

# Capital market: prospectus to be published for securities

2001/0117(COD) - 10/07/2003 - Commission opinion on Parliament's position at 2nd reading

The European Parliament has amended the Council common position with amendments. The Commission accepts all of the Parliament's amendments. As regards the Parliament's amendments at second reading which were accepted by the Commission, these aim to : - introduce a new Recital clarifying that offering programmes may include different types of non-equity securities; - introduce a new Recital clarifying that national regulators and exchanges may ask for other disclosure requirements in the context of admission to trading on a regulated market, provided that these do not relate to prospectus requirements; - introduce a five-year review clause concerning the delegation of tasks. The option to delegate tasks from the competent authority to other entities will lapse after eight years; - clarify that issues envisaged in an offering programme may not take place during the specified issuing period of one year; - clarify that securities issued in a continuous and repeated manner includes both issues on tap and frequent separate issues; - introduce flexibility into the determination of the home competent authority for issues of non-equity securities with individual denomination of at least 1000 Euro. It also clarifies that this threshold is applicable to other denomination expressed in other currencies with a nearly equivalent value; - introduce a new definition for a base prospectus; - clarify the content of the warning to be contained in the summary, on liability attached to the summary. - clarify that an issuer should be able to decide to use a base prospectus or a traditional prospectus (composed of a single document or several documents) in the context of an offering programme; - clarify that incorporation by reference of information in a prospectus shall be possible for documents published at the same moment as the prospectus; - sets the maximum time limit for approving a prospectus to 10 working days; - sets the maximum time limit for approving a prospectus to 20 working days in the context of an initial public offering; - sets the maximum time limit for notifying the incompleteness of a prospectus to 10 working days; - sets the maximum time limit for notifying the transfer of approval of a prospectus to 3 working days. - introduce the option for an issuer to publish its prospectus in an electronic form on the website of the regulated market where the admission to trading is sought; - clarify that the prospectuses or the list of prospectuses approved by a competent authority may alternatively be published on the website of the regulated market; - clarify that advertisements put out before the publication of a prospectus should not be inaccurate or misleading; - sets the maximum time limit for approving a supplement to 7 working days; - sets the maximum time limit for notifying the certificate of approval of a prospectus to 1 working day after its approval if the request is submitted together with the draft prospectus; - introduce a five-year review clause concerning the delegation of tasks. The option to delegate tasks from the competent authority to other entities will lapse after eight years; - clarify the cooperation that is expected in the context of transfer of the approval of a prospectus from one competent authority to another. When deciding suspension or prohibition of trading on a regulated market, competent authorities may first consult operators of the regulated markets.