplify and increase the attractiveness of its primary markets. These trends not only weaken the EU's role as a financial center but will ultimately also weaken the European economy. Capital-intensive innovations in particular depend heavily on the ability of companies to raise capital on a large scale. Against this background, we welcome the Commission's increased focus on the importance of strong and well-functioning capital markets to EU competitiveness through this timely review of the listing regime as part of the Capital Markets Union (CMU) agenda: Capital markets, including primary markets, are not only essential for the economic recovery in the context of the COVID-19 pandemic, but also necessary for mastering the digital transformation and the green transition of our economies. As pillars of the real economy, strong capital markets are a clear competitive advantage. They provide companies with capital to grow and drive innovation, they offer new opportunities for savers and investors, overall contributing to a more inclusive and resilient economy.

Legislation is an important aspect of creating an attractive and thriving listing ecosystem. If successful, the EU Listing Act could reverse some alarming trends that have led to a declining role for capital markets in financing the economy. We believe that the regulatory framework can be improved in some places to be truly fit for purpose. Any legislative initiative focused on listings (or the capital markets as a whole) should benefit from an integrated approach. The following points will be essential:

- A clear benchmarking of Regulations' market outcomes against the initial objectives.
- Economic impact assessments that include a strong focus on the macroeconomic impact of Regulations on the national and local ecosystems, which support public capital markets.
- A comprehensive approach, covering all participants in the market ecosystem and value chain, especially when it comes to determining end user costs.

Future legislative proposals should be based on such a comprehensive review process, with proposals demonstrating clear relevance and value to the development of the CMU agenda. In practice this means that any initiative must empirically demonstrate its value to the CMU through a thorough analysis and impact assessment.

However, we recognize that commitment and determination of Member States is also required through their own actions, e.g., setting the right incentives, for example with regard to tax incentives or financial literacy initiatives.

As noted by numerous stakeholders and recognised in the [CMU action plan](#), public listing in the EU is currently too cumbersome and costly, especially for SMEs. The [Oxera report on primary and secondary equity markets in the EU](#) stated that the number of listings in the EU-28 declined by 12%, from 7,392 in 2010 to 6,538 in 2018, while GDP grew by 24% over the same period. As a corollary of this, EU public markets for capital remain depressed, notably in comparison to public markets in other jurisdictions with more developed financial markets overall. Weak EU capital markets negatively impact the funding structure and cost of capital of EU companies which currently over rely on credit when compared to other developed economies.

**Question 2. In your opinion, how important are the below factors in explaining the lack of attractiveness of EU public markets?**

**a) Regulated markets:**

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Excessive compliance costs linked to regulatory requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of flexibility for issuers due to regulatory constraints around certain shareholding structures and listing options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of attractiveness of SMEs' securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of liquidity of securities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 2 a):**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**b) SME growth markets:**

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Excessive compliance costs linked to regulatory requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Lack of flexibility for issuers due to regulatory constraints around certain shareholding structures and listing options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of attractiveness of SMEs' securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of liquidity of securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Please specify to what other factor(s) you refer in your answer to question 2

b):

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Currently, SME definitions vary widely throughout financial services legislation, which leads to inconsistencies between legislative files, in turn increasing legal complexity with regards to the applicable rules, and the real potential of fragmentation in the single market. We believe that the definition of SMEs should be aligned (at least) in MiFID II, Prospectus Regulation, ELTIF Regulation, EuVECA Regulation, and Market Abuse Regulation. We agree with the findings of the TESG Report and the conclusions of the CMU High-level Forum (HLF) to incorporate the concept of Small and Medium Capitalisation Companies (SMCs) – as those that do not exceed a market capitalisation threshold of EUR 1 billion over a 12-month period – by either amending the existing SME definition of the legislation (e.g. in MiFID II) or by complementing it with a separate clause (e.g. in the Prospectus Regulation). With regards to state aid rules, a simplification of the SME definition should also be carefully considered, alongside the application of a higher threshold. The new SME definition would encompass a larger number of small companies able to benefit from SME-targeted policies and the Growth Markets regime, and it could also lead to more liquidity in the market. Therefore, we fully support recommendations 1.A and 1.B from the TESG Report.

More specifically, under the regulatory framework of:

- MiFID II, the SME definition in Article 4(1)(13) should be changed to incorporate the concept of SMC.
- The Prospectus Regulation, the SME definition in Article 2(1)(f)(ii) should be amended to include the above changes in the new MiFID II SMC definition and SMCs should then be referenced in Article 15, with the thresholds to be increased accordingly (referred to in Article 15(1)(b) and (ca)).

In addition, we wish to stress that SME GMs have the potential to develop an ecosystem across the EU that benefits smaller issuers and enables them to raise money, grow, create employment and wealth for investors and wider society.

While the intention behind creating SME GMs was to attract smaller companies to list, the interest of issuers to list on an SME GM has not really increased compared to a regular MTF as the requirements are only slightly different, making it difficult to see the added value and promote SME GMs. To deliver on the policy objective, we consider that further benefits should be created for the SME GM label. We believe it is important to find a balance between maintaining a liquid and trusted market with reduced burdens on issuers and an appropriate level of investor protection. SME GMs should retain a certain level of flexibility whilst ensuring efficiency and integrity. It is important to attract SMEs to the market by both supporting local ecosystems that generate conditions for listing of companies and enabling cross-border listings for issuers where this provides further opportunities.

## Please explain the reasoning of your answer to question 2 b):

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Currently, SME definitions vary widely throughout financial services legislation, which leads to inconsistencies between legislative files, in turn increasing legal complexity with regards to the applicable rules, and the real potential of fragmentation in the single market. We believe that the definition of SMEs should be aligned (at least) in MiFID II, Prospectus Regulation, ELTIF Regulation, EuVECA Regulation, and Market Abuse Regulation. We agree with the findings of the TESG Report and the conclusions of the CMU High-level Forum (HLF) to incorporate the concept of Small and Medium Capitalisation Companies (SMCs) – as those that do not exceed a market capitalisation threshold of EUR 1 billion over a 12-month period – by either amending the existing SME definition of the legislation (e.g. in MiFID II) or by complementing it with a

separate clause (e.g. in the Prospectus Regulation). With regards to state aid rules, a simplification of the SME definition should also be carefully considered, alongside the application of a higher threshold. The new SME definition would encompass a larger number of small companies able to benefit from SME-targeted policies and the Growth Markets regime, and it could also lead to more liquidity in the market. Therefore, we fully support recommendations 1.A and 1.B from the TESG Report.

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In addition, we wish to stress that SME GMs have the potential to develop an ecosystem across the EU that benefits smaller issuers and enables them to raise money, grow, create employment and wealth for investors and wider society.

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**c) Other markets (e.g. other MTFs, OTFs):**

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Excessive compliance costs linked to regulatory requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of flexibility for issuers due to regulatory constraints around certain shareholding structures and listing options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of attractiveness of SMEs' securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of liquidity of securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 2 c):**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Companies, in particular SMEs, do not consider listing in the EU as an easy and affordable means of financing and may also find it difficult to stay listed due to on-going listing requirements and costs. More specifically, the [new CMU action plan](#) identified factors such as high administrative burden, high costs of listing and compliance with listing rules once listed as discouraging for many companies, especially SMEs, from accessing public markets. When taking a decision on whether or not to go public, companies weigh expected benefits against costs of listing. If costs are higher than benefits or if alternative sources of financing offer a less costly option, companies will not seek access to public markets. This *de facto* limits the range of available funding options for companies willing to scale up and grow.

**Question 3. In your view, what is the relative importance of each of the below costs in respect to the overall cost of an initial public offering (IPO)?**

**a) Direct costs:**

	1 (very low)	2 (rather low)	3 (neutral)	4 (rather high)	5 (very high)	Don't know - No opinion - Not applicable
Fees charged by the issuer's legal advisers for all tasks linked to the preparation of the IPO (e. g. drawing-up the prospectus, liaising with the relevant competent authorities and stock exchanges etc.)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Fees charged by the issuer's auditors in connection with the IPO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fees and commissions charged by the banks for the coordination, book building, underwriting, placing, marketing and the roadshow	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Fees charged by the relevant stock exchange in connection with the IPO	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fees charged by the competent authority approving the IPO prospectus	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fees charged by the listing and paying agents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other direct costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**b) Indirect costs:**

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	1 (very low)	2 (rather low)	3 (neutral)	4 (rather high)	5 (very high)	Don't know - No opinion - Not applicable
The potential underpricing of the shares during the IPO by investment banks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of efforts required to comply with the regulatory requirements associated with the listing process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other indirect costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Please explain the reasoning of your answer to question 3:

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Feedback indicates that the cost of going and being public is a cause of the decline in the popularity of equity markets. Companies measure costs both in absolute terms and in relation to available alternatives. The fixed cost of going public include bank fees, legal fees, listing sponsors, auditing fees, costs for prospectus and material and exchange fees. The overall cost varies considerably among companies and countries and depends significantly on how complex a business is and the amount of capital it is proposing to raise as part of the IPO (see also the Oxera study on Primary and Secondary Markets in the EU, which contains a section on direct and indirect costs of going/being public). The estimated costs\* would be approximately:

- 10 to 15% of the amount raised from an initial offering of less than EUR 6 million:
- 6 to 10% from between EUR 6 million and EUR 50 million
- 5 to 8% from between EUR 50 million and EUR 100 million
- 3 to 7,5% from more than EUR 100 million

The ongoing costs of being listed include costs for sponsors, brokerage services, exchange listing fees and sometimes independent research providers. Companies also consider the costs in terms of the complexity of the process, the time it requires from the management team and risks involved in the process. It has been highlighted that the biggest costs are mostly hidden, including the cost of regulatory compliance.

Feedback indicates that preparations for financial reporting are a relatively high-cost factor. The increasing number of disclosure obligations for public companies disincentives listings due to the resulting disclosure asymmetry with respect to competitors. Therefore, it is also important that any new reporting obligations should be based on a thorough analysis/use cases.

\*Estimate by FESE

Oxera: Primary and Secondary Markets in the EU, <https://www.oxera.com/wp-content/uploads/2020/11/Oxera-study-Primary-and-Secondary-Markets-in-the-EU-Final-Report-EN-1.pdf>

After their initial listing, companies continue to incur a number of costs that derive from being listed. These costs can be both indirect such as those derived from compliance and regulation requirements and direct such as fees paid to the listing venue. In some cases companies may choose to voluntarily delist in order to avoid these costs which can be viewed as excessive, especially for SMEs.

**Question 4. In your view, what is the relative importance of each of the below costs in respect to the overall costs that a company incurs while being listed?**

**a) Direct costs:**

	1 (very low)	2 (rather low)	3 (neutral)	4 (rather high)	5 (very high)	Don't know - No opinion - Not applicable
Ongoing fees due by the issuer to the listing venue for the continued admission of its securities to trading on the listing venue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ongoing fees due by the issuer to its paying agent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ongoing legal fees due by the issuer to its legal						

advisors (if post-IPO external legal support is necessary to ensure compliance with listing regulations)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fees due by the issuer to auditors if post-IPO, extra auditor work is necessary to ensure compliance with listing regulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate governance costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other direct costs (e.g. costs for extra headcount, costs allocated to investors' relationships, development and maintenance of a website)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**b) Indirect costs:**

	1 (very low)	2 (rather low)	3 (neutral)	4 (rather high)	5 (very high)	Don't know - No opinion - Not applicable
Increased risk of						

litigation due to investor base and increased scrutiny and supervision derived from being listed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other indirect costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 4:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In order to comply with all regulatory requirements such as those included in the [MAR](#) or the [Prospectus Regulation](#), companies have to invest time and resources. This may be seen as a disproportionate burden compared to the advantages this may bring in terms of investors protection.

**Question 5.1 In your view, does compliance with IPO listing requirements create a burden disproportionate with the investor protection objectives that these rules are meant to achieve?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 5.1:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 5.2 In your view, does compliance with post-IPO listing requirements create a burden disproportionate with the investor protection objectives that these rules are meant to achieve?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 5.2:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Public markets are not flexible enough to accommodate companies' financing needs. This lack of flexibility may be driven by regulatory constraints (e.g. concerning the ability of companies owners to retain control of their business when going public by issuing shares with multiple voting rights), as well as by the lack of legal clarity in relevant legislation (e.g. the conditions under which a company may seek dual listing). Regulatory constraints or legal uncertainty may discourage the use of public markets by firms that find requirements inadequate or unclear.

**Question 6. In your view, would the below measures, aimed at improving the flexibility for issuers, increase EU companies' propensity to access public markets?**

	Yes	No	Don't know - No opinion - Not applicable
Allow issuers to use shares with multiple voting rights when going public	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarify conditions around dual listing	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lower minimum free float requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Eliminate minimum free float requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>



## Please specify to what other measure(s) you refer in your answer to question

6:

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As a general comment, we believe that tax incentives are a very important instrument to enhance the attractiveness of public markets for SMEs. Therefore, targeted reviews of existing tax regimes should complement structural reforms in several areas, mentioned in the sections above, with a view to create a vivid environment with mutually reinforcing regulatory and tax incentives. We fully support the TESG's recommendation 11 to review the Risk Finance Guidelines (RFG) to broaden the definition of eligible undertakings which may benefit from targeted and well-designed tax incentives. We believe this can have a significant positive impact both on companies seeking access to public equity financing and on financial intermediaries assisting these companies.

## Please explain the reasoning of your answer to question 6:

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

DBG agrees with the proposal to allow issuers to use shares with multiple voting rights, as the number of founder-led companies has increased in recent years and the future success of these companies often depends on key persons staying on board. Therefore, it would be advantageous for all stakeholders if the founders retained the majority of voting rights after the IPO in order to be able to implement their ideas. Dual class shares, meaning classes of shares holding different voting rights would be a valuable approach. They have already been successfully introduced in a number of European countries such as Sweden, Finland and Denmark, and are well established in the United States. Other markets such as Singapore, Shanghai, Hong Kong and, more recently, the UK have also introduced them. In some European countries (France, Italy, Spain and Belgium), the concept of loyalty shares has been introduced, where investors receive double voting rights after a certain holding period. This shows that individual capital markets are already responding and that it would therefore be beneficial to create a common EU framework to compensate for existing competitive disadvantages.

We also agree with clarifying the conditions for dual listing, in particular an improvement in the reuse of existing documentation would be helpful. In addition, to counteract fragmentation of liquidity pools, index providers could amend their rules to allow the inclusion of single names in the index without the minimum turnover criterion on the target exchange. In Germany, for example, this was included in the new DAX rules, which increases the attractiveness of the Frankfurt Stock Exchange as a location for dual listing.

Finally, we believe the current free float requirement of 25% should be reduced to 10%, as we do not consider this minimum requirement to be appropriate. Especially after the UK's exit from the EU, it has become more difficult to reach this threshold. However, removing the geographic restriction on minimum dispersion within the EU/EEA area would be just as effective as lowering the minimum market capitalization threshold to EUR 1 million.

As a general comment, we believe that tax incentives are a very important instrument to enhance the attractiveness of public markets for SMEs. Therefore, targeted reviews of existing tax regimes should complement structural reforms in several areas, mentioned in the sections above, with a view to create a vivid environment with mutually reinforcing regulatory and tax incentives. We fully support the TESG's recommendation 11 to review the Risk Finance Guidelines (RFG) to broaden the definition of eligible undertakings which may benefit from targeted and well-designed tax incentives. We believe this can have a

significant positive impact both on companies seeking access to public equity financing and on financial intermediaries assisting these companies.

The lack of available company research and insufficient liquidity discourage investors from investing in some listed securities. Many securities issued by SMEs in the EU are characterised by lower liquidity and higher illiquidity premium, which may be the direct result of how these companies are perceived by investors, in particular institutional investors, who do not find them sufficiently attractive. Furthermore, institutional investors may fear reputational risk when investing in companies listed on multilateral trading facilities, including SME growth markets, given the lack of minimum corporate governance requirements for issuers on those venues.

**Question 7. In your view, what are the main factors that explain why the level of institutional and retail investments in SME shares and bonds remains low in the EU?**

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Lack of visibility and attractiveness of SMEs towards investors leading to a lack of liquidity for SME shares and bonds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Lack of investor confidence in listed SMEs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of tax incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Lack of retail participation in public capital markets (especially in SME growth markets)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Please explain the reasoning of your answer to question 7:

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## 2. Specific questions on the existing regulatory framework

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Please click on the button Next to respond to the rest of the questionnaire.

### 2.1 Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market)

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The [Prospectus Regulation \(Regulation \(EU\) 2017/1129\)](#), which started applying in July 2019, lays down the rules governing the prospectus that must be made available to the public when a company makes an offer to the public or an admission to trading of transferable securities on a regulated market in the EU. The prospectus is a legal document that contains information about the issuer (e.g. main line of business, finances and shareholding structure) and the securities offered to the public or to be admitted to trading on a regulated market. A prospectus has to be approved by the competent authority of the home Member State before the beginning of the offer or the admission to trading of the securities.

The Prospectus Regulation has been subject to targeted amendments

- i. at the end of 2019 under the [SME Listing Act](#)
- ii. in 2020 under the [Crowdfunding Regulation](#)
- iii. and in 2021 under the [capital markets recovery package](#)

However, the prospectus regime remains to be seen by some as burdensome and unfit for attracting companies, in particular SMEs, to public markets. Both the [CMU High Level Forum \(HLF\)](#) and the TESSG have highlighted that the process of drawing up a prospectus and getting it approved by the relevant national competent authority is expensive, complex and time-consuming and that targeted yet ambitious simplification of prospectus rules could reduce significantly compliance costs for companies and lower obstacles to tapping public markets.

This section aims at gathering respondents' views on the costs stemming from the application of the prospectus regime as well as on which requirements are most burdensome and how it would be possible to alleviate them without impairing investor protection and the overall transparency regime. Furthermore, this section aims to examine other aspects of the Prospectus Regulation, such as the functioning of the thresholds for exemptions from the obligation to publish a prospectus, the language regime and rules concerning the approval and publication of prospectuses.

### 2.1.1. Costs stemming from the drawing up of a prospectus

[Analysis conducted by Oxera](#) highlights that the efforts required to comply with the regulatory requirements associated with the listing process, and the litigation risk that could emerge, are often cited by industry practitioners as the most significant indirect costs of listing. In particular, many issuers stressed, as a high and growing cost to listing, the increased length and complexity of the prospectus documentation.

**Question 8.1. As an issuer or an offeror, could you provide an estimation for the average cost of the prospectuses listed below (in EUR amount)? If necessary, please provide different estimations per type of prospectus (e.g. prospectus for an IPO, for a right issue, for a convertible bond, for a corporate bond, for an EMTN programme).**

<b>Prospectus Type</b>	<b>Estimation for the average cost in EUR</b>
Standard prospectus for equity securities	SME EUR 50,000-80,000 Others EUR 140,000-300,000
Standard prospectus for non-equity securities	SME EUR 40,000-70,000 Others EUR 50,000-100,000
Base prospectus for non-equity securities	
EU growth prospectus for equity securities	EUR 40,000-60,000
EU growth prospectus for non-equity securities	EUR 30,000-50,000
Simplified prospectus for secondary issuances of equity securities	EUR 40,000-60,000
Simplified prospectus for secondary issuances of non-equity securities	EUR 30,000-50,000
EU recovery prospectus (currently available for shares only)	EUR 20,000-40,000

**Please explain the reasoning of your answer to question 8.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The above costs are indicative (based on feedback we have received from market participants) and relate only to legal fees for the prospectus. It should be noted that the cost estimates can only be indicative of the of the actual costs, as the final amount of legal fees depends on the size of the company, the complexity of the legal issues involved, and thus the work required for preparing the prospectus. Thus, the total legal fees may well be lower or higher than the above ranges.

**Question 8.2 Considering the total costs incurred by an issuer for the drawing up of a prospectus, please indicate what is the relative importance of each of the below costs in respect to the overall costs.**

**a) IPO prospectus**

	Less than or equal to 10% of total costs	More than 10% and less than or equal to 20% of total costs	More than 20% and less than or equal to 40% of total costs	More than 40% and less than or equal to 50% of total costs	More than 50% of total costs	Don't know - No opinion - Not applicable
Issuer's internal costs	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditors costs	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal fees (including legal fees borne by underwriters for drawing-up the prospectus)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competent authorities' fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other costs	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please specify to which costs you are referring to in your answer to question 8.2 a):**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The above costs are indicative only and are provided from a small cap perspective. Under e - "other costs" we consider costs for the accompanying bank in case of the admission to trading in the regulated market segment.

For large caps the costs of a,b,c,d is about less than or equal to 10% of total costs.

The exact proportion of the costs depends on the specific circumstances in the individual case and may vary slightly. Therefore, the actual costs may differ from the above cost estimates.

## b) Right issue prospectus

	Less than or equal to 10% of total costs	More than 10% and less than or equal to 20% of total costs	More than 20% and less than or equal to 40% of total costs	More than 40% and less than or equal to 50% of total costs	More than 50% of total costs	Don't know - No opinion - Not applicable
Issuer's internal costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditors costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal fees (including legal fees borne by underwriters for drawing-up the prospectus)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competent authorities' fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## c) Bond issue prospectus

	Less than or equal to 10% of total costs	Greater than 10% and less than or equal to 20% of total costs	Greater than 20% and less than or equal to 40% of total costs	Greater than 40% and less than or equal to 50% of total costs	More than 50% of total costs	Don't know - No opinion - Not applicable
Issuer's internal costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditors costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal fees (including						



legal fees borne by underwriters for drawing-up the prospectus)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competent authorities' fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### d) Convertible bond issue prospectus

	Less than or equal to 10% of total costs	More than 10% and less than or equal to 20% of total costs	More than 20% and less than or equal to 40% of total costs	More than 40% and less than or equal to 50% of total costs	More than 50% of total costs	Don't know - No opinion - Not applicable
Issuer's internal costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditors costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal fees (including legal fees borne by underwriters for drawing-up the prospectus)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competent authorities' fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### e) EMTN program prospectus

	Less than or equal to 10% of total costs	More than 10% and less than or equal to 20% of total costs	More than 20% and less than or equal to 40% of total costs	More than 40% and less than or equal to 50% of total costs	More than 50% of total costs	Don't know - No opinion - Not applicable
Issuer's internal costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Auditors costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal fees (including legal fees borne by underwriters for drawing-up the prospectus)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competent authorities' fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 8.2:**

*5000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 9. What are the sections of a prospectus that you find the most cumbersome and costly to draft?**

	1 (not burdensome at all)	2 (rather not burdensome at all)	3 (neutral)	4 (rather burdensome)	5 (very burdensome)	Don't know - No opinion - Not applicable
Summary	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business overview	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operating and financial review	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regulatory environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trend information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Profit forecasts or estimates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Administrative, management and supervisory bodies and senior management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Related party transactions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial information concerning the issuer's assets and liabilities, financial position and profit and losses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Working capital statement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statement of capitalisation and indebtedness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 9:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 10. As an issuer or an offeror, how much money do you consider saving with the EU growth prospectus compared to a standard prospectus (in percentage)?**

	Less than or equal to 10%	More than 10% and less than or equal to 20%	More than 20% and less than or equal to 40%	More than 40% and less than or equal to 50%	More than 50%	Don't know - No opinion - Not applicable
EU growth prospectus for equity securities compared to a Standard prospectus for equity securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EU growth prospectus for non-equity securities compared to a Standard prospectus for non-equity securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 10:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 11. As an issuer or offeror, how much money do you consider saving with the EU recovery prospectus, currently available only for shares, compared to a standard prospectus and a simplified prospectus for secondary issuances of equity securities (in percentage)?**

	Less than or equal to 10%	More than 10% and less than or equal to 20%	More than 20% and less than or equal to 40%	More than 40% and less than or equal to 50%	More than 50%	Don't know - No opinion - Not applicable
EU recovery prospectus compared to a standard prospectus for equity securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EU recovery prospectus compared to a simplified prospectus for secondary issuances of equity securities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 11:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### 2.1.2. Circumstances when a prospectus is not needed

The Prospectus Regulation currently lays down several exemptions for the offer of securities to the public (Article 1(4) and 3(2)) or the admission to trading of securities on a regulated market (Article 1(5)). Moreover, the Prospectus

Regulation does not apply to offers of securities to the public below EUR 1 million, in accordance with the conditions laid down in Article 1(3).

**Question 12.1 Would you be in favour of adjusting the current prospectus exemptions so that a larger number of offers can be carried out without a prospectus?**

**a) Exemptions for offers of securities to the public (Article 1(4) of the Prospectus Regulation):**

Please select as many answers as you like

- i. An offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors (Article 1(4), point (b))
- ii. An offer of securities whose denomination per unit amounts to at least EUR 100 000 (Article 1(4), point (c))
- iii. An offer of securities addressed to investors who acquire securities for a total consideration of at least EUR 100 000 per investor, for each separate offer (Article 1(4), point (d))
- iv. Other exemptions

**b) Exemptions for the admission to trading on a regulated market (Article 1(5) of the Prospectus Regulation):**

Please select as many answers as you like

- i. Securities fungible with securities already admitted to trading on the same regulated market, provided that they represent, over a period of 12 months, less than 20 % of the number of securities already admitted to trading on the same regulated market (Article 1(5), first subparagraph, point (a))
- ii. Shares resulting from the conversion or exchange of other securities or from the exercise of the rights conferred by other securities, where the resulting shares are of the same class as the shares already admitted to trading on the same regulated market, provided that the resulting shares represent, over a period of 12 months, less than 20 % of the number of shares of the same class already admitted to trading on the same regulated market, subject to the second subparagraph of this paragraph (Article 1(5), first subparagraph, point (b))
- iii. Other exemptions

**c) Exemptions applicable to both the offer of securities to the public and admission to trading on a regulated market:**

Please select as many answers as you like

- i. Non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less than EUR 75 000 000 per credit institution calculated over a period of 12 months, provided that those securities: 1. are not subordinated, convertible or exchangeable; and 2. do not give a right to subscribe for or acquire other types of securities and are not linked to a derivative instrument (Article 1(4), point (j) and Article 1(5), first subparagraph, point (i)).
- ii. From 18 March 2021 to 31 December 2022, non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less than EUR 150 000 000 per credit institution calculated over a period of 12 months, provided that those securities: 1. are not subordinated, convertible or exchangeable; and 2. do not give a right to subscribe for or acquire other types of securities and are not linked to a derivative instrument (Article 1(4), point (l), and Article 1(5), first subparagraph, point (k))
- iii. Other exemptions

**Question 12.2 Would you consider that more clarity should be provided on the application of the various thresholds below which no prospectus is required under the Prospectus Regulation (e.g. on total consideration of the offer and calculation of the 12 month-period)?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 12.2.1 Please explain on which thresholds and on which elements more clarity is needed and explain your reasoning:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

With regard to Article 1 section 5 b) of the Prospectus Regulation, we recommend deleting the 20% threshold: conditional capital under the German Stock Corporation Act can only be used in limited cases (e.g. employee option programs and convertible bonds). This gives issuers less scope for typical capital increases, e.g. from authorized capital.

**Question 12.3 Could any additional types of offers of securities to public and admissions to trading on a regulated market be carried out without a prospectus while maintaining adequate investor protection?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 12.3.1 Please specify in the textbox below which additional exemptions you would propose, explaining your reasoning:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Employee option programs (Art. 1 section 5 h) should entirely be excluded entirely from the scope of the EU Prospectus Regulation (Art. 1 section 2), as employees are sufficiently informed by their employer's ongoing transparency reporting. The information document as required in Art. 1 section 5 h) does not provide employees with any additional information.



**Question 13.1** The exemption thresholds in Articles 1(3) and 3(2) are designed to strike an appropriate balance between investor protection and alleviating the administrative burden on small issuers for small offers. If you consider that these thresholds should be adjusted so that a larger number of offers can be carried out without a prospectus, please indicate your preferred threshold in the table below.

Provision	Preferred Threshold
<p>Article 1(3) of the Prospectus Regulation.</p> <p>Explanation: Offer of securities to the public with a total consideration in the Union of less than EUR 1 000 000, which shall be calculated over a period of 12 months, are out of scope of the Prospectus Regulation.</p> <p><b>Existing Threshold: EUR 1 000 000</b></p>	<p>EUR 1 000 000</p>
<p>Article 3(2) of the Prospectus Regulation.</p> <p>Explanation: Member States may decide to exempt offers of securities to the public from the obligation to publish a prospectus provided that such offers do not require notification (passporting) and the total consideration of each such offer in the Union is less than a monetary amount calculated over a period of 12 months which shall not exceed EUR 8 000 000.</p> <p><b>Existing Threshold: EUR 8 000 000 (Upper threshold)</b></p>	<p>8 000 000</p>

**Please explain the reasoning of your answer to question 13.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 13.2 Do you agree with Member States exercising their discretion over the threshold set out in Article 3(2) of the Prospectus Regulation with a view to tailoring it to national specificities of their markets?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 13.2.1 Please make an alternative proposal to the Member States exercising their discretion over the threshold set out in Article 3(2) of the Prospectus Regulation:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Please explain the reasoning of your answer to question 13.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**2.1.3 The standard prospectus for offers of securities to the public or admission to trading of securities on a regulated market (primary issuances)**

Several industry practitioners have stressed that the increasing length and complexity of the prospectus documentation is one of the most important costs associated to the listing process. According to a survey which analysed the average length of the IPO prospectus for the 10 most recent IPOs in the main EU markets as of March 2019, the median length

of an IPO prospectus was 400 pages in Europe, with significant divergence among countries, ranging from 250 pages in the Netherlands to over 800 pages in Italy.

The excessive length – and thus high cost – of a prospectus is deemed particularly challenging for smaller issuers of both equity and non-equity securities. Data show that there is currently little proportionality with respect to the length of the IPO prospectus based on the size of the issuer: the mean number of pages for issuers with a market capitalisation between EUR 150 million and EUR 1 billion is even higher than for issuers with a market capitalisation above EUR 1 billion (577 versus 514 pages, respectively).

## General issues

**Question 14.1 Do you think that the standard prospectus for an offer of securities to the public or an admission to trading of securities on a regulated market in its current form strikes an appropriate balance between effective investor protection and the proportionate administrative burden for issuers?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 15. Would you support introducing a maximum page limit to the standard prospectus?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 15:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## Prospectus summary

The prospectus summary is one of the three components of a prospectus (alongside the registration document and the securities note). Its purpose is to provide, in a concise manner and in non-technical language, the key information that investors need in order to understand the nature and the risks of the issuer, the guarantor and the securities that are being offered to the public or admitted to trading on a regulated market. The prospectus summary is to be read together with the other parts of the prospectus, to aid investors, particularly retail investors, when considering whether to invest in such securities. Views are welcome as to whether room for improvement exists.

**Question 16. Do you believe that the prospectus summary regime has achieved its objectives (i.e. make the summary short, simple, clear and easy for investors to understand)?**

	Yes	No	Don't know - No opinion - Not applicable
Summary of the standard prospectus (Article 7 of the Prospectus Regulation, excluding paragraph 12a)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Summary of the EU growth prospectus (Article 33 of Commission Delegated Regulation (EU) 2019/980)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Summary of the EU recovery prospectus (Article 7(12a) of the Prospectus Regulation)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Incorporation by reference

The “incorporation by reference” mechanism allows the information contained in one of the documents listed in Article 19(1) of the Prospectus Regulation to be incorporated into a prospectus by including a reference. However, this information must have already been previously or simultaneously published electronically and drawn up in a language fulfilling the language requirements laid down in Article 27 of the Prospectus Regulation. Incorporation by reference facilitates the procedure of drawing up a prospectus and lowers the costs for issuers.

**Question 17. Would you suggest any improvement to the existing rules on incorporation by reference, including amending or expanding the list of information that can be incorporated by reference?**

- Yes
- No
- Don't know/ no opinion / not relevant

**Please explain the reasoning of your answer to question 17:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### The standard prospectus for non-equity securities

In the Prospectus Regulation non-equity securities are subject to specific rules, such as the possibility to draw up a base prospectus (normally for offering programs) and the dual regime for retail non-equity securities versus wholesale non-equity securities. The latter are non-equity securities that have a denomination per unit of at least EUR 100 000 or that are to be traded only on a regulated market, or a specific segment thereof, to which only qualified investors can have access for the purposes of trading in those securities. Wholesale non-equity securities are exempted from the prospectus for the offer to the public and are entitled to a lighter prospectus for the admission to trading on a regulated market (e.g. no prospectus summary, flexible language requirement, lighter disclosures), as set out in [Commission Delegated Regulation \(EU\) 2019/980](#).

**Question 18.1 Do you think that the prospectus (including the base prospectus) for non-equity securities, with differentiated rules for the admission to trading on a regulated market of retail and wholesale non-equity securities, has been successful in facilitating fundraising through capital markets?**

- Yes
- No
- Don't know/ no opinion / not relevant

**Please explain the reasoning of your answer to question 18.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 18.2 Would you be in favour of further aligning the prospectus for retail non-equity securities with the prospectus for wholesale non-equity securities, to make the retail prospectus lighter and easier to be read?**

- Yes
- No
- Don't know/ no opinion / not relevant

**Please explain the reasoning of your answer to question 18.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 18.3 Would you consider any other amendment to the existing rules?**

- Yes
- No
- Don't know/ no opinion / not relevant

**Please explain the reasoning of your answer to question 18.3:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**2.1.4. Prospectus for SMEs**

SMEs and other categories of beneficiaries (e.g. mid-caps listed on an SME growth market) defined in Article 15(1) of the Prospectus Regulation, can choose to draw up an EU growth prospectus for offers of securities to the public, provided that they have no securities admitted to trading on a regulated market. The EU growth prospectus is more alleviated than a standard prospectus, as it contains less disclosures (e.g. board practices, employees, important events in the development of the issuer's business, operating and financial review) and in some cases more alleviated ones (e.g. principal activities, principal markets, organisational structure, investments, trend information, historical financial information, dividend policy). As this development is relatively recent, there is limited data available to assess whether the introduction of the EU growth prospectus has affected the average length of prospectuses for SMEs. However, feedback from market participants indicates that there has not been a substantial decrease in the length of documents submitted after July 2019.

**Question 19. Do you believe that the EU growth prospectus strikes a proper balance between investor protection and the reduction of administrative burdens for SMEs?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 19:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We welcomed the provision to allow issuers whose securities are admitted to trading on an SME GM continuously for at least the last 18 months to benefit from a simplified prospectus. We suggest clarifying that this is calculated as of when the issuer was admitted to trading on the Multi-Trading Facility (MTF) (even without SME GM label at that time) rather than from the moment that the MTF obtains the SME GM label, as this will ensure issuers that meet this criteria can benefit from this provision at an earlier stage.

Although the creation of SME GMs was intended to attract smaller companies for listing, the interest of issuers in listing on an SME GM has not really increased. We believe that EU-wide common long-term communication measures should be considered to further promote SME GMs. In particular, communication measures should clearly focus and highlight the alleviations associated with a listing on an SME GM. This would increase awareness among (European) investors and companies and help to establish the SME GM as one access channel to capital markets.

### 2.1.5. The format and language of the prospectus

#### Electronic Prospectus

The Prospectus Regulation sets out an obligation for issuers to provide a copy of the prospectus on either a durable medium or printed upon request of any potential investor. It has been noted that, due to the current prevalence of digital mediums, this may be an unnecessary cost and administrative burden for issuers.

**Question 20. Do you agree that the above mentioned obligation should be deleted and that a prospectus should only be provided in an electronic format as long as it is published in accordance with Article 21 of the Prospectus Regulation?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 20:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

DBG supports this proposal as long as the long-term availability of the prospectus is ensured.

#### Language rules for the prospectus

The TESG in its final report argued that publishing a prospectus only in English, as the customary language in the sphere of international finance, independently from the official language of the home or host Member States could reduce the burden on companies offering securities in several Member States and contribute to creating a level playing field amongst market participants.

**Question 21. Concerning the language rules laid down in Article 27 of the Prospectus Regulation, with which of the following statements do you agree?**

- It should be allowed to publish a prospectus **only** in English, as the customary language in the sphere of international finance
-

It should be allowed to publish a prospectus **only** in English, as the customary language in the sphere of international finance, except for the prospectus summary

- It should be allowed to publish a prospectus **only** in English, as the customary language in the sphere of international finance, for any cross-border offer or admission to trading on a regulated market, including when a security is offered/admitted to trading in the home Member State
- It should be allowed to publish a prospectus **only** in English, as the customary language in the sphere of international finance, for any cross-border offer or admission to trading on a regulated market, including when a security is offered/admitted to trading in the home Member State, except for the prospectus summary
- There is no need to change the current language rules laid down in Article 27 of the Prospectus Regulation
- Don't know/ no opinion / not relevant

#### **2.1.6. The prospectus for secondary issuances of issuers already listed on a regulated market or an SME growth market and/or for transfer from a SME growth market to a regulated market**

The Prospectus Regulation currently lays down a simplified regime for secondary issuances of companies whose securities have already been admitted to trading on a regulated market or on an SME growth market continuously and for at least the last 18 months. Such companies are already subject to periodic and ongoing disclosure requirements, such as under the Transparency Directive and the Market Abuse Regulation. It can therefore be argued that there is less of a need to require a prospectus for secondary issuances. A simplified prospectus for secondary issuances can also be used, in accordance with the conditions laid down in Article 14(1), point (d), of the Prospectus Regulation, to transfer from an SME growth market to a regulated market (aka “transfer prospectus”).

Furthermore, the [capital markets recovery package](#) introduced the new EU recovery Prospectus regime (Article 14a of the Prospectus Regulation) to allow for a rapid re-capitalisation of EU companies affected by the economic shock of the COVID-19 pandemic. The EU recovery prospectus consists on a single document, of only 30 pages and includes a 2 page-summary (neither the summary nor the information incorporated by reference are taken into account to determine the page-size limit), focusing on essential information that investors need to make an informed decision. This new short-form prospectus is meant to be easy to produce for issuers, easy to read for investors and easy to scrutinise for national competent authorities. The EU recovery prospectus is only available for secondary issuances of shares of issuers listed on a regulated market or an SME growth market continuously and for at least the last 18 months. It is currently intended as a temporary regime.

The TESG in its final report highlighted the need to further simplify the prospectus burden for subsequent admissions to trading or offers of fungible securities and recommended that a new simplified prospectus (replacing the current simplified prospectus for secondary issuances), similar in its form to the EU recovery prospectus, be adopted on a permanent basis for secondary issuances and for transfers from an SME growth market to a regulated market, provided that specific conditions are satisfied.



**Question 22. Do you agree that, for issuers that have already been listed continuously and for at least the last 18 months on a regulated market or an SME growth market, the obligation to publish a prospectus could be lifted for any subsequent offer to the public and/or admission to trading of securities fungible with existing securities already issued (with a prospectus) without impairing investors' protection?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 22:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We welcome the provision that an issuer whose securities have been admitted to trading on an SME GM or a regulated market continuously for at least the last 18 months to benefit from a simplified prospectus when making further issuances. As the EU Recovery Prospectus has been developed more recently and provides for a more simplified approach that is beneficial to both the issuer and the investor, we believe that it should be made permanent and useable for all secondary issuances for which a prospectus is required.

**Question 22.1 Do you think that the regime for secondary issuances could nevertheless be simplified?**

- i. The obligation to draw up a prospectus should, for both the offer to the public and the admission to trading on a regulated market of securities fungible with existing securities which have been previously issued, be replaced with the obligation to publish a statement confirming compliance with continuous disclosure and financial reporting obligations
- ii. The obligation to draw up a prospectus should, for both the offer to the public and the admission to trading on a regulated market of securities fungible with existing securities which have been previously issued, be replaced with the obligation to publish an alternative admission or listing document (content to be defined at EU level). Such document should only be filed with the relevant national competent authority (i.e. neither subject to the scrutiny nor to the approval of the latter)
- iii. The obligation to publish a prospectus should remain applicable (unless one of the existing exemptions apply) but only a prospectus significantly simplified and focusing on essential information should be required
- iv. Other
-

v. Don't know/ no opinion / not relevant

**If you chose option 22.1 (iii), please indicate what the main simplifications should be and explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We welcome the provision that an issuer whose securities have been admitted to trading on an SME GM or a regulated market continuously for at least the last 18 months to benefit from a simplified prospectus when making further issuances. As the EU Recovery Prospectus has been developed more recently and provides for a more simplified approach that is beneficial to both the issuer and the investor, we believe that it should be made permanent and useable for all secondary issuances for which a prospectus is required.

**Question 23. Since the application of the [capital markets recovery package](#), have you seen the uptake in the use of the EU recovery prospectus?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 23:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 24. Do you think that the EU Recovery prospectus should:**

	Yes	No	Don't know - No opinion - Not applicable
i. Be extended on a permanent basis for secondary issuances of shares	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
ii. Be introduced on a permanent basis for secondary issuances of all types of securities (both equity and non-equity securities)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
iii. Be used as a simplified prospectus for all cases set out in Article 14(1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
iv. Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 24:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We support making permanent the Recovery Prospectus regime (effective from March 2021). This would lead to the creation of a permanent simplified prospectus regime for secondary issuances and facilitate the transfers from SME GMs to Regulated Markets. The Recovery Prospectus lays down principles of vital importance by recognizing that listed companies are already transparent and that any prospectus for follow-on issuance should focus only on new information related to that specific transaction.

**Question 24.1 If you replied in the affirmative to question 24 (i), which changes, if any, would be necessary to the EU recovery prospectus? Please explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 24.2. If you replied in the affirmative to question 24 (ii), which changes would be necessary to the EU recovery prospectus, also to adapt it to the secondary issuance of non-equity securities? Please explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**2.1.7. Liability regime**

The obligation to publish a prospectus entails a civil liability regime for issuers. Infringements to the provisions of the Prospectus Regulation may lead to administrative sanctions and other administrative measures, in accordance with Article 38 of that Regulation and, depending on national law, criminal sanctions. The prospectus is sometimes referred to as a document that serves to shield from liability issues (i.e. the more information the better) rather than to support investors in taking informed investment decisions.

**Question 25. Do you think that the current punitive regime under the Prospectus Regulation is proportionate to the objectives sought by legislation as well as the type and size of entities potentially covered by that regime?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 25, notably in terms of costs:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 26. Do you believe that the current civil liability regime under the Prospectus Regulation is adequately calibrated?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 27. Do you consider that the liability of national competent authorities' (NCAs) in relation to the prospectus approval process is adequately calibrated and consistent throughout the EU?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 28. According to your opinion, which administrative pecuniary sanctions (as prescribed in Article 38(2) of the Prospectus Regulation) have a higher impact on an issuer's decision to list?**

	Pecuniary sanctions in respect of natural persons	Pecuniary sanctions in respect of legal persons
Issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>

Issuers listed on other markets



**Please explain the reasoning of your answer to question 28:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 29.1 Do you think that the maximum administrative pecuniary sanction for infringements laid down in Article 38(2) of the Prospectus Regulation in respect of legal persons should be decreased?**

	Yes	No	Don't know - No opinion - Not applicable
Issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issuers listed on other markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 29.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 29.2 Do you think that the maximum administrative pecuniary sanction for infringements laid down in Article 38(2) of the Prospectus Regulation in respect of natural persons should be decreased?**

	Yes	No	Don't know - No opinion - Not applicable
Issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 29.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 30. Do you think that the possibility of applying criminal sanctions in the case of non-compliance with any of the requirements specified in Article 38(1) of the Prospectus Regulation should be removed?**

- Yes
- No
- Don't know / no opinion / not relevant

**2.1.8. Scrutiny and approval of the prospectus**

Article 20 of the Prospectus Regulation lays down harmonised rules for the scrutiny and approval of the prospectus, with a view to fostering supervisory convergence throughout the EU. Article 20 also sets out the timelines for approving the prospectus, depending on the circumstances and type of document (e.g. prospectus for a first time offer of unlisted issuers, prospectus for issuers already listed or that have already offered securities to the public, EU recovery prospectus, prospectus which includes a URD). The criteria for the scrutiny of prospectuses, in particular the completeness, comprehensibility and consistency of the information contained therein, and the procedures for the approval of the prospectus are further specified in Chapter V of Commission Delegated Regulation (EU) 2019/980.

**Question 31. Do you consider that there is alignment in the way national competent authorities assess the completeness, comprehensibility and consistency of the draft prospectuses that are submitted to them for approval?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 32. Do you consider the timelines for approval of the prospectus as prescribed in Article 20 of the Prospectus Regulation adequate?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 32:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 33.1** In its June 2020 report, the CMU HLF suggested that prospectuses could be made available to the public closer to the offer (e.g. in three working days). Should the minimum period of six working days between the publication of the prospectus and the end of an offer of shares (Article 21(1) of the Prospectus Regulation) be relaxed in order to facilitate swift book-building processes?

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 33.1:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 33.2** Should a minimum period of days between the publication of a prospectus and the end of an offer be set out also for offer of non-equity securities, in particular to favour more retail participation?

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 33.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## Determination of the “Home Member State”

The Prospectus Regulation, Article 2(m), sets out rules for the determination of the home Member State. As a general rule, for issuers established in the EU, the home Member State corresponds to the Member State where the issuer has its registered office. However, different rules apply for non-equity securities with a denomination per unit above EUR 1 000 and for certain non-equity hybrid securities for which the ‘Home Member State’ means the Member State where the issuer has its registered office, or where the securities were or are to be admitted to trading on a regulated market or where the securities are offered to the public, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market.

Equity issuers established in the EU are therefore currently not able to choose their home Member State, while non-equity issuers established in the EU are allowed to do so, subject to the conditions laid down in Article 2(m), point (iii), of the Prospectus Regulation.

### **Question 34. Should the dual regime for the determination of the home Member State for non-equity and equity securities featured in Article 2(m) of the Prospectus Regulation be amended?**

- Yes
- No
- Don't know / no opinion / not applicable

### **Please explain the reasoning of your answer to question 34:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### **2.1.9. The Universal Registration Document (URD)**

Effective as of 2019, the co-legislators introduced a URD in the Prospectus Regulation, in line with the shelf registration principles already well-established in other financial markets, particularly in the US. A URD is a document that, after being approved for two consecutive years, is only to be filed each year (i.e. kept ‘in the shelf’) by frequent issuers. A URD contains information about company’s organisation, business, financial position, earnings, etc., and facilitates the approval process of prospectuses of these issuers (e.g. approval time reduced by half) by national competent authorities. As a URD can be used for offers of both equity and non-equity securities, it is currently built on the more comprehensive registration document for equity securities.

The TESG in their Final Report highlighted that the URD regime, as currently designed, does not deliver on its objective, as only a very low number of issuers, and mostly in one Member State, have resorted to it.



**Question 35. In your view, what are the main reasons for the lack of use of the URD among issuers across the EU?**

Please select as many answers as you like

- The time period necessary to benefit from the status of frequent issuer is too lengthy
- The URD supervisory approval process is too lengthy
- The costs of regularly updating, supplementing and filing the URD are not outweighed by its benefits
- The URD content requirements are too burdensome
- The URD is not suitable for non-equity securities as it is built on the more comprehensive registration document for equity securities
- The URD language requirements are too burdensome
- Other

**Please explain the reasoning of your answer to question 35:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 36. As the URD can only be used by companies already listed, should its content be aligned to the level of disclosures for secondary issuances (instead of primary issuances as currently) to increase its take up by both equity and non-equity issuers?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 36:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

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**Question 37. Should the approval of a URD be required only for the first year (with a filing every year after)?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 37:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 38. Should a URD that has been approved or filed with the national competent authority be exempted from the scrutiny and approval process of the latter when it is used as a constituent part of a prospectus (i.e. the scrutiny and approval should be limited to the securities note and the summary)?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 38:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 39. Should issuers be granted the possibility to draw up the URD only in English for passporting purposes, notwithstanding the specific language requirements of the relevant home Member State?**

- Yes
- No
-

Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 39:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 40. How could the URD regime be further simplified to make it more attractive to issuers across the EU?**

**Please explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**2.1.10. Other possible areas for improvement**

**Supplements to the prospectus**

Article 23 of the Prospectus Regulation lays down rules for the supplement to the prospectus. As part of the Capital Market Recovery Package, the new paragraphs (2a) and (3a) were introduced with a view to providing more clarity on the obligation for financial intermediary to contact investors when a supplement is published, to increase the time window to do so and also to increase the time window for investors to exercise their withdrawal rights, where applicable. These new rules are only temporary and due to expire on 31 December 2022.

**Question 41.1 Has the temporary regime for supplements laid down in Articles 23(2a) and 23(3a) of the Prospectus Regulation provided additional clarity and flexibility to both financial intermediaries and investors and should it be made permanent?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 41:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## **Question 41.2 Would you propose additional improvements?**

### **Please explain your reasoning:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### **Equivalence regime**

Article 29 of the Prospectus Regulation enables third country issuers to offer securities to the public in the EU or seek admission to trading on an EU regulated market made under a prospectus drawn up in accordance with the laws of third country, subject to the approval of the national competent authority of the EU home Member State, and provided that

- i. the information requirements imposed by those third country laws are equivalent to the requirements under the Prospectus Regulation
- ii. and the competent authority of the home Member State has concluded cooperation arrangements with the relevant supervisory authorities of the third country issuer in accordance with Article 30.

The Commission is empowered to adopt Delegated Acts to establish general equivalence criteria, based on the requirements laid down in Article 6, 7, 8 and 13 (essentially disclosure requirements only). The current rules are considered not workable, including the rules to adopt general equivalence criteria.

**Question 42. Do you believe that the equivalence regime set out in Article 29 of the Prospectus Regulation, which is difficult to implement in its current version, should be amended to make it possible for the Commission to take equivalence decisions in order to allow third country issuers to access EU markets more easily with a prospectus drawn up in accordance with the law of a third country?**

- Yes
- No
- Don't know / no opinion / not relevant

**Other**

## Question 43. Would you have any other suggestions on possible improvements to the current prospectus rules laid down in the Prospectus Regulation?

Please explain your reasoning:

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## 2.2. Market Abuse Regulation (Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse)

The [Market Abuse Regulation \('MAR'\)](#) entered into full application in 2016, it provides requirements for market participants to ensure the integrity of the financial markets.

In view of the periodic review of MAR, the European Commission, in March 2019, requested ESMA to provide a [technical advice on the review of MAR](#) on a number of topics (including the notion of inside information, the conditions for delaying the disclosure of inside information, insider lists, managers' transactions and sanctions). On 3 October 2019, ESMA publicly consulted the market on its [preliminary view](#) of the technical advice. The [consultation](#) ended on 29 November 2019 and received 97 responses. In September 2020, ESMA published its technical advice addressing all the topics on which the Commission asked advice on and identified several other provisions which were considered important to review in MAR (['ESMA TA'](#)). According to ESMA, both the feedback to the consultation and NCAs experience indicate that, overall, the regime introduced by MAR works well. Accordingly, only a few targeted changes to the legislative framework have been recommended, sometimes to provide guidance at level 3 (e.g. on inside information and delayed disclosure of inside information). However, according to the CMU HLF and the TEGS reports, there are a number of MAR provisions and requirements that may sometimes act as a disincentive for companies to list and remain listed on regulated markets and/or MTFs. The cost of complying with these requirements is deemed high, especially for SMEs. The legal uncertainty arising from certain provisions is indicated as an additional source of costs. Finally, the sanctioning regime is considered not proportionate and a discouraging factor for going and remaining public.

While the market abuse regime is crucial to safeguard market integrity and investor confidence, the Commission aims to assess if there is room for some targeted amendments and alleviations in the requirements laid down by MAR, in order to ensure proportionality and reduce burdens.

### 2.2.1. Costs and burden stemming from MAR

Question 44. For each of the MAR provisions listed below, please indicate how burdensome the EU regulation is for listed companies:

**Definition of “inside information”:**

	1 (not burdensome at all)	2 (rather not burdensome)	3 (neutral)	4 (rather burdensome)	5 (very burdensome)	Don't know - No opinion - Not applicable
For all companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
For issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Disclosure of inside information:**

	1 (not burdensome at all)	2 (rather not burdensome)	3 (neutral)	4 (rather burdensome)	5 (very burdensome)	Don't know - No opinion - Not applicable
For all companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
For issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Conditions to delay disclosure of inside information:**

	1 (not burdensome at all)	2 (rather not burdensome)	3 (neutral)	4 (rather burdensome)	5 (very burdensome)	Don't know - No opinion - Not applicable
For all companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
For issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>



**Drawing up and maintaining insiders lists:**

	1 (not burdensome at all)	2 (rather not burdensome)	3 (neutral)	4 (rather burdensome)	5 (very burdensome)	Don't know - No opinion - Not applicable
For all companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
For issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Market sounding:**

	1 (not burdensome at all)	2 (rather not burdensome)	3 (neutral)	4 (rather burdensome)	5 (very burdensome)	Don't know - No opinion - Not applicable
For all companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Disclosure of managers' transactions:**

	1 (not burdensome at all)	2 (rather not burdensome)	3 (neutral)	4 (rather burdensome)	5 (very burdensome)	Don't know - No opinion - Not applicable
For all companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
For issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Enforcement:**

	<b>1</b> (not burdensome at all)	<b>2</b> (rather not burdensome)	<b>3</b> (neutral)	<b>4</b> (rather burdensome)	<b>5</b> (very burdensome)	Don't know - No opinion - Not applicable
For all companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
For issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**If there are other MAR provisions that you find burdensome for listed companies, please specify which ones and indicate to what extent they are burdensome for listed companies:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

DBG supports a legal framework that fosters the integrity of the markets and provides legal certainty both for issuers and investors. However, we believe that the current MAR framework does not provide a sufficient level of legal certainty and does not always strike the right balance between the need to ensure market integrity on the one hand and the need not to impose too onerous regulation on issuers on the other.

For smaller markets, the regulatory burden can be sometimes overwhelming. More precisely, the 'one-size-fits-all' model, mostly used in the context of EU level legislative frameworks, is less proportional for smaller markets and brings excessive and disproportionate requirements for service providers, thus making the overall market less competitive.

Alleviations introduced for SME GMs are expected to bring benefits and reduce costs and efforts for SMEs listed on these markets. However, the market feedback we have received shows a broad perception that the alleviations are insufficient. SMEs often have fewer employees which makes it even more challenging to meet the regulatory requirements. The legal costs of preparing the documentation and carrying out the required due diligence for listing on a public market are often considered prohibitive. Contractual documentation in private placements is standardised and perceived as much more cost-effective. Therefore, DBG shares the perspective held by many issuers that more significant alleviations are required to the MAR regime.

MAR requires all issuers of financial instruments to notify the public of inside information. A more proportionate approach is needed going forward. Especially SMEs may be disincentivised by the comparatively high regulatory burden.

We believe that MAR requirements should be further adapted /simplified, in particular with regard to SMEs.

- Differentiation for SME GMs in terms of disclosure requirements with respect to other market segments (e.g. dissemination of information); the required level of detail of insider lists should be reduced (beyond Regulation (EU) No 2019/2115) for SME GMs and include only the minimum fields necessary for supervisory purposes.
- Requirements in relation to managers' transaction reporting should be proportionately tied to the level of market capitalization (recommendation 3.C from the TESG Report).

Whether the legal uncertainties in relation to MAR overall would be addressed by further ESMA guidance or Level 1 amendments may be discussed.

**Please explain the reasoning of your answer to question 44, and, if possible, provide supporting evidence, notably in terms of costs (one-off and ongoing costs):**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

DBG supports a legal framework that fosters the integrity of the markets and provides legal certainty both for issuers and investors. However, we believe that the current MAR framework does not provide a sufficient level of legal certainty and does not always strike the right balance between the need to ensure market integrity on the one hand and the need not to impose too onerous regulation on issuers on the other.

For smaller markets, the regulatory burden can be sometimes overwhelming. More precisely, the 'one-size-fits-all' model, mostly used in the context of EU level legislative frameworks, is less proportional for smaller markets and brings excessive and disproportionate requirements for service providers, thus making the overall market less competitive.

Alleviations introduced for SME GMs are expected to bring benefits and reduce costs and efforts for SMEs listed on these markets. However, the market feedback we have received shows a broad perception that the alleviations are insufficient. SMEs often have fewer employees which makes it even more challenging to meet the regulatory requirements. The legal costs of preparing the documentation and carrying out the required due diligence for listing on a public market are often considered prohibitive. Contractual documentation in private placements is standardised and perceived as much more cost-effective. Therefore, DBG shares the perspective held by many issuers that more significant alleviations are required to the MAR regime.

MAR requires all issuers of financial instruments to notify the public of inside information. A more proportionate approach is needed going forward. Especially SMEs may be disincentivised by the comparatively high regulatory burden.

We believe that MAR requirements should be further adapted /simplified, in particular with regard to SMEs.

- Differentiation for SME GMs in terms of disclosure requirements with respect to other market segments (e.g. dissemination of information); the required level of detail of insider lists should be reduced (beyond Regulation (EU) No 2019/2115) for SME GMs and include only the minimum fields necessary for supervisory purposes.
- Requirements in relation to managers' transaction reporting should be proportionately tied to the level of market capitalization (recommendation 3.C from the TESG Report).

Whether the legal uncertainties in relation to MAR overall would be addressed by further ESMA guidance or Level 1 amendments may be discussed.

### 2.2.2. Scope of application of MAR (Article 2)

According to Article 2(1)(b), MAR applies to financial instruments traded or admitted to trading on a multilateral trading facility (MTF) or for which a request for admission to trading on an MTF has been made. In the latter case, MAR would start to apply with respect to companies that have only submitted a request but are not yet trading on an MTF. Some stakeholders underline that, as securities are not yet traded at the moment of the submission of a request, investors cannot acquire them and hence the protections under MAR are not necessary.

**Question 45. In your opinion, if MAR requirements started applying only as of the moment of trading, would there be potential cases of market abuse between the submission of the request for admission to trading and the actual first day of trading?**

- Yes

- No
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 45:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

If the MAR requirements started applying only as of the moment of trading, “positive” inside information could be used by an investor to subscribe to financial instruments before the actual first day of trading, with the intention of selling them again at a profit once trading has started. In addition, there are derivative instruments, which one can take a position on yet unlisted financial instruments. This equips individuals with access to unpublished, price-relevant information to misuse this information. Therefore, protecting information about an issuer even before the admission for trading becomes effective, serves the level playing field, trust, and integrity of financial markets.

**2.2.3. The definition of “inside information” and the conditions to delay its disclosure**

Currently the notion of inside information makes no distinction between its application in the context, on the one hand, of market abuse and, on the other hand, of the obligation to publicly disclose inside information. However, inside information can undergo different levels of maturity and degree of precision through its lifecycle and therefore it might be argued that in certain situations inside information is mature enough to trigger a prohibition of market abuse but insufficiently mature to be disclosed to the public.

According to stakeholders, the current definition of inside information may raise problems, notably (i) for the issuer, the problem of identification of when the information becomes “inside information” and (ii) for the market, the risk of relying on published information which is not yet mature enough to make investment decisions.

ESMA, however, considers that the current definition of inside information “*strikes a good balance between being sufficiently comprehensive to cater for a variety of market abuse behaviours, and sufficiently prescriptive to enable market participants, in most cases, to identify when information becomes inside information*” and recommended to leave the definition unchanged. ESMA however acknowledged that clarifications were sought by stakeholders both on the general interpretation of certain paragraphs of Article 7 of MAR (for instance, as regards intermediate steps, or the level of certainty needed to consider the information as precise), and on concrete scenarios. Therefore, ESMA stands ready to issue guidance on the definition of inside information under MAR.

**Question 46. Do you consider that clarifications provided by ESMA in the form of guidance would be sufficient to provide the necessary clarifications around the notion of inside information?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 46:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We generally agree with ESMA's assessment that the current definition of inside information "strikes a good balance between being sufficiently comprehensive to cater for a variety of market abuse behaviours, and sufficiently prescriptive to enable market participants, in most cases, to identify when information becomes inside information". The issues on which clarification by ESMA would be appreciated were already raised by market participants as part of ESMA's consultation on the Market Abuse Regulation in Q4 2019. In order to increase legal certainty for issuers when being confronted with the question of whether or not a piece of information might constitute inside information, either further guidance by ESMA or certain amendments to the Level 1 text of MAR could be helpful.

While the current definition of inside information recognizes that information may not be sufficiently mature to qualify as inside information through the attribute of "precise information" and establishes the "reasonable investor test" in order to determine if the information would be likely to have a significant effect on the price of a financial instrument, there is still legal uncertainty around these elements of the definition of inside information. Furthermore, while issuers also can resort to a delay of the publication under certain circumstances, the conditions for such delay are not always clear; the ESMA Guidelines on delay in the disclosure of inside information (as recently amended) do not provide sufficient guidance to issuers in all raised aspects. However, ESMA notes in its final MAR review report that most respondents considered that either the definition of inside information is adequate or that some guidance would be helpful.

**Question 46.1 Please indicate if you would support the following changes or clarifications to the current definition of "inside information" under MAR:**

	I support	I do not support	Don't know - No opinion - Not applicable
MAR should distinguish between a definition of inside information for the purposes of market abuse prohibition and a notion of inside information triggering the disclosure obligation.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The definition of inside information with a significant price effect should be refined to clarify that "significant price effect" shall mean "information a rational investor would be likely to consider relevant for the long-term fundamental value of the issuer and use as part of the basis of his or her investment decisions".	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
It should be clarified that inside information relating to a multi-stage process need only be made public once the end stage is reached, unless a leakage has occurred.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>



## **Please specify to what other change(s) or clarification(s) you refer in your answer to question 46.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our opinion, the definition of inside information is from an overall perspective adequate and sufficient to identify inside information for the purpose of preventing market abuse. However, there are a number of aspects that are subject of discussions and uncertainty in connection with the definition of inside information. Issuers would therefore benefit from further clarification regarding the following points, whereby such clarification could rather take the form of a technical standard or ESMA recommendations than changes to MAR itself:

- Guidance on the meaning of “significant effect” and the “reasonable investor” would be appreciated.
- It is challenging for issuers to assess on how likely an event should be in order for the information to be of “precise nature”. More guidance on this notion would also be helpful in harmonising the view of when information becomes inside information.
- Clarity would be appreciated on how the requirement that the information must be non-public to constitute inside information relates to information that has been made public by someone else than the issuer.
- How does the definition of inside information is directly or indirectly related to an issuer, relate to the obligation under Article 17 of MAR to disclose inside information that directly concerns the issuer?
- It should be clarified that an intermediate step cannot be classified as inside information as long as the final result cannot be reasonably expected to occur.
- Inside information in connection with financial (interim) reporting and outlooks. Preliminary figures from financial interim reporting can be inside information if they deviate significantly from either the published outlook, the market expectations or the previous year figures.

## **Please explain the reasoning of your answer to question 46.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Regarding the question of whether or not a bifurcated definition of inside information should be implemented in MAR:

A distinction between the definition of inside information for the purposes of the insider dealing prohibition (which would relate to the current definition) and a definition for ad hoc publication purposes (which would start later) would potentially take interests of issuers into account who are currently confronted with a broad definition of inside information and the obligation to publish such information immediately. This can sometimes result in premature disclosure of information which is also not beneficial for the markets if investors are not able to draw the right conclusions.

However, the current regime provides instruments to avoid premature disclosure already implemented in the definition of inside information and with the possibility to delay the disclosure (please see our answer to Q46). Also, changing the nature of the definition (as mentioned above) might not lead to a simpler definition but might create new difficulties that would first need to be identified, communicated and then addressed by the regulator. This would also negate the effort already invested in interpreting the current definition. Moreover, the disclosure of inside information is one of the most important tools for preventing market

abuse. Changing the definition could increase the amount of unpublished price-relevant information held by the issuer, thereby increasing the risk of market abuse and it would also increase the need for and cost of additional risk-mitigating measures.

In some jurisdictions outside the EU, in addition to regulatory quarterly reports, issuers are only under the obligation to publicly disclose, on a rapid and current basis, information about material changes that might take place between quarterly reports, in relation to a pre-determined number of events. Those events are predefined and include the entry into (or termination of) a material definitive agreement, the issuer filing for bankruptcy or receivership, a material acquisition or disposition, a modification of the rights of security holders or the appointment or departure of directors or key managers. There may also be other types of inside information that the company would not be obliged to disclose publicly but may decide to do so nevertheless on a voluntary basis.

**Question 47.1 Do you consider that a system relying on the concept of material events for the disclosure of inside information would provide more clarity?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 47.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Major contracts, material M&A activity and changes in key personnel already today represent the majority of events that are relevant for disclosure of inside information. Thus, the proposed new concept does not seem to be very different from the existing one.

Furthermore, if it was the intention under the proposed new concept to publish financial information exclusively via periodic reporting (annual, half-yearly and quarterly reports), this would entail an increased risk of insider dealing if, in the course of the preparation of the periodic report by the issuer's accounting department and before the publication of periodic financial information, it becomes clear that the final financial figures will likely materially deviate from the issuer's financial forecast and/or the market expectation. However, if more inside information remained unpublished, issuers would have to take even more extensive measures for the prevention of market abuse, thereby increasing the burden on issuers even further.

However, the proposal of a concept of material events could be further explored. A conclusive list of what constitutes a "material event" could be able to improve legal certainty for issuers. When looking at the United States, it seems that the concept is working well; however, in the EU regulatory environment, this may be more challenging. It would very much depend on the list and definition of material events whether or not such a new concept would be an improvement of the existing concept. Furthermore, it would require the reinstatement of the requirement for quarterly reporting in the EU, which would be a significant burden for issuers.

**Question 47.2 In your opinion, would such a system pose any challenge to the integrity of the market?**



- Yes
- No
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 47.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please see our answer to Q47.1

Article 17(4) of MAR allows, under specified conditions, to delay the disclosure of inside information. The regime of delayed disclosure of inside information is intimately interconnected with the definition of inside information. Any clarifications provided on delayed disclosures would thus have *de facto* an impact on when the information has to be considered as inside information.

Some stakeholders underline that there are currently interpretative challenges around the conditions to delay disclosure, especially in relation to when the delay is not likely to mislead the public. [ESMA in its final report](#) acknowledged the existence of interpretative challenges, but did not consider it necessary to amend the conditions for the application of the delay finding them reasonable and aligned with the overall market abuse regime. However ESMA engaged into revising its guidelines on delay in the disclosure of inside information.

**Question 48. Do you consider that the revision of ESMA's Guidelines on delay in the disclosure of inside information would be sufficient to provide the necessary clarifications?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 48:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

From an overall point of view, DBG finds the scheme well-functioning. However, feedback from our issuers indicates that it is a very difficult assessment to make, and uncertainty arises particularly in connection with rumours without factual basis and behaviour with respect to rumours (of any kind) while in delay. Difficulties also arise in assessing whether an issuer could still have legitimate interests to delay a disclosure even after the event is final, e.g., a contract being entered into and signed, or an interim financial report being adopted by the board of directors. In the latter case, it could be a legitimate interest to keep on delaying the publication of that information to the market with reference to a pre-published date (financial calendar) for the disclosure of the report. The revision of ESMA's Guidelines on delay does not address these issues (sufficiently). Unless further, more helpful, clarifications come forth, additions to the Level 1 text may be necessary.

### 2.2.4. Disclosure of inside information for issuers of bonds only

The TESG underlines that plain vanilla bonds are less exposed to risks of market abuse due to the nature of the instrument and, as a consequence, argues that the disclosure of all inside information for debt issuers (either positive or negative) only would be burdensome and not justified.

**Question 49. Please specify whether you agree with the following statements:**

**Issuers that only issue plain vanilla bonds should:**

	Yes	No	Don't know - No opinion - Not applicable
have the same disclosure requirements as equity issuers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
disclose only information that is likely to impair their ability to repay their debt	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 49, notably in terms of costs (one-off and ongoing costs):**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

DBG is not able to answer this question since the question does not seem to be clearly phrased. First, when is a bond considered to be “plain vanilla” and when not? Second, what does “the same disclosure requirements” refer to? We think that the same legal concepts can be applied to equity and debt instruments, but that does not mean that the application of such concepts will come to the same results for equity and debt instruments. A certain piece of information that might have a significant effect on the price of a share is less likely to also have a significant effect on the price of a bond. Bond investors will only consider such information that is likely to impair the issuer’s ability to make payments (but not only redemption payments within the meaning of the above question, but potentially also interest payments) on the bonds as per its terms and conditions.

We would also like to note that the assessment of whether certain information will have a significant effect on the price of a bond, is especially burdensome for SMEs and high yield bond issuers, who are less likely to have access to analysts and brokers or internal staff with financial experience required, to model possible price impacts.

### 2.2.5. Managers’ transactions

Under MAR, the Person Discharging Managerial Responsibilities (PDMR) or associated person must notify the issuer (either on a regulated market or a MTF, including SME growth market) and the competent authority of every transaction conducted for their own account relating to those financial instruments, no later than three business days after the transaction. The obligation to disclose a manager’s transaction only applies once the PDMR’s transactions have reached a cumulative EUR 5 000 within a calendar year (with no netting). A national competent authority may decide to

increase the threshold to EUR 20 000. Issuers must ensure that transactions by PDMRs and persons closely associated with are publicly disclosed promptly and no later than two business days after the transaction.

Most respondents to the consultation launched by ESMA in the context of the technical advice for the Review of MAR ([ESMA final report on MAR review](#), paragraph 8.2) considered that the current threshold (EUR 5 000) for managers' transaction is too low and that it could result in disclosing not meaningful transactions. Those respondents prefer a higher thresholds harmonised within the EU (possibly at the optional threshold of EUR 20 000). ESMA, however, recommended not to amend such requirement considering that the current threshold is appropriate in several Member States to provide for a fair picture of managers transactions. ESMA also recommended not to amend the reporting methodology for subsequent transactions or the regime for the disclosure of closely associated persons. On the contrary, both the [TESG final report](#) and the [CMU HLF final report](#) propose to increase the threshold for managers' transactions. Moreover, the TESG holds that the requirement to keep a list of closely associated persons should be repealed, as it entails costs that are disproportionate to the benefits offered.

In order for the Commission to strike the right balance between the burden associated with these requirements and the specific need for an efficient supervision of the integrity of the financial markets it is useful to gather quantitative data on how much those requirements weight on issuers.

**Question 50. Do you believe that the minimum amount of EUR 5 000 provided in Article 19(8) MAR should be increased without harming the market integrity and investor confidence?**

- Yes
- No
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 50:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 50.1 Please specify to what level the minimum amount set out in Article 19(8) should be increased and for which groups of issuers:**

	EUR 10 000	EUR 15 000	EUR 20 000	EUR 50 000	Other	Don't know No opinion Not applicat
Issuers listed on SME	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

growth markets						
Issuers listed on other markets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 51. Do you agree with maintaining the discretion for national competent authorities to increase the threshold set out in Article 19(8)?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 51:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that the threshold, currently setting a total amount of EUR 5,000 reached within a calendar year (Articles 19 (8) and (9) of MAR), should be harmonized at European level and not be left to Member States' discretion. We propose a threshold of 10,000 for issuers listed on an SME GMs and 20,000 for all other markets.

**Question 52.1 If you are an issuer to whom MAR applies or an NCA, please specify how many notifications you have received in the last 2 years according to Article 19(1):**

	Threshold of EUR 5 000	Threshold of EUR 20 000
<b>2019</b>		
<b>2020</b>		

**Question 52.2 How would the above figures change in case of an increased threshold under Article 19(8) of MAR?**

**(Percentages represent how many **less** notifications (in % terms) would you receive in case of an increased threshold under Article 19(8))**

	EUR 10 000	EUR 15 000	EUR 20 000	EUR 50 000	Other	Don't know - No opinion - Not applicable
0% -10%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11% -20%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
21% -35%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
36% -50%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
more than 50%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 52.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.



**Question 53.1 Please provide the approximate level of costs related to disclosure of managers' transactions in the last 2 years:**

	Threshold of EUR 5 000	Threshold of EUR 20 000
<b>2019</b>		
<b>2020</b>		

**Please explain the reasoning of your answer to question 53.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 53.2 Please provide the estimated level of cost savings (in % terms) in case of an increased threshold under Article 19(8):**

**(Percentages represent the estimated cost savings (in % terms) in case of an increased threshold in Article 19 (8))**

	EUR 10 000	EUR 15 000	EUR 20 000	EUR 50 000	Other	Don't know - No opinion - Not applicable
0% -10%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11% -20%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
21% -35%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
36% -50%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
more than 50%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 53.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 54. Would you consider that public disclosure of managers' transactions should always be done by:**

- Issuer
- National competent authority
- Either by issuer or national competent authority, depending on national law (status quo)
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 54:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There are cases in which the issuer is best suited and informed to support the PDMR with its disclosure duties and, therefore, is the best entity for public disclosure.

**Question 55. Do you consider that [ESMA's proposed targeted amendments to Article 19\(12\) MAR](#) are sufficient to alleviate the managers' transactions regime?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 55:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 55.1 Please indicate if you would support the following changes or clarifications to the managers' transactions regime:**

	I support	I do not support	Don't know - No opinion - Not applicable

The thresholds should be applied in a non-cumulative way (i.e. each transaction is to be assessed against the threshold)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Clear guidance should be provided on what types of managers' transactions need to be disclosed, as well as the scope of the relevant provisions in the context of different types of transaction, beyond the targeted amendments already proposed by ESMA	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The requirement of keeping a list of closely associated persons should be repealed	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### 2.2.6. Insider lists (Article 18)

While insider lists are supposed to assist NCAs in investigating cases of insider trading, stakeholders underline that the maintenance of insiders list require regular monitoring and adjustment and are particularly burdensome. As a result of the [SME Listing Act](#), issuers whose financial instruments are admitted to trading on an SME growth market have been entitled to include in their lists only those persons who, due to the nature of their function or position within the issuer, have regular access to inside information. At the same time, Member States may opt out from such regime and require more information.

In light of the fact that national competent authorities consider the insider lists to be a key tool in market abuse investigations, in its [final report on the review of the Market Abuse Regulation](#), ESMA did not suggest extensive alleviations to the insiders list rules, proposing only minor adaptations to the current regime.

The TESG however found the costs of the insiders list for smaller issuers too high and recommended to remove the obligation for issuers with a market capitalisation below EUR 1 billion to keep an insider list, and to further reduce and simplify the content of the insider list for other issuers.

**Question 56. What is the impact (or if not available – expected impact) of the recent alleviations (under the [SME Listing Act](#)) for SME growth market issuers as regards insider lists?**

**Please illustrate and quantify, notably in terms of (expected) reduction in costs, and please explain your reasoning:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

DBG believes that the requirements of Article 18 MAR are an important instrument to prevent market abuse, not only by supporting criminal investigations by the regulator, but also by improving the awareness of persons on an insider list of the requirements and restrictions related to the access to inside information.

However, the effort required to create an insider list can be cumbersome for small companies with limited resources. There is also uncertainty about who should be included on the insider lists, specifically with regard to external individuals, including advisors, services suppliers and/or other stakeholders. The risk of

unintentionally providing an incomplete list is perceived as inhibiting.

DBG believes that the required level of personal information to be included in an insider list should include only the minimum fields necessary for supervisory purposes. The legal uncertainty related to the scope of persons to be included in an insider list should be reduced by additional ESMA guidance.

**Question 57. Please indicate whether you agree with the statements below:**

**The insider list regime should....:**

	Yes	No	Don't know - No opinion - Not applicable
be simplified for all issuers to ensure that only the most essential information for identification purposes is included	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
be simplified further for issuers listed on SME growth markets	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
be repealed for issuers listed on SME growth markets	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 57 and provide supporting arguments/evidence, in particular in terms of savings/reduction in costs:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We agree with ESMA's view that insider lists are useful not only for NCAs but also for issuers' own compliance function. However, further clarity would be helpful.

Whether continuous or on request, insider list requirements are considered excessive by issuers because they must be complete, produced in real time, and cover all possible events that could be investigated before an event occurs. The current uncertainty about which external parties must be included in the list creates a risk that the list will not be considered complete by regulators.

We agree with ESMA's position that only persons who have actually had access to inside information should be included in the relevant insider list. We understand that there may be a tendency that issuers include more individuals than is accurate in order not to miss anyone.

We believe it would be beneficial for issuers if ESMA and NCAs clarified the purpose of insider lists and explained why the lists become less effective for NCAs if they include individuals who are not in fact insiders.

Moreover, the required level of detail of insider lists should be reduced (beyond Regulation (EU) No 2019 /2115) for SME GMs and include only the minimum fields necessary for supervisory purposes.

### 2.2.7. Market sounding

Conducting market soundings may require disclosure to potential investors of inside information. However, market soundings are a highly valuable tool for the proper functioning of financial markets, and, as such, they should not be regarded as market abuse. The current regime requires the disclosing market participant, before engaging in a market sounding, to

- i. assesses whether that market sounding involves the disclosure of inside information
- ii. inform the person to whom the disclosure is made of the possibility of receiving inside information and of all the consequential requirements
- iii. and maintain records of the disclosure

In the context of the public consultation launched in 2017 for the preparation of the [SME Listing Act](#), several stakeholders described the requirements for conducting market sounding as burdensome, particularly in connection with private placements. Due to concerns on the risk of unlawful dissemination of inside information, market sounding rules were then only alleviated for private placements of debt instruments. The [TESG, in its final report](#), however proposed to extend the exemption from market sounding rules to private equity placements.

The [public consultation carried out by ESMA in 2020 for the MAR review final report](#) confirmed stakeholders' concerns on the complexity of the market sounding regime and their request to reduce the scope of the market sounding regime. Nonetheless, ESMA recommended to keep the current scope of the market sounding regime unchanged and rather look into ways to simplify the market sounding procedures ([ESMA final report](#) paragraphs 6.3.3 and ff.).

**Question 58. Do you consider that the ESMA's limited proposals to amend the market sounding procedure are sufficient, while providing a balanced solution to the need to simplify the burden and maintaining the market integrity?**

- Yes
- No
- Don't know / no opinion / not relevant

**How would you further amend the market sounding regime?**

**Issuers listed on SME growth markets:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There is a significant amount of uncertainty regarding the scope and definition of market sounding activities. Market participants have specifically identified that there is either limited guidance or no guidance regarding the terms 'transaction announcement', 'acting on the issuer's behalf' and 'gauging interest'. It should be considered whether the requirement to monitor also non-inside information is relevant. Further clarification is clearly needed from regulators to reduce uncertainty and ensure compliance with market soundings requirements.

Regardless of the country of domicile, market feedback indicates that smaller, less frequent issuers,

including many high-yield bond issuers, will face significant administrative costs to comply with the market soundings regime. The alleviations for SME Growth Markets do not address SMEs' concerns specifically related to market sounding. The market sounding requirements included in MAR add significant administrative costs for SMEs and create risk, in these companies' perception, that they might be required to disclose sensitive information to competitors.

### Issuers listed on regulated markets:

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There is a significant amount of uncertainty regarding the scope and definition of market sounding activities. Market participants have specifically identified that there is either limited guidance or no guidance regarding the terms 'transaction announcement', 'acting on the issuer's behalf' and 'gauging interest'. It should be considered whether the requirement to monitor also non-inside information is relevant. Further clarification is clearly needed from regulators to reduce uncertainty and ensure compliance with market soundings requirements.

### Issuers on other markets (MTFs):

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There is a significant amount of uncertainty regarding the scope and definition of market sounding activities. Market participants have specifically identified that there is either limited guidance or no guidance regarding the terms 'transaction announcement', 'acting on the issuer's behalf' and 'gauging interest'. It should be considered whether the requirement to monitor also non-inside information is relevant. Further clarification is clearly needed from regulators to reduce uncertainty and ensure compliance with market soundings requirements.

### Question 59. Do you agree with the TESG proposal to extend the exemption from market sounding rules to private equity placements for all issuers?

- Yes
- No
- Don't know / no opinion / not relevant

### Please explain and illustrate your reasoning of your answer to question 59, notably in terms of costs:

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## 2.2.8. Administrative and criminal sanctions

Both the CMU HLF as well as the TESH share the view that in some cases sanctions for market abuse violations are disproportionate and that the risk of an inadvertent breach of MAR (notably in the case of missing deadlines for disclosure of information) and associated administrative sanctions are seen as an important factor that dissuades companies from listing. They both proposed to amend the current framework in order to establish a more proportionate punitive regime. Moreover, the TESH proposed to remove the possibility of applying criminal sanctions in the case of noncompliance with the requirements set out in Articles 17, 18 and 19, as administrative sanctions (including accessory sanctions and the confiscation of the profit made from the unlawful conduct) are sufficiently suitable for sanctioning MAR violations under those provisions.

At the same time, ESMA disagrees that the level of the MAR sanctions is tailored to large companies and stresses that MAR does not oblige NCAs to impose maximum administrative sanctions and, on the contrary, obliges NCAs to take into account all relevant circumstances when determining the type and level of administrative sanctions.

**Question 60. Do you think that the current punitive regime (both administrative pecuniary sanctions and criminal sanctions) under MAR is proportionate to the objectives sought by legislation (i.e., to dissuade market abuse), as well as the type and size of entities potentially covered by that regime?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain and illustrate your reasoning of your answer to question 60, notably in terms of costs:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 61. Do you think that the maximum administrative pecuniary sanctions (as prescribed in Article 30 MAR) are an important factor when making a decision by companies concerning potential listing?**

	Yes, it has a significant impact	Yes, it has a medium impact	Yes, but it has a low impact	No, it is rather irrelevant	Don't know - No opinion - Not applicable
Issuers listed on SME	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



growth markets					
Issuers listed on other markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 61:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 62. According to your opinion, which administrative pecuniary sanctions (as prescribed in Article 30 MAR) have a higher impact on a company when making a decision concerning potential listing?**

	Pecuniary sanctions in respect of <b>natural persons</b>	Pecuniary sanctions in respect of <b>legal persons</b>
Issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>
Issuers listed on other markets	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 62:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 63. Do you think that the maximum administrative pecuniary sanction for infringements of Articles 16-19 (in respect of legal persons) should be decreased?**

**Issuers listed on SME growth markets**

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	Yes	No	Don't know - No opinion - Not applicable
Art. 16	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 18	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 19	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Issuers listed on other markets

	Yes	No	Don't know - No opinion - Not applicable
Art. 16	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 18	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 19	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 64. Should the “total annual turnover according to the last available accounts approved by the management body” as a criterion to define the maximum administrative pecuniary sanctions be replaced with a different criterion?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 65. Do you think that the maximum administrative pecuniary sanction for infringements of Article 16-19 (in respect of natural persons) should be decreased?**

### Issuers listed on SME growth markets

	Yes	No	Don't know - No opinion -
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			Not applicable
Art. 16	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 18	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 19	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Issuers listed on other markets**

	Yes	No	Don't know - No opinion - Not applicable
Art. 16	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 18	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 19	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 66. Should the level of maximum administrative pecuniary sanctions with respect to natural persons be defined according to a different criterion?**

- Yes
- No
- Don't know / no opinion / not relevant

**Question 67. Should the maximum administrative pecuniary sanctions for the other infringements specified in article 30(1)(a) of MAR and different from the infringements of Articles 16, 17, 18 and 19, be decreased accordingly?**

	Yes	No	Don't know - No opinion - Not applicable
Issuers listed on SME growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issuers listed on other markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 67:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 68. Do you think that the possibility of applying criminal sanctions in the case of noncompliance with the requirements set out in Articles 16, 17, 18, 19 and 30(1)(b) of MAR should be removed?**

	Yes	No	Don't know - No opinion - Not applicable
Art. 16	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 18	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 19	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art. 30(1) first subpar. letter (b)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 68:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**2.2.9. Liquidity contracts**

Liquidity in an issuer's shares can be achieved through liquidity mechanisms such as liquidity contracts concluded between an intermediary (dealer/broker) and an issuer to support liquidity in that issuer's securities on secondary markets.

The TESG recommended to remove the obligation on market operators to “agree to the contracts’ terms and conditions” , defined by issuers and investments firms in liquidity contracts used on SME growth markets, given the fact that market operators are not a party to the issuer liquidity contract.

**Question 69. Do you agree with the TESG proposal to remove the obligation on market operators to “agree to the contracts’ terms and conditions”, defined by issuers and investment firms in liquidity contracts used on SME growth markets?**

- Yes
- No
- Don’t know / no opinion / not relevant

**Please explain the reasoning of your answer to question 69:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We recommend amending MAR and the ESMA draft regulatory technical standard on liquidity contracts so that market operators are not required to “agree to the contracts’ terms and conditions”, defined by issuers and investments firms, for liquidity contracts used in the framework of SME GMs.

The new MAR provisions, aimed at promoting the use of SME GM, stipulate that an issuer admitted to trading on an SME GM may enter into a liquidity contract for its financial instruments if a certain set of conditions are met. One of these conditions is that the market operator (operating the SME GM) acknowledges in writing to the issuer that it has received a copy of the liquidity contract and agrees to that contract’s terms and conditions. DBG questions the legal basis for this requirement given the fact that the market operator is not a party to the issuer liquidity contract: it is unclear how regulatory compliance with the condition for market operators to agree to the contracts’ terms and conditions can be met. While trading venues have a responsibility to ensure fair and orderly markets and they continuously monitor the quality and liquidity of its market; this does not involve agreeing to any commercial contracts between issuers and investment firms. Moreover, the market operator supervises the issuer of the SME GM with regard to the conditions for inclusion and follow up on inclusion obligations, but it is not part of the market operator’s duties to supervise such issuers with regard to its compliance with MAR. In fact, monitoring issuers with regard to MAR is the responsibility of the NCA.

**2.2.10. Disclosure obligation related to the presentation of recommendations under MAR**

[Commission Delegated Regulation \(EU\) 2016/958](#) of 9 March 2016 lays down standards on the investment recommendations or other information recommending or suggesting an investment strategy. These standards aims at ensuring the objective, clear and accurate presentation of such information and the disclosure of interests and conflicts of interest. They should be complied with by persons producing or disseminating recommendations.

In order to boost research coverage on smaller issuers, the [TESG in their final report](#) argued that investment recommendations or other information recommending or suggesting an investment strategy should be exempted from the requirements laid down in Commission Delegated Regulation (EU) No. 2016/958 when they relate exclusively to instruments admitted to trading on a SME growth market, or at the least alleviated for such instruments.

**Question 70. In your opinion, should investment recommendations or other information recommending or suggesting an investment strategy be exempted from the requirements laid down in [Commission Delegated Regulation \(EU\) No. 2016/958](#) when they relate exclusively to instruments admitted to trading on a SME growth market?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 70:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### 2.2.11. Other

**Question 71. Would you have any other suggestions on possible improvements to the current rules laid down in the [Market Abuse Regulation](#)?**

**Please explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## 2.3. MiFID II (Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments)

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The [Directive on Markets in Financial Instruments \(MiFID II – Directive 2014/65/EU\)](#) is one the pillars of the EU regulation of financial markets. It promotes financial markets that are fair, transparent, efficient and integrated.

However, some stakeholders believe that there is room for targeted adjustments to this directive in order to ease and accommodate listing rules for EU entities. This is particularly true for the SMEs, according to the [HLF](#), the [TESG](#) and [ES](#)

[MA's report on the functioning of the regime for SME growth markets](#) that all bring up specific points within MiFID II that could be modified in order to incentivise listing. In some cases the ESMA's and stakeholder's suggestions were aimed at clarifying certain provisions within MiFID II while in others they sought to increase SMEs' visibility and attractiveness towards investors.

### 2.3.1. Registration of a segment of an MTF as SME growth market

[ESMA in their Q&A](#) provided a clarification setting out the conditions under which an operator of an MTF may register a segment of the MTF as SME growth market: "*the operator of an MTF can apply for a segment of the MTF to be registered as an SME growth market when the requirements and criteria set out in Article 33 of MiFID II and Articles 77 and 78 of the [Commission Delegated Regulation 2017/565](#) are met in respect of that segment*". This clarification has proven useful to market participants based on feedback the ESMA received and has incentivised some MTFs to seek registration as SME growth markets only for a market segment and not for the entire MTF.

ESMA suggested that similar clarification in MiFID II level 1 would be beneficial as it could bring legal certainty and increase the number of registered SME growth markets.

**Question 72. Would you see merit in including in MiFID II Level 1 the conditions under which an operator of an MTF may register a segment of the MTF as SME growth market?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 72:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### 2.3.2. Dual listing

Article 33(7) of MiFID sets out provisions for dual listing and potential obligations for issuers. It has been argued that Article 33(7) is being interpreted by the NCAs in a way that company seeking a dual listing can do so only through a third party and not by themselves. Moreover, ESMA in its report on the SME growth market proposed to amend MiFID II to specify that if an issuer is admitted to trading on one SME growth market, the financial instrument may also be traded on any other trading venue (as opposed to only on another SME growth market as Article 33(7) of MiFID currently states). This can be done only where the issuer has been informed and has not objected, and complies with any further regulatory requirement compulsory on the second trading venue.

**Question 73. Do you believe that Article 33(7) of MiFID II would benefit from further clarification in level 1 to ensure an interpretation whereby the issuers themselves can request a dual listing?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 73:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Yes, we agree that this should be specified. DBG supports recommendation 2.G from the TESG Report to provide legal clarity on the issue of dual listing by amending Article 33(7) of MiFID II to make it explicit that issuers admitted to trading on an SME GM may on their own request demand to be admitted to trading on another SME GM.

**Question 73.1 Do you believe that Article 33(7) should clarify that, where the issuers themselves request a dual listing, they shall not be subject to any obligation relating to corporate governance or initial, ongoing or ad hoc disclosure with regard to the second SME growth market?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 73.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 74. Do you believe that, subject to the conditions set out in Article 33(7) of MiFID II, financial instruments of an issuer, admitted to trading on an SME growth market, could be traded on another venue (and not necessarily only on another SME growth market)?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 74:**

*2000 character(s) maximum*



including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### 2.3.3. Equity Research coverage for SMEs

Public markets for SMEs need to be supported by a healthy ecosystem (i.e. a network of brokers, equity analysts, credit rating agencies, investors specialised in SMEs) that can bring small firms seeking a listing to the market and support them after the IPO. The absence or limited existence of those local ecosystems that can cater to SMEs' specific needs impedes the functioning and deepening of public markets and reduces the willingness of SMEs to seek a listing. Equity research is of particular importance for SMEs given that they have lower visibility than large cap firms and information is more opaque and scarce.

Today, equity research is produced by brokers on an un-sponsored (independent) as well as sponsored basis (company pays for the research), by independent research houses, and to a lesser extent also in house by fund managers. SMEs are, however, often not covered at all by research analysts as there is not enough market interest to justify the additional cost for the broker.

The [capital markets recovery package](#) has introduced a targeted exemption to allow investment firms to bundle research and execution costs when it comes to research on companies whose market capitalisation did not exceed Euro 1 billion for the period of 36 months preceding the provision of the research. This change is intended to increase research coverage for such issuers, and in particular for SMEs, thereby improving their access to capital market finance.

**Question 75. Do you consider that the alleviation to the research regime introduced with the capital markets recovery package has effectively helped (or will help) to support SMEs' access to the capital markets?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 75:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The decline in research coverage began before MiFID, although MiFID II may have accelerated this. We believe that the re-bundling of research will not significantly change this. Many asset managers have invested heavily to comply with the unbundling rules and have integrated them into their operating models. This could be a strong motive to continue using unbundled research and execution services. Since many investment firms in the EU internalize research costs and do not pass them on to their clients, the incentive to re-bundle them with the execution costs is also likely to be rather low. On the part of research providers, research costs would have to be disclosed even if they were managed on a bundled basis. The question is whether this would really make things easier, both from an operational and a revenue point of view. A more balanced approach between issuers and investors might be more promising going forward. Some market operators have launched their own research programmes, which both serve issuers by increasing their visibility and satisfy investors' needs through greater transparency. Such programmes could serve as door

openers to the capital markets thereby contributing to the objectives of the CMU and should hence be further supported. We believe that companies, particularly SMEs, will benefit from the European Single Access Point (ESAP). ESAP will facilitate access to and availability of data on companies for investors, which will increase SMEs' visibility and competitiveness. We believe that ESAP could also serve as a starting point for the creation of an EU database for SME research. In addition, public funding could encourage a broader research coverage of SMEs, e.g., research firms that contribute to the research coverage of firms listed on SME GMs could be reimbursed by public funding. The research reports would of course have to meet certain financial analysis criteria to be defined by EU regulators.

**Question 76. Would you see merit in alleviating the MiFID II regime on research even further?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 76:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

See our answer to Q75.

**Question 76.2 Please indicate whether you consider that FICC (fixed income, currencies and commodities) research and research provided by independent research providers should be exempted from the unbundling regime introduced by MiFID II.**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 76.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 76.3 Please indicate whether you have any further concrete proposal, explaining your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 77. As an investor, what type(s) of research do you find useful for your investment decisions?**

	Useful	Not useful	Don't know - No opinion - Not applicable
Independent research	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Venue-sponsored research	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issuer-sponsored research	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 77:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 78. How could the following types of research be supported through legislative and non-legislative measures?**

			Do know opini
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	Legislative measures	Non-legislative measures	nc appli
Independent research	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Venue-sponsored research	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issuer-sponsored research	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 78:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 79. In order to make the issuer-sponsored research more reliable and hence more attractive for investors, would you see merit in introducing rules on conflict of interest between the issuer and the research analyst?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 79:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 80. What should be done, in your opinion, to support more funding for SMEs research?**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The decline in research coverage began before MiFID, although MiFID II may have accelerated this. We believe that the re-bundling of research will not significantly change this. Many asset managers have invested heavily to comply with the unbundling rules and have integrated them into their operating models. This could be a strong motive to continue using unbundled research and execution services. Since many investment firms in the EU internalize research costs and do not pass them on to their clients, the incentive to re-bundle them with the execution costs is also likely to be rather low. On the part of research providers, research costs would have to be disclosed even if they were managed on a bundled basis. The question is whether this would really make things easier, both from an operational and a revenue point of view. A more balanced approach between issuers and investors might be more promising going forward. Some market operators have launched their own research programmes, which both serve issuers by increasing their visibility and satisfy investors' needs through greater transparency. Such programmes could serve as door openers to the capital markets thereby contributing to the objectives of the CMU and should hence be further supported. We believe that companies, particularly SMEs, will benefit from the European Single Access Point (ESAP). ESAP will facilitate access to and availability of data on companies for investors, which will increase SMEs' visibility and competitiveness. We believe that ESAP could also serve as a starting point for the creation of an EU database for SME research. In addition, public funding could encourage a broader research coverage of SMEs, e.g., research firms that contribute to the research coverage of firms listed on SME GMs could be reimbursed by public funding. The research reports would of course have to meet certain financial analysis criteria to be defined by EU regulators.

#### 2.3.4. Other

**Question 81. Would you have any other suggestions on possible improvements to the current rules laid down in MiFID II to facilitate listing while assuring high standards of investor protection? Please explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## 2.4 Other possible areas for improvement

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### 2.4.1 Transparency Directive (Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market)

Transparency of publicly traded companies' activities is essential for the proper functioning of capital markets. Investors need reliable and timely information about the business performance and assets of the companies they invest in and about their ownership.

The [Transparency Directive \(Directive 2004/109/EC\)](#) requires issuers of securities traded on EU regulated markets to make their activities transparent, by regularly publishing certain information. The information to be published includes

- i. yearly and half-yearly financial reports
- ii. major changes in the holding of voting rights
- iii. ad hoc inside information which could affect the price of securities

This information must be released in a manner that benefits all investors equally across the EU.

The Transparency Directive was amended in 2013 by [Directive 2013/50/EU](#) to reduce the administrative burdens on smaller issuers, particularly by abolishing the requirement to publish quarterly financial reports, and make the transparency system more efficient, in particular as regards the publication of information on voting rights held through derivatives.

The Commission has recently adopted a harmonised electronic format for annual financial reports developed by ESMA (the [European Single Electronic Format, ESEF](#)). The ESEF has been applicable since 1 January 2021, except for 23 Member States who opted for a 1-year postponement. It makes reporting easier and facilitates accessibility, analysis and comparability of reports.

The Commission published in April 2021 a [fitness check report accompanying the Commission report to the European Parliament and the Council on – inter alia – the operation of the 2013 amendment to the Transparency Directive](#). These reports indicate an overall good effectiveness of the corporate reporting framework, while highlighting areas for potential improvement, for instance in relation to supervision and enforcement.

**Question 82. Do you consider that there is potential to simplify the Transparency Directive’s rules on disclosures of annual and half-yearly financial reports and on the ongoing transparency requirements for major changes in the holders of voting rights, keeping in mind the need to facilitate accessibility, analysis and comparability of issuers’ information and to maintain a high level of investor protection on these markets?**

- Yes
- No
- Don’t know / no opinion / not relevant

**Question 83. Would you have any other suggestion to improve the current rules laid down in the Transparency Directive?**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

## 2.4.2 Special Purpose Acquisition Companies (SPACs)

In the course of the COVID-19 pandemic, the capital markets saw a surge of SPACs listings. If this SPACs' phenomenon was much stronger in the US, some EU markets also saw the rise of the listing of these particular vehicles. The fact that privately held operating companies were seeking a reverse merger to access public markets by means of a listed shell company such as SPAC appeared for some as a sign that the traditional IPO process was in need of reform. However, after a promising trend during the first half of 2021, the second half of 2021 showed that SPACs IPOs were already losing some steam, at least on the EU markets, in favour of more traditional IPOs.

Some argue that SPACs may play a useful role, in particular for start-ups and scale-ups, when the economic situation is dire and access to public markets becomes more difficult.

Although SPAC IPOs present weaknesses and risks that investors, in particular retail ones, should be aware of. Although, if SPACs' offers in the EU are mainly addressed to professional investors, SPACs' shares may be available for purchase by retail investors on the secondary markets. In that respect, in July 2021, [ESMA published the statement "SPACs: prospectus disclosure and investor protection considerations" \(ESMA32-384-5209\)](#) to promote coordinated action by EU regulators on the scrutiny of prospectus disclosures relating to SPACs and provide guidance to manufacturers and distributors of SPAC shares and warrants about MiFID II product governance provisions.

The purpose of this consultation is to get your view as to the appropriateness of the current listing regime when considering an IPO via a SPAC.

### **Question 84. Do you believe that SPACs are an effective and efficient alternative to traditional IPOs that could facilitate more listings on public markets in the EU?**

- Yes
- No
- Don't know / no opinion / not relevant

#### **Please explain the reasoning of your answer to question 84:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

SPACs offer the possibility of raising funds in times of uncertainty and they decouple valuation/ price determination process from the actual listing. The capital market readiness of the merged companies must be thoroughly assessed.

### **Question 85.1 What would you see as being detrimental to the SPACs development in the EU?**

#### **Please explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 85.2 What could be done in terms of policies to contain risks for investors while encouraging the efficient and safe development of SPACs' activity in the EU?**

**Please explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 86. Do you believe that investing in SPACs, via an IPO or on the secondary market, should be reserved to professional investors only?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 86:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 87. In the case of investments in SPACs (whether on the primary or the secondary markets), would you see the need to reinforce some safeguards and/or to further harmonise the disclosure regime in the EU?**

	Yes, even if an investment is open to professional investors only	Yes, for an investment open to both professional and retail investors	No	Don't know - No opinion - Not applicable
Reinforce safeguards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Harmonise the disclosure regime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**Please explain the reasoning of your answer to question 87 and list additional safeguards, if any, you may find relevant:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 88. As part of the SPAC’s IPO process, it is common practice for SPACs to issue warrants subscribed by the sponsors and/or the initial shareholders, which can subsequently have significant dilutive effects for the shareholders post IPO. Do you believe measures should be put in place to ensure that post IPO shareholders get a clear information about the dilutive effects of those warrants and that the dilutive effect of those warrants remains limited?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 88:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 89. Do you see the need for a clear framework for the deposit and management of the securities and proceeds held in escrow by a SPAC?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 89:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Our administrative practice is flexible enough to react to market developments. Therefore, a clear framework would be considered counterproductive.

**Question 90. Some recent SPACs IPOs have relied on the sustainability-related characteristics of the contemplated target companies. Do you believe that SPACs putting forward sustainability as a selling point should be subject to specific/different disclosures and/or standards in this regard?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 90:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 91. Do you have any other proposal on how to improve the current listing regime when considering an IPO via a SPAC?**

**Please explain your reasoning:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### **2.4.3 Listing Directive (Directive 2001/34/EC of the European Parliament and of the Council of 28 May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities)**

The [Listing Directive \(Directive 2001/34/EC\)](#) concerns securities for which admission to official listing is requested and those admitted, irrespective of the legal nature of their issuer. The Listing Directive aims to coordinate the rules with regard to

- i. admitting securities to official stock-exchange listing

- ii. the information to be published on those securities in order to provide equivalent protection for investors at EU level.

The [Prospectus Directive](#) and the [Transparency Directive](#) further consolidated rules harmonising the conditions for the provision of information regarding requests for the admission of securities to official stock-exchange listing and the information on securities admitted to trading. Therefore, those directives amended the Listing Directive removing overlapping requirements (i.e. deleting Articles 3, 4, 20 to 41, 65 to 104 and 108 of the Listing Directive). Furthermore, [MiFID](#) replaced the notion of 'admission to the official listing' with 'admission to trading on a regulated market'.

The Listing Directive is a minimum harmonisation directive. It allows EU Member States to put in place additional requirements for admission of securities to official listing, provided that

- i. such additional conditions apply to all issuers
- ii. and they have been published before the application for admission of such securities

**Question 92. Do you consider that the Listing Directive, in its current form, achieves its objectives and does not need to be amended?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 92:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 92.1 Do you believe that the Listing Directive should be:**

- Repealed
- Amended as a Directive
- Amended and transformed in a Regulation
- Incorporated in another piece of legislation
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 92.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

While we recognize that the Listing Directive is applied differently in different European countries, we would advocate a more European approach along the lines of the Prospectus Regulation with direct applicability to fully harmonize listing processes in Europe in the future. Today, implementation arbitrages between European countries lead to competitive disadvantages for regional exchanges.

### 2.4.3.1. Definitions

**Question 93. Do you consider that the definitions laid down in Article 1 of the Listing Directive are outdated?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 93:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### 2.4 3.2. Listing conditions

**Question 94. Do you consider that the broad flexibility that the Listing Directive leaves to Member States and competent authorities on the application of the rules for the admission to the official listing of shares and debt securities is appropriate in light of local market conditions?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 94:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

While we recognize that the Listing Directive is applied differently in different European countries, we would advocate a more European approach along the lines of the Prospectus Regulation with direct applicability to fully harmonize listing processes in Europe in the future. Today, implementation arbitrages between European countries lead to competitive disadvantages for regional exchanges.

## Specific conditions for the admission of shares

Chapter II of Title III of the Listing Directive sets out specific rules for the admission to the official listing of shares of companies. However, a rather broad discretion is given to Member States or competent authorities to deviate from those rules to take into account specific local market conditions. The Listing Directive sets out, among others, rules on the foreseeable market capitalisation of the shares to be admitted to the official listing, (Article 43), on the publication or filing of the company's annual accounts (Article 44), on the free transferability of the shares (Article 46), on the minimum free float (Article 48) and on shares of third country companies (Article 51).

### Question 95.1 How relevant do you still consider the following requirements?

	1 (not relevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (very relevant)	Don't know - No opinion - Not applicable
<p><b>a) Expected market capitalisation:</b> The foreseeable market capitalisation of the shares for which admission to official listing is sought or, if this cannot be assessed, the company's capital and reserves, including profit or loss, from the last financial year, must be at least one million euro (Article 43(1)).</p>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p><b>b) Disclosure pre-IPO:</b> A company must have published or filed its annual accounts in accordance with national law for the three financial years preceding the application for official listing. (...) (Article 44).</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
<p><b>c) Free float:</b>A sufficient number of shares shall be deemed to have been distributed either when the shares in respect of which application for admission has been made are in the hands of the public to the extent of a least 25 % of the subscribed capital represented by the class of shares concerned or when, in view of the large number of shares of the same class and the extent of their distribution to the public, the market will operate properly with a lower percentage. (Article 48(5)).</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 95.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 95.2 Regarding the foreseeable market capitalisation referred to on question 95.1 a), would you consider a different threshold?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 95.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In practice, the EUR 1 million threshold does not prevent companies from listing their shares. However, a significant increase in this threshold could be an obstacle.

**Question 95.3 Do you consider that the minimum number of years of publication or filing of annual accounts is adequate?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 95.3:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We consider a period of three years prior to the filing of an application for admission sufficient, since the time period illustrated is longer than the Prospectus Regulation requires. Therefore, potential investors can not only rely on the published Prospectus but can also look into the annual accounts which are not part of the Prospectus.

The free float is the portion of a company's issued share capital that is in the hands of public investors, as opposed to company officers, directors, or shareholders that hold controlling interests. These are the shares that are deemed to be freely available for trading. The recommendation of 25% free float set out in Article 48 dates back to 2001. It allows the Member States' discretion in setting the percentage of the shares that would be needed to be floated at the time of listing. According to information received from stakeholders, the percentages in the EU-27 vary from 5% to 45%.

**Question 96.1 In your opinion is free float a good measure to ensure liquidity?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 96.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The current requirement of 25% free float alone do not ensure liquidity. On the one hand the resulting percentage depends on the number of shares to be admitted and on the other hand liquidity is supported by other parameters such as the publicity as well as the index and the investor composition.

**Question 96.2 In your opinion, could a minimum free float requirement be a barrier to listing?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 96.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

German free float requirements make IPOs more difficult. Following the United Kingdom's exit from the EU, there is an increased risk that the legally required free float for IPOs in Germany will not be met. Regularly, 40-50 percentage of the pre-IPO offered are placed in the United Kingdom and are thus dispersed. Even after Brexit, the investor landscape is not expected to change to such an extent that there will be a shift and proportions will emerge. The EU regulatory framework should offer flexibility in terms of free float, in particular with respect to the location of the investors (either removing the geographical restriction to the EU /EEA or reducing the threshold).

**Question 96.3 In your opinion, is the recommended threshold set at 25% appropriate?**

- Yes
- No
-



Don't know / no opinion / not applicable

**Please specify whether the recommended threshold should be higher or lower than 25%:**

- Higher
- Lower
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 96.3:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The free float requirement aims to ensure the orderly functioning of the markets: a lower threshold than 25% would also be suitable to achieve this objective. We therefore highly recommend to either lower the threshold to a minimum of 10% or to remove the geographical limitation to the EU/EEA.

**Question 96.4 In your opinion, is it necessary to maintain the national discretion to depart from the recommended threshold for free float?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 96.4:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

While we recognize that the Listing Directive is applied differently in different European countries, we would advocate a more European approach along the lines of the Listing requirements with direct applicability to fully harmonize listing processes in Europe in the future. Today, implementation arbitrages between European countries lead to competitive disadvantages for regional exchanges.

**Question 97. Are there other provisions relating to the admission of shares, set out in Title III, Chapter II of the Listing Directive, that you would propose to change?**

- Yes
- No
- Don't know / no opinion / not relevant

**Specific conditions for the admission of debt securities**

Chapter III of Title III of the Listing Directive sets out specific conditions for the admission to the official listing of debt securities issued by an undertaking. In particular, the Listing Directive sets out rules on the free transferability of the debt securities (Article 54), the minimum amount of the loan (Article 58), convertible or exchangeable debentures and debentures with warrants (Article 59). As for shares, the Listing Directive leaves wide discretion to Member States or competent authorities to deviate from those rules in light of specific local market conditions. Finally, Articles 60 to 63 set out rules relating to sovereign debt securities.

**Question 98. Do you consider the provisions relating to the admission to official listing of debt securities issued by an undertaking, set out in Title III, Chapter III and IV of the Listing Directive (e.g. amount of the loan, rules on convertible or exchangeable debentures, rules on sovereign debt), adequate?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 98:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

### 2.4 3.3. Competent authorities

**Question 99. Would you propose any changes relating to the provisions on competent authorities and cooperation between Member States, laid down in Title VI of the Listing Directive?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 99:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

#### 2.4.3.4. Other

### Question 100. Would you have any other suggestions on possible improvements to the current rules laid down in the Listing Directive?

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

While we recognize that the Listing Directive is applied differently in different European countries, we would advocate a more European approach along the lines of the Listing requirements with direct applicability to fully harmonize listing processes in Europe in the future. Today, implementation arbitrages between European countries lead to competitive disadvantages for regional exchanges. A Listing Regulation instead of a Directive would be appreciated.

#### 2.4.4 Shares with multiple voting rights

Loss of control is widely cited by unlisted companies as the most important reason for staying private. Equity-raising very often generates a tension between existing owners, who rarely want to cede control of their business, and new investors who want to have control over their investment. This tension affects in particular family-owned companies but also the founders of tech, science and other high-growth companies who are often interested in preserving their ability to influence the strategic direction of the company after going public.

In order to encourage companies to list without owners having to relinquish control of their companies, multiple voting right shares have been used in a number of EU countries and have been highlighted as an efficient control-enhancing mechanism.

It is however worth noting that currently only some Member States allow for multiple voting rights. Amongst Member States that do allow multiple voting right share structures there are divergences as to the maximum allowed voting rights ratio.

Whilst multiple voting rights allow founders to keep control over their business, they may also make it easier for owners to extract private benefits to the detriment of investors, for instance by engaging in related-party transactions. The trade-off associated with multiple voting rights has led some countries to allow these types of shares provided that they include a sunset clause i.e. after a certain period, the shares with additional voting rights become regular shares. This safeguard aims at making sure that founders do not have indefinite control over their companies.

Both the HLF as well as the TESSG stated that multiple voting right shares are a key ingredient for improving the attractiveness and competitiveness of European public market ecosystems and that allowing them across the whole EU would/could facilitate the transition of companies from private to public markets.

### Question 101. Do you believe that, where allowed, the use of shares with multiple voting rights has effectively encouraged more firms to seek a listing on public markets?

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 101 and substantiate with evidence where possible:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that multiple voting right structures should be promoted under European law. Dual class shares, for example, protect the influence of the founder. In the past, we have seen examples of companies that have developed groundbreaking innovations. What these companies had in common was that they were led by their founders. It is therefore important that the inventors and founders have the opportunity to retain a majority stake in the company after the IPO so that they can implement their ideas for the benefit of all shareholders, even if they no longer own the majority of the capital. The success of these companies and the performance of their shares speak for these considerations.

**Question 102.1 In your opinion, what impact do shares with multiple voting rights have on the attractiveness of a company for investors?**

- Negative impact
- Slightly negative impact
- Neutral
- Slightly positive impact
- Positive impact
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 102.1:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please view explanation above (Q101).

**Question 102.2 When shares with multiple voting rights are allowed, do you believe limits to the voting rights attached to a single share improve the attractiveness of the company to investors?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 102.2:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A key characteristic of a shareholder is his co-ownership position. It allows her/him to influence strategic developments through their voting rights. If this right were to be removed altogether, the original idea of being even a small part of a public company would be gone, as a minimum degree of influence can only be maintained through voting rights. For this reason, voting rights should be retained to a certain extent.

**Question 102.3 Please indicate what ratio you consider acceptable to overcome potential drawbacks associated with shares with multiple voting rights:**

- 2:1
- 10:1
- 20:1
- Other
- Don't know / no opinion / not applicable

**Please explain the reasoning of your answer to question 102.3:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Multiple voting right structures have already been established in several European countries (e.g., Sweden, Finland and Denmark) and are firmly established in the United States, while other market such as Singapore, Shanghai, Hong Kong, and, more recently, London have also adopted them. In some European countries (France, Italy, Spain and Belgium) the concept of loyalty shares has been introduced, where investors receive double voting right after a pre-defined holding period. This shows that individual capital markets are already responding and that it would therefore be beneficial to create a common EU framework to eliminate existing competitive disadvantages and set the course for all Member States to adopt such structures. In general, we would recommend a ratio of 10:1 as this is in line with many other jurisdictions.

**Question 103. Do you believe that the inclusion of sunset clauses (i.e. clauses that eliminate higher voting rights after a designated period of time) have proved useful in striking a proper balance between founders' and investors' interests?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please illustrate the reasoning of your answer to question 103, namely in terms of advantages and disadvantages:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We would support setting a sunset clause of five years. This serves as an important safeguard against controlling shareholders whose voting rights are entrenched in a way that diminishes external accountability

to shareholders and stakeholders. Specific weighted voting rights attached to any given dual-class structure should be determined by listings authorities and regulators within member states.

**Question 104. Would you see merit in stipulating in EU law that issuers across the EU may be able to list on any EU trading venues following the multiple voting rights structure?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please illustrate the reasoning of your answer to question 104, namely in terms of advantages and disadvantages:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In view of the goal of harmonizing listing requirements within the EU, this should be granted.

**Question 105. Do you have any other suggestion on how to make listing more attractive from the standpoint of companies' founders?**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

#### **2.4.5 Corporate Governance standards for companies listed on SME growth markets**

Good corporate governance and transparency are deemed essential for the success of any company and in particular to those seeking access to capital markets. When issuers are governed according to principles of good corporate governance, they will find it easier to tap capital markets and attract investors. As issuers listed on SME growth markets do not need to comply with the [Shareholder Rights Directive \(2007/36/EC, as amended\)](#) or [Transparency Directive \(2004/109/EC, as amended\)](#), some market participants see merit in setting minimum corporate governance requirements applicable to these issuers in order to reassure investors. Institutional investors in particular may fear reputational risk when investing in companies listed on SME growth markets and find them not sufficiently attractive.

**Question 106. Would you see merit in introducing minimum corporate governance requirements for companies listed on SME growth market with the aim of making them more attractive for investors?**

- Yes
- No
- Don't know / no opinion / not relevant

**Please explain the reasoning of your answer to question 106:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Please explain the reasoning of your answers to question 106, notably on the advantages and disadvantages of the preferred option:**

*2000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 107.1 Please indicate the corporate governance requirements that would be the most needed and would have the most impact to increase the attractiveness of issuers listed on SME growth markets:**

	1 (no impact)	2 (almost no impact)	3 (some positive impact)	4 (significant positive impact)	5 (very significant positive impact)	Don't know - No opinion - Not applicable
Requirement to report related party transactions (i.e. issuers would have to publicly announce material transactions with related parties at the time of the conclusion of such transaction and to adopt an internal procedure to assess and manage these transactions in order to protect the interests of the company)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional disclosure duties regarding the acquisition/ disposal of voting rights as required by the Transparency Directive for major shareholdings in companies with shares traded on Regulated Markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligation to appoint an investor relations manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introduction of minimum requirements for the delisting of shares: Supermajority approval (e.g. 75% or 90% of shareholders attending the meeting) for shareholders resolutions which directly or indirectly lead to the issuer's delisting (including merger or similar transactions)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introduction of minimum requirements for the delisting of shares: Sell-out rights assigned to minority shareholders if the company is delisted or if one shareholder owns more than 90% or 95% of the share capital.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Appointment of at least one independent director (independence should be understood according to para. 13.1. of <a href="#">Commission's recommendation 2005/162/EC</a> )	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 107.1:**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 107.2 In your opinion, what would be the impact on the costs of listing and staying listed if the following corporate governance requirements were introduced for issuers listed on SME growth markets:**

	1 (no impact)	2 (almost no impact)	3 (some positive impact)	4 (significant positive impact)	5 (very significant positive impact)	Don't know - No opinion - Not applicable
Requirement to report related party transactions (i.e. issuers would have to publicly announce material transactions with related parties at the time of the conclusion of such transaction and to adopt an internal procedure to assess and manage these transactions in order to protect the interests of the company)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional disclosure duties regarding the acquisition/ disposal of voting rights as required by the Transparency Directive for major shareholdings in companies with shares traded on Regulated Markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligation to appoint an investor relations manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introduction of minimum requirements for the delisting of shares: supermajority approval (e.g. 75% or 90% of shareholders attending the meeting) for shareholders resolutions which directly or indirectly lead to the issuer's delisting (including merger or similar transactions)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introduction of minimum requirements for the delisting of shares: sell-out rights assigned to minority shareholders if the company is delisted or if one shareholder owns more than 90% or 95% of the share capital.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appointment of at least one independent director (independence should be understood according to para. 13.1. of <a href="#">Commission's recommendation 2005/162/EC</a> )	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Please explain the reasoning of your answer to question 107.2, and, if possible, provide supporting evidence, notably in terms of costs (one-off and ongoing costs):**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

**Question 108. Do you have any other suggestion on how to make issuers listed on SME growth markets more attractive to investors?**

*4000 character(s) maximum*

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

#### **2.4.6. Gold-plating by NCAs and/or Member States**

**Question 109. Are you aware of any cases of gold-plating by NCAs or Member States in relation to EU rules applicable both to companies going through a listing process and to companies already listed on EU public markets? Please note that for the purposes of this consultation gold-plating should be understood as encompassing all measures imposed by NCAs and /or Member States that go beyond what is required at EU level (i.e. it does not relate to existing national discretions and options in EU legislation).**

- Yes
- No
- Don't know / no opinion / not relevant

### **Additional information**

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Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data in the file you upload if you want to remain anonymous.**

The maximum file size is 1 MB.

You can upload several files.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

## Useful links

[More on this consultation \(https://ec.europa.eu/info/publications/finance-consultations-2021-listing-act-targeted\\_e](https://ec.europa.eu/info/publications/finance-consultations-2021-listing-act-targeted_e)

[Consultation document \(https://ec.europa.eu/info/files/2021-listing-act-targeted-consultation-document\\_en\)](https://ec.europa.eu/info/files/2021-listing-act-targeted-consultation-document_en)

[More on the public consultation running in parallel \(https://ec.europa.eu/info/publications/finance-consultations-2021-listing-act\\_en\)](https://ec.europa.eu/info/publications/finance-consultations-2021-listing-act_en)

[More on SME listing on public markets \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-markets/securities-markets/sme-listing-public-markets\\_en\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-markets/securities-markets/sme-listing-public-markets_en)

[Specific privacy statement \(https://ec.europa.eu/info/files/2021-listing-act-targeted-specific-privacy-statement\\_en\)](https://ec.europa.eu/info/files/2021-listing-act-targeted-specific-privacy-statement_en)

[More on the Transparency register \(http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en\)](http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en)

## Contact

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