

Securities: issuers trading on a regulated market, transparency requirements

2003/0045(COD) - 15/12/2004 - Final act

PURPOSE : to harmonise the transparency requirements with regard to information about issuers whose securities are admitted to trading on a regulated market.

LEGISLATIVE ACT : Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC.

CONTENT : Efficient, transparent and integrated securities markets contribute to a genuine single market in the Community and foster growth and job creation by better allocation of capital and by reducing costs. The disclosure of accurate, comprehensive and timely information about security issuers builds sustained investor confidence and allows an informed assessment of their business performance and assets. This enhances both investor protection and market efficiency. To that end, security issuers must ensure appropriate transparency for investors through a regular flow of information. To the same end, shareholders, or natural persons or legal entities holding voting rights or financial instruments that result in an entitlement to acquire existing shares with voting rights, must also inform issuers of the acquisition of or other changes in major holdings in companies so that the latter are in a position to keep the public informed.

This Directive establishes requirements in relation to the disclosure of periodic and ongoing information about issuers whose securities are already admitted to trading on a regulated market situated or operating within a Member State. A high level of investor protection throughout the Community enables barriers to the admission of securities to regulated markets situated or operating within a Member State to be removed. Member States other than the home Member State will no longer be allowed to restrict admission of securities to their regulated markets by imposing more stringent requirements on periodic and ongoing information about issuers whose securities are admitted to trading on a regulated market. The main requirements with regard to disclosure are as follows:

- The issuer shall make public its annual financial report at the latest four months after the end of each financial year and shall ensure that it remains publicly available for at least five years. The directive specifies the documents comprising the annual financial report;

- The issuer of shares or debt securities will make public a half-yearly financial report covering the first six months of the financial year as soon as possible after the end of the relevant period, but at the latest within two months. The half-yearly financial report must remain available to the public for at least five years.

- Interim management statements – an issuer whose shares are admitted to trading on a regulated

market shall make public a statement by its management during the first six-month period of the financial year and another statement by its management during the second six month period of the financial year. Such statement must be made in a period between ten weeks after the beginning and six weeks before the end of the relevant six-month period. It will contain information covering the period between the beginning of the relevant six-month period and the date of publication of the statement. The directive describes the matters which the statement is expected to cover.

The directive lists the exemptions to disclosure requirements and also prescribes the ongoing information to be provided. This includes notification of the acquisition or disposal of major holdings by the shareholder to the issuer as well as the acquisition or disposal of major proportions of voting rights.

Finally, there are specific provisions on disclosure requirements for issuers whose registered office is in a third country.

TRANSPOSITION : 20 January 2007.

ENTRY INTO FORCE :20 January 2005.