



European Securities and
Markets Authority

Response form for the Consultation Paper on format and content of the prospectus



Responding to this paper

ESMA invites responses to the questions set out throughout this Consultation Paper. Responses are most helpful if they:

- respond to the question stated;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all responses received by 28 September 2017.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

- Insert your responses to the questions in the Consultation Paper in the form “Response form_Consultation Paper on format and content of the prospectus”, available on ESMA’s website alongside the present Consultation Paper (www.esma.europa.eu → ‘Your input – Open consultations’ → ‘Consultation on technical advice under the new Prospectus Regulation’).
- Please do not remove tags of the type <ESMA_QUESTION_FAC_1>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
- When you have drafted your response, name your response form according to the following convention: ESMA_FAC_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA_FAC_ABCD_RESPONSEFORM.
- Upload the form containing your responses, in Word format, to ESMA’s website (www.esma.europa.eu under the heading ‘Your input – Open consultations’ → ‘Consultation on technical advice under the new Prospectus Regulation’).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly indicate by ticking the appropriate checkbox on the website submission page if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confi-



dential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading 'Data protection'.

Who should read this Consultation Paper

This Consultation Paper may be of particular interest to investors, issuers, including issuers already admitted to trading on a regulated market or on a multilateral trading facility, offerors or persons asking for admission to trading on a regulated market as well as to any market participant who is affected by the new Prospectus Regulation.



General information about respondent

Name of the company / organisation	Federation of European Securities Exchanges (FESE)
Activity	Regulated markets/Exchanges/Trading Systems
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Europe

Introduction

Please make your introductory comments below, if any:

<ESMA_COMMENT_FAC_1>

FESE fully supports the European Commission's Capital Markets Union (CMU) project, and its goal to strengthen the European economy and ensure easier access to markets for all companies, including growth companies which are the backbone and engine of the economy. The revision of the prospectus rules is a first step to reduce costs and burdens for companies whilst improving their access to funding, increasing information and financing choices for investors, and delivering more efficient European capital markets overall.

The Level II measures will, in this respect, play a key role in shaping the final prospectus rules, hopefully ensuring a major relief for companies looking for funding on capital markets while making disclosed information more useful for investors. In order for this review to have the intended effect, it is crucial that the regulatory framework allows producing prospectuses that are as accessible and digestible as possible for the investor. If the prospectus is too long and difficult to read, understand and analyse, it will simply not be a useful document.<ESMA_COMMENT_FAC_1>



Q1 : Do you agree with the proposal that cover notes be limited to 3 pages? If not, what do you consider to be an appropriate length limit for the cover note? Could you please explain your reasoning, especially in terms of the costs and benefits implied?

<ESMA_QUESTION_FAC_1>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_1>

Q2 : Would a short section on “how to use the prospectus” make the base prospectus more accessible to retail investors? If so, should it be limited to base prospectuses? Would this imply any material cost for issuers? If yes, please provide an estimate of such cost.

<ESMA_QUESTION_FAC_2>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_2>

Q3 : Should the location of risk factors in a prospectus be prescribed in legislation or should issuers be free to determine this? If it should be set out in legislation, what positioning would make it most meaningful?

<ESMA_QUESTION_FAC_3>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_3>

Q4 : Should the URD benefit from a more flexible order of information than a prospectus?

<ESMA_QUESTION_FAC_4>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_4>

Q5 : Would a standalone and prominent use of proceeds section be welcome for investors?

<ESMA_QUESTION_FAC_5>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_5>

Q6 : Is the list of “additional information” in Article XXI of the Commission Regulation fit for purpose? What other types of additional information should be included in a replacement annex?

<ESMA_QUESTION_FAC_6>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_6>

Q7 : Are the definitions proposed to be carried over to the new regime, and new definitions proposed adequate? Should any additional definitions be added?



<ESMA_QUESTION_FAC_7>

As part of ESMA's and the Commission's work on Level II measures, we strongly recommend clarifying which derivative instruments are within the scope of the Prospectus Regulation.

Our understanding, as confirmed informally by Commission and ESMA services, is that the scope of the Regulation covers products such as securitised derivatives, which are currently subject to prospectus requirements, and does not cover derivative contracts, for which no prospectus requirements currently apply.

Securitised derivatives and derivative contracts are two distinct types of instruments. Exchange-traded options and futures are standardised contracts between financial counterparties – they are created by exchanges rather than issued and do not constitute an offer to the public. Securitised derivatives on the other hand are issued by financial institutions, typically investment banks, and sold to predominantly retail investors as investment products.

A potential confusion however comes from the fact that the Level II measures (and the framework currently applicable in the markets) refer to 'derivatives' and 'non-equities securities' interchangeably without defining these terms. As the term 'derivatives' in the industry is commonly used to refer to options and futures contracts, we believe there would be a benefit in clarifying that derivative contracts are not within the scope of the prospectus regime. This would give further legal backing to current market practice and provide clear guidance to national competent authorities, which could otherwise interpret the provisions in diverging manners.

A clarification could easily be achieved by referring back to the definition of 'derivatives' in MiFIR Article 2(1)(29). The MiFIR definition has two parts: on the one hand non-equities securities which are explicitly in scope of the Prospectus Regulation – transferable securities as defined in point (44) of MiFID II Article 4(1) – and on the other hand derivative contracts listed in the Annex to MiFID II which we believe are not subject to prospectus requirements.

We make an amendment suggestion below specifying that instruments referred to in Annex I Section C (4) to (10) of MiFID II are not in scope of the prospectus requirements:

Article A – Definitions

(new) (n) 'derivatives' means those financial instruments defined in point (44)(c) of Article 4(1) of Directive 2014/65/EU; instruments referred to in Annex I, Section C (4) to (10) of Directive 2014/65/EU are not within the scope of this Regulation. <ESMA_QUESTION_FAC_7>

Q8 : What is the overall impact of the above technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that the proposed technical advice will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_8>

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<ESMA_QUESTION_FAC_8>

Q9 : Do you agree that the scope of NCA approval should be included in the cover note? If not, please provide your reasoning.

<ESMA_QUESTION_FAC_9>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_9>



Q10 : Do you agree that the requirement for issuers of equity and retail non-equity to include selected financial information in the prospectus can be removed without significantly altering the benefits to investors?

<ESMA_QUESTION_FAC_10>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_10>

Q11 : Do you agree that issuers should be required to include their website address in the prospectus? Do you agree that issuers should be required to make documents on display electronically available? Would these requirements imply any material additional costs to issuers?

<ESMA_QUESTION_FAC_11>
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<ESMA_QUESTION_FAC_11>

Q12 : Do you consider that a description of material past investments is necessary information for the purpose of the prospectus?

<ESMA_QUESTION_FAC_12>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_12>

Q13 : Do you agree with the proposal to align the OFR requirement with the management reports required under the Accounting Directive? Would this materially reduce costs for issuers?

<ESMA_QUESTION_FAC_13>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_13>

Q14 : Do you agree with ESMA's proposal to require outstanding profit forecasts for both equity and non-equity issuance to be included? Do you agree with the deletion of the obligation to include an accountant's or an auditor's report for equity and retail non-equity? Please provide an estimate of the benefits for the issuers arising from the abovementioned proposals. Would these requirements significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_14>

In order to protect issuers and ensure investors can trust the information present in the prospectus, we believe profit forecasts should not be included in the prospectus. If they were to be included, they should be audited. This would not prevent issuers from communicating to potential investors profit objectives or guidance.

Unaudited outstanding profit forecasts should not be included in the prospectus, regardless of the asset class. This is because forecasts are akin to a business plan and could be misinterpreted or could mislead investors when unaudited.

The removal of the mandatory accountant's report requirement would reduce costs for some issuers, but we would not envisage such reductions to be material. We consider that for equity issuers, there should



be a mandatory requirement for a prospectus to contain an accountant's report for any outstanding profit forecast.

<ESMA_QUESTION_FAC_14>

Q15 : Do you agree with the proposal to explain any 'emphasis of matter' identified in the audit report?

<ESMA_QUESTION_FAC_15>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_15>

Q16 : Should there be mandatory disclosure of the size of shareholdings pre and post issuance where a major shareholder is selling down? Would this requirement imply any material additional costs to issuers?

<ESMA_QUESTION_FAC_16>

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<ESMA_QUESTION_FAC_16>

Q17 : Do you consider that the new requirement to disclose potential material impacts on the corporate governance would provide valuable information to investors?

<ESMA_QUESTION_FAC_17>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_17>

Q18 : Do you agree with the proposal to clarify the requirement for restated financial information?

<ESMA_QUESTION_FAC_18>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_18>

Q19 : Do you agree with the lighter requirement in relation to replication of the issuer's M&A in the prospectus? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_19>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_19>

Q20 : Should any further changes be made to the share registration document? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA_QUESTION_FAC_20>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_20>

Q21 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will



pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_21>
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<ESMA_QUESTION_FAC_21>

Q22 : Do you consider that the requirement for a working capital statement should be different in the case of credit institutions and insurance companies?

<ESMA_QUESTION_FAC_22>
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<ESMA_QUESTION_FAC_22>

Q23 : Do you agree that issuers should be required to update their capitalisation and indebtedness table if there are material changes within the 90 day period? Would this imply any material additional cost to issuers? If yes, please provide an estimation.

<ESMA_QUESTION_FAC_23>
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<ESMA_QUESTION_FAC_23>

Q24 : Do you consider the changes to dilution requirements would be helpful to investors at the same time as being feasible to provide for issuers?

<ESMA_QUESTION_FAC_24>
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<ESMA_QUESTION_FAC_24>

Q25 : Do you agree that the information solicited by item 9.2 is important for investors?

<ESMA_QUESTION_FAC_25>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_25>

Q26 : Do you consider that any further changes be made to the equity securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_26>

We fully support the inclusion of a declarative estimate of the total expenses related to the issue/offer under section 8.1; however, we believe this section could be helpfully enhanced by requiring the disclosure of expenses in a more granular way.

For instance, fees could be broken down into legal fees, communications fees, accounting fees, structuring and placement fees, and regulatory and exchange fees. This would not create additional burdens for issuers as all these fees would anyway need to be identified and added up to produce the aggregate estimate figure initially requested.

We believe presenting fees in a more granular fashion would encourage transparency and foster a better understanding of the repartition of IPO fees across all market participants involved. It would also give prospective listed companies a much better point of comparison to assess the multiple budget strands of an IPO, which will vary considerably depending on the type of company, especially when it comes to the communications budget.<ESMA_QUESTION_FAC_26>

Q27 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_27>
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<ESMA_QUESTION_FAC_27>

Q28 : Do you agree with the proposal to delete disclosure on principal investments and replace this with a requirement to provide details on the issuer's funding structure and borrowing requirements? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_28>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_28>

Q29 : Do you agree that an issuer of retail non-equity should be required to include a credit rating previously assigned to it in the prospectus?

<ESMA_QUESTION_FAC_29>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_29>

Q30 : Do you agree with the proposal to remove the requirement for profit forecasts and estimates to be reported on? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_30>

In order to protect issuers and ensure investors can trust the information present in the prospectus, we believe profit forecasts should not be included in the prospectus. If they were to be included, they should be audited. This would not prevent issuers from communicating to potential investors profit objectives or guidance.

Unaudited outstanding profit forecasts should not be included in the prospectus, regardless of the asset class. This is because forecasts are akin to a business plan and could be misinterpreted or could mislead investors when unaudited.

The removal of the mandatory accountant's report requirement would reduce costs for some issuers, but we would not envisage such reductions to be material. We consider that for equity issuers, there should be a mandatory requirement for a prospectus to contain an accountant's report for any outstanding profit forecast.<ESMA_QUESTION_FAC_30>



Q31 : Do you agree with the proposal that outstanding profit forecasts and estimates should be included in the registration document?

<ESMA_QUESTION_FAC_31>

In order to protect issuers and ensure investors can trust the information present in the prospectus, we believe profit forecasts should not be included in the prospectus. If they were to be included, they should be audited. This would not prevent issuers from communicating to potential investors profit objectives or guidance.

Unaudited outstanding profit forecasts should not be included in the prospectus, regardless of the asset class. This is because forecasts are akin to a business plan and could be misinterpreted or could mislead investors when unaudited. We consider that for equity issuers, there should be a mandatory requirement for a prospectus to contain an accountant's report for any outstanding profit forecast.

<ESMA_QUESTION_FAC_31>

Q32 : Do you agree with the deletion of the disclosure requirement related to board practices? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_32>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_32>

Q33 : Do you consider that any further changes should be made to the retail debt and derivatives registration document? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_33>

Disclosure items 5.1.4 and 17 assume that all issuers have websites. This is not the case, particularly for certain types of issuers, e.g. special purpose vehicles. We consider that these disclosure items should be amended so that the relevant disclosure is only required where the issuer has a website.

In respect of disclosure item 13.7, we believe that the existing significant change statement works well in practice and should remain unchanged and, consequently, that the proposed new text in disclosure items 8.1(b) should be deleted and the proposed deletion to item 13.7 should be reversed.<ESMA_QUESTION_FAC_33>

Q34 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_34>

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<ESMA_QUESTION_FAC_34>

Q35 : Do you agree with the removal of the requirement for wholesale non-equity issuers to restate their financial statements? Would this significantly affect the informative value of the prospectus for investors?



<ESMA_QUESTION_FAC_35>

Yes, we support this approach. We do not believe that the removal of the requirement for wholesale non-equity issuers to restate their financial statements would significantly alter the informative value of the prospectus for professional investors<ESMA_QUESTION_FAC_35>

Q36 : Do you consider that any further changes be made to the wholesale debt and derivatives registration document? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_36>

Disclosure items 4.1.4 and 14 assume that all issuers have websites. This is not the case, particularly for certain types of issuers of wholesale debt, e.g. special purpose vehicles. We consider that these disclosure items should be amended so that the relevant disclosure is only required where the issuer has a website. Alternatively, publication could be facilitated on the website of a third party, e.g. securities exchange website. In addition, the requirement to publish expert reports on a website could prove problematic in that it may lead to experts being reluctant to allow their reports be included in a prospectus.

We believe that the existing significant change statement works well in practice and should remain unchanged and, consequently, that the proposed new text in disclosure items 7.1(b) should be deleted and the proposed deletion to item 11.6 should be reversed.<ESMA_QUESTION_FAC_36>

Q37 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_37>

<ESMA_QUESTION_FAC_37>

Q38 : Do you agree with the way in which disclosure on taxation has been reduced? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_38>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_38>

Q39 : Do you consider there are any negative consequences of the requirement to make details on representation of security holders available electronically and free of charge? Would this imply any material additional costs to issuers? If yes, please provide an estimation.

<ESMA_QUESTION_FAC_39>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_39>

Q40 : Do you consider that expenses charged to the purchaser should also include implicit costs i.e. those costs included in the price (item 5.3.1)?

<ESMA_QUESTION_FAC_40>



TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_40>

Q41 : Do you agree with the proposal that the issue price of the securities to be included in the prospectus in the case of an admission to trading?

<ESMA_QUESTION_FAC_41>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_41>

Q42 : Do you consider that any further changes be made to the retail debt and derivatives securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_42>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_42>

Q43 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_43>
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<ESMA_QUESTION_FAC_43>

Q44 : Do you consider that any further changes be made to the wholesale debt and derivatives securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_44>

We fully support the inclusion of a declarative estimate of the total expenses related to the admission to trading under section 6; however, we believe this section could be helpfully enhanced by requiring the disclosure of expenses in a more granular way.

For instance, fees could be broken down into legal fees, communications fees, accounting fees, structuring and placement fees, and regulatory and exchange fees. This would not create additional burdens for issuers as all these fees would anyway need to be identified and added up to produce the aggregate estimate figure initially requested.

We believe presenting fees in a more granular fashion would encourage transparency and foster a better understanding of the repartition of admission to trading fees across all market participants involved. It would also give prospective issuers a much better point of comparison to assess the multiple budget strands of an admission to trading, which will vary considerably depending on the type of company, especially when it comes to the communications budget.<ESMA_QUESTION_FAC_44>

Q45 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will



pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_45>
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<ESMA_QUESTION_FAC_45>

Q46 : Do you agree with the proposal to make derivate disclosures a building block?

<ESMA_QUESTION_FAC_46>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_46>

Q47 : Do you agree with the proposal to reclassify the how the return on derivatives take place from B to A? If not, please explain why.

<ESMA_QUESTION_FAC_47>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_47>

Q48 : Do you consider agree with ESMA's proposals to enhance the disclosure in relation to situations where investors may lose all or part of their investment?

<ESMA_QUESTION_FAC_48>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_48>

Q49 : Do you consider that the requirements should be different where the return of the investment is linked to the credit of other assets (i.e. credit linked securities) than where the return is linked to the value of a security?

<ESMA_QUESTION_FAC_49>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_49>

Q50 : Do you consider that any further changes be made to the derivatives securities building block? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_50>

In our view, the layout of item 4.2.2 is confusing and difficult to follow, and may benefit by being split into a number of discrete disclosure items.

In respect of item 4.2.2(ii)(d), we consider that list of markets should be expanded to include where the issuer of the underlying security or reference obligation has securities already admitted on a multilateral trading facility as defined under MiFID. In addition, established markets which have previously been recognised by NCAs under item 2.2.11(b) of Annex 11 (old Annex VIII), should also be included.

<ESMA_QUESTION_FAC_50>

Q51 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_51>
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<ESMA_QUESTION_FAC_51>

Q52 : Do you agree with the proposed amendments to the annex relating to the underlying share?

<ESMA_QUESTION_FAC_52>
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<ESMA_QUESTION_FAC_52>

Q53 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_53>
Overall, the proposed technical advice should deliver more meaningful prospectuses for investors without giving rise to significant additional costs for issuers. In particular, the proposed amendments in item 2 to allow use of the Registration Document schedule for secondary issuances or EU Growth Registration Document schedule should reduce costs and streamline the prospectus preparation process for certain issuers.
<ESMA_QUESTION_FAC_53>

Q54 : Do you agree that the annex for third countries and their regional and local authorities should remain unchanged (with the exception of the reference to Member States)?

<ESMA_QUESTION_FAC_54>
Disclosure items 3.2 and 8 assume that all issuers have websites. This is not the case, particularly for certain specialist types of issuers. We consider that these disclosure items should be amended so that the relevant disclosure is only required where the issuer has a website. Alternatively, publication could be facilitated on the website of a third party, e.g. securities exchange website.<ESMA_QUESTION_FAC_54>

Q55 : Do you agree with the proposal relating to the asset backed securities registration document?

<ESMA_QUESTION_FAC_55>
Disclosure items 4.5 and 10.1 assume that all issuers have websites. This is not the case, particularly for certain types of issuers such as special purpose vehicles. We consider that these disclosure items should be amended so that the relevant disclosure is only required where the issuer has a website. Alternatively, publication could be facilitated on the website of a third party, e.g. securities exchange website.
<ESMA_QUESTION_FAC_55>

Q56 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_56>
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<ESMA_QUESTION_FAC_56>

Q57 : Do you agree with the proposal relating to the asset backed securities building block?

<ESMA_QUESTION_FAC_57>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_57>

Q58 : Do you agree with the proposal to allow reduced disclosure where the securities comprising the assets are listed on an SME Growth Market?

<ESMA_QUESTION_FAC_58>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_58>

Q59 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_59>
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<ESMA_QUESTION_FAC_59>

Q60 : Do you agree with the amendments to the pro forma building block? Should any further amendments be made to this annex? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA_QUESTION_FAC_60>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_60>

Q61 : Do you agree that the additional building block for guarantees does not need to change other than the minor amendments proposed by ESMA?

<ESMA_QUESTION_FAC_61>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_61>

Q62 : Do you think that depository receipts are similar enough to equity economically to require the inclusion of a working capital statement and / or a capitalisation and indebtedness statement? Please advise of any costs and benefits that would be incurred as a result of this additional disclosures.

<ESMA_QUESTION_FAC_62>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_62>

Q63 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_63>
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<ESMA_QUESTION_FAC_63>

Q64 : Do you agree with the changes proposed by ESMA for collective investment undertakings?

<ESMA_QUESTION_FAC_64>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_64>

Q65 : Is greater alignment with the requirements of AIFMD necessary? If so, where?

<ESMA_QUESTION_FAC_65>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_65>

Q66 : Do you agree with the proposal to allow reduced disclosure where the securities issued by the underlying issuer/collective investment undertaking/counterparty are listed on an SME Growth Market?

<ESMA_QUESTION_FAC_66>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_66>

Q67 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_67>
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<ESMA_QUESTION_FAC_67>



Q68 : Do you consider that any changes are required to the existing regime for convertible and exchangeable securities? If so, please specify.

<ESMA_QUESTION_FAC_68>

We consider that where the underlying shares are already admitted to trading on a Regulated Market or a Multilateral Trading Facility as defined under MiFID, information to be included in the prospectus should be limited to that provided by item 4.2.2 of Annex XII of the Commission Regulation.

<ESMA_QUESTION_FAC_68>

Q69 : Do you consider that any other types of specialist issuers which should be added? If so, please specify.

<ESMA_QUESTION_FAC_69>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_69>

Q70 : Do you agree with ESMA's proposal not to develop a schedule for securities issued by public international bodies and for debt securities guaranteed by a Member State of the OECD?

<ESMA_QUESTION_FAC_70>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_70>

Q71 : Do you agree that the URD disclosure requirements should be based on the share registration document plus additional disclosure items?

<ESMA_QUESTION_FAC_71>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_71>

Q72 : Should the URD schedule contain any further disclosure requirements?

<ESMA_QUESTION_FAC_72>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_72>

Q73 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_73>

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<ESMA_QUESTION_FAC_73>

Q74 : Do you consider that the proposed disclosure is sufficiently alleviated compared to the full regime? If not, where do you believe that additional simplification



can be made? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA_QUESTION_FAC_74>

We consider that the alleviated disclosure proposed by ESMA strikes the right balance between simplification and guaranteeing high levels of investor protection, notably by leveraging information issuers are already required to disclose under MAR and the Transparency Directive. However, we believe that there is scope for further alleviation of the disclosure regime without compromising on investor protection:

Disclosure item 3 (Risk Factors) – this is an area of the prospectus that will give rise to significant cost to issuers to prepare. For secondary issuances, we consider that it would be appropriate to require disclosure of new material risks arising since the last published audited annual financial statements.

Disclosure item 15.1 (Documents Available) – this disclosure item assumes that all issuers have websites. This is not the case, particularly for certain types of issuers such as special purpose vehicles. We consider that this disclosure item should be amended so that the relevant disclosure is only required where the issuer has a website.

Furthermore, we do not agree that unaudited profit forecasts should be included in the registration document under 7.3. This is because forecasts are akin to a business plan and could be misinterpreted or could mislead investors when unaudited. In order to protect issuers and ensure investors can trust the information present in the prospectus, we believe profit forecasts should not be included in the prospectus. If they were to be included, regardless of the asset class, they should be audited. This would not prevent issuers from communicating to potential investors profit objectives or guidance..<ESMA_QUESTION_FAC_74>

Q75 : Should secondary disclosure differ depending on whether the issuer is listed on a regulated market or on an SME Growth Market?

<ESMA_QUESTION_FAC_75>

The fact that there is no difference between the regime on Regulated Markets and SME Growth Market is not an issue. <ESMA_QUESTION_FAC_75>

Q76 : Do you consider that item 9.3 (information on corporate governance) is necessary?

<ESMA_QUESTION_FAC_76>

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<ESMA_QUESTION_FAC_76>

Q77 : Do you consider that information on material contracts is necessary for secondary issuance?

<ESMA_QUESTION_FAC_77>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_77>

Q78 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).



<ESMA_QUESTION_FAC_78>
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<ESMA_QUESTION_FAC_78>

Q79 : Do you consider that there is further scope for alleviated disclosure in the securities note ? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA_QUESTION_FAC_79>
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<ESMA_QUESTION_FAC_79>

Q80 : Is a single securities note, separated by security type, clear or would it be preferable to have multiple securities note schedules?

<ESMA_QUESTION_FAC_80>
We consider that it would be more user friendly to have multiple securities note schedules – one for equity, one for retail non-equity and one for wholesale non-equity. <ESMA_QUESTION_FAC_80>

Q81 : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_81>
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