

Capital market: prospectus to be published for securities

2001/0117(COD) - 14/03/2002 - Text adopted by Parliament, 1st reading/single reading

The European Parliament has adopted the report drafted by Christopher HUHNE (ELDR, UK) on rules on prospectuses for admission to stock exchanges in the EU, with 302 votes for, 93 against and 46 abstentions. (Please refer to the document dated 26/02/02). A number of amendments were made to the Commission's proposal. Parliament inserted provisions to the effect that Member States should have discretion not to require a prospectus if the public offer or the admission to trading is restricted to one Member State and if the issuer is a company whose market capitalisation does not exceed a certain threshold, being set at EUR 350 million. Excluded from the scope of the directive are securities worth at least EUR 50 000 per investor, instead of 150 000 as in the original proposal, whether or not the securities are admitted to trading on a regulated market. Also excluded, inter alia, are securities representing, over 12 months, less than 10% of the number of identical securities already admitted to trading on the same market. Parliament inserted further details on the content of the prospectus. In accordance with the Lamfalussy procedure, the Commission is empowered to adopt implementing measures after consulting the European Securities Committee. In exercising these implementing powers, the Commission is required to respect a list of principles, such as the need to ensure confidence in financial markets by promoting high standards of transparency. Parliament sought to tighten the responsibilities of the competent authority. Any delegation of responsibilities to other entities such as market operators can only take place within the context of a clearly defined framework for the exercise of delegated functions and responsibilities. Final responsibility for supervising compliance with the directive lies with the competent authority.