



Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) 2001/0117(COD) Directive</p>	Procedure completed
<p>Capital market: prospectus to be published for securities</p> <p>Amending Directive 2001/34/EC 2000/0174(COD) Amended by 2006/0306(COD) Amended by 2009/0132(COD) Amended by 2009/0161(COD) Amended by 2011/0006(COD) Amended by 2011/0307(COD) Repealed by 2015/0268(COD)</p> <p>Subject 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 4.60.06 Consumers' economic and legal interests</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs		06/11/2000
		ELDR HUHNE Christopher	
	Former committee responsible		
	ECON Economic and Monetary Affairs		06/11/2000
		ELDR HUHNE Christopher	
	Former committee for opinion		
	JURI Legal Affairs and Internal Market		10/07/2001
		PSE MEDINA ORTEGA Manuel	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2520	15/07/2003
	Transport, Telecommunications and Energy	2499	24/03/2003
	Economic and Financial Affairs ECOFIN	2460	05/11/2002
	Economic and Financial Affairs ECOFIN	2432	04/06/2002
	Economic and Financial Affairs ECOFIN	2393	04/12/2001
European Commission	Commission DG	Commissioner	
	Financial Stability, Financial Services and Capital Markets Union		

Key events			
29/05/2001	Legislative proposal published	COM(2001)0280	Summary
05/07/2001	Committee referral announced in Parliament, 1st reading		
04/12/2001	Debate in Council	2393	Summary
26/02/2002	Vote in committee, 1st reading		Summary

25/02/2002	Committee report tabled for plenary, 1st reading	A5-0072/2002	
13/03/2002	Debate in Parliament		
14/03/2002	Decision by Parliament, 1st reading	T5-0114/2002	Summary
04/06/2002	Debate in Council	2432	Summary
08/08/2002	Modified legislative proposal published	COM(2002)0460	Summary
23/03/2003	Council position published	05390/4/2003	Summary
27/03/2003	Committee referral announced in Parliament, 2nd reading		
12/06/2003	Vote in committee, 2nd reading		Summary
11/06/2003	Committee recommendation tabled for plenary, 2nd reading	A5-0218/2003	
30/06/2003	Debate in Parliament		
02/07/2003	Decision by Parliament, 2nd reading	T5-0311/2003	Summary
15/07/2003	Act approved by Council, 2nd reading		
22/09/2003	Final act signed		
04/11/2003	End of procedure in Parliament		
31/12/2003	Final act published in Official Journal		

Technical information

Procedure reference	2001/0117(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 2001/34/EC 2000/0174(COD) Amended by 2006/0306(COD) Amended by 2009/0132(COD) Amended by 2009/0161(COD) Amended by 2011/0006(COD) Amended by 2011/0307(COD) Repealed by 2015/0268(COD)
Legal basis	EC Treaty (after Amsterdam) EC 095; EC Treaty (after Amsterdam) EC 044
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/16097

Documentation gateway

Legislative proposal	COM(2001)0280 OJ C 240 28.08.2001, p. 0272 E	30/05/2001	EC	Summary
Committee draft report	PE307.441	09/10/2001	EP	

Document attached to the procedure		BCE(2001)0036 OJ C 344 06.12.2001, p. 0004-0007	16/11/2001	ECB	Summary
Committee opinion	JURI	PE308.467/DEF	19/11/2001	EP	
Economic and Social Committee: opinion, report		CES0034/2002 OJ C 080 03.04.2002, p. 0052	16/01/2002	ESC	
Committee report tabled for plenary, 1st reading/single reading		A5-0072/2002	26/02/2002	EP	
Committee draft report		PE307.441/PR	26/02/2002	EP	
Amendments tabled in committee		PE307.441/AM	26/02/2002	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0114/2002 OJ C 047 27.02.2003, p. 0417-0524 E	14/03/2002	EP	Summary
Modified legislative proposal		COM(2002)0460 , OJ C 020 28.01.2003, p. 0122 E	09/08/2002	EC	Summary
Council statement on its position		07022/2003	05/03/2003	CSL	
Council position		05390/4/2003 OJ C 125 27.05.2003, p. 0021-0057	24/03/2003	CSL	Summary
Commission communication on Council's position		SEC(2003)0396	26/03/2003	EC	Summary
Committee recommendation tabled for plenary, 2nd reading		A5-0218/2003	12/06/2003	EP	
Committee draft report		PE323.161	13/06/2003	EP	
Text adopted by Parliament, 2nd reading		T5-0311/2003 OJ C 074 24.03.2004, p. 0098-0251 E	02/07/2003	EP	Summary
Commission opinion on Parliament's position at 2nd reading		COM(2003)0432	10/07/2003	EC	Summary
Implementing legislative act		32004R0809 OJ L 215 16.06.2004, p. 0003-0105	29/04/2004	EU	
Follow-up document		SEC(2011)0991	28/07/2011	EC	Summary
Follow-up document		COM(2015)0149	13/04/2015	EC	Summary

Additional information

European Commission

[EUR-Lex](#)

Final act

[Directive 2003/71](#)
[OJ L 345 31.12.2003, p. 0064-0089](#) Summary

Final legislative act with provisions for delegated acts

Delegated acts

[2013/2763\(DEA\)](#)

Examination of delegated act

2013/2786(DEA)	Examination of delegated act
2013/2794(DEA)	Examination of delegated act
2013/2793(DEA)	Examination of delegated act
2013/2775(DEA)	Examination of delegated act
2013/2803(DEA)	Examination of delegated act
2014/2639(DEA)	Examination of delegated act
2015/3001(DEA)	Examination of delegated act
2015/2749(DEA)	Examination of delegated act

Capital market: prospectus to be published for securities

PURPOSE: to present a Commission proposal for a Directive of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading. **CONTENT:** the purpose of this directive is to harmonise requirements for the drawing up, scrutiny and distribution of the prospectus to be published when securities are offered to the public or admitted to trading. The key features of the new system, based on the proposed directive, are the following: - introduction of enhanced disclosure standards in line with international standards for public offer of securities and admission to trading; - introduction of the registration document system for issuers whose securities are admitted to trading on regulated markets in order to ensure a yearly update of the key information concerning the issuer; - possibility to offer or admit securities to trading on the basis of a simple notification of the prospectus approved by the home competent authority; - concentration of the responsibilities in the home administrative competence authority; - extensive use of the comitology process, following the Stockholm European Council's broad endorsement of the Lamfalussy Report in the Resolution adopted by the Heads of State and Government on more effective securities markets regulation in the European Union. ?

Capital market: prospectus to be published for securities

This document comprises of the opinion of the European Central Bank on the proposal for the prospectus to be published when securities are offered to the public or admitted to trading. To recall, the main objective of the proposed Directive is the introduction of a single passport for issuers offering securities at European Union level. The ECB generally welcomes and supports the aims pursued by the proposed Directive, as the ECB sees the proposal as an effective means of advancing European financial markets integration. The Eurosystem has a keen interest in the developments of financial markets. The achievement of the primary objective of the Eurosystem, the maintenance of price stability, requires that monetary policy impulses be transmitted in a smooth way throughout the euro area by means of integrated and efficient financial markets. Securities markets, together with the unsecured money market and the banking sector, play a key role in this respect. The existence of some degree of segmentation of financial markets in the jurisdiction of a central bank is not an uncommon phenomenon. However, obstacles to the integration of securities markets in the euro area may slow down or distort the transmission of monetary impulses to the economy. The European Central Bank considers that it is in the interest of the Eurosystem that obstacles to the integration of securities markets do not thwart the full benefits of EMU. European securities markets will become more liquid, therefore attracting more investments and also more issuers from third countries. The proposed Directive will improve market access for raising capital in the EU and eliminate existing obstacles to crossborder offering of securities. It should also be noted that the introduction of harmonised and enhanced disclosure standards in line with international standards for public offer of securities and admission to trading is likely to increase investor confidence, in particular as regards investing on an EU-wide basis. However, a high level of disclosure has to be balanced against the need for an efficient issuance company and the type of security issued. The positive implications of the proposed Directive for both issuers and investors will enhance the ability of the financial markets to fulfil their function of efficient capital allocation, as they become more liquid and efficient. Moreover, the ECB holds the view that the enhancement of issuer disclosure will favour selection by investors of new investment projects and reduce information asymmetry, leading in turn to greater market liquidity. The ECB also notes that the abovementioned benefits are in principle a consequence of any enhancement in corporate disclosure. The ECB welcomes the proposed introduction of a harmonised definition of public offer, which will avoid different interpretations of Community rules and ensure the same level of investor protection throughout the EU. The ECB notes that Article 3(2) of the proposed Directive defines offers to which the obligation of publishing a prospectus does not apply as offers either to qualified investors for their account, or to a restricted circle of persons, or concerning securities which can be acquired only for a consideration of at least EUR 150 000 per investor. In this respect, the ECB welcomes the fact that clarification and adaptation of the exemptions are under comitology procedure in order to ensure the necessary degree of flexibility. In addition, the ECB notes that the definition of qualified investors should also include the ECB and the central banks of the Member States. The ECB notes that it appears desirable to clarify in the proposed Directive the regime applicable to public offers of debt securities issued by credit institutions.

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The Council took note of a Presidency progress report on the proposal for a Directive on the prospectus to be published when securities are offered to the public or admitted to trading. During the Belgian Presidency, intensive work was carried out on the proposal, mainly in the following areas: the definition of a public offer (and exceptions thereto); the exemptions to the prospectus obligation in certain cases; the mandatory nature of the registration document; the incorporation of information by reference; the provisions on advertising; the drafting of the provision on mutual recognition; the rules on languages; the rules for issuers incorporated in third countries; the requirement that the

competent authority (one per Member State) should be an administrative one; the requirements for admission on trading markets; the rules for Euro-bond issuers; the treatment of small and medium-sized enterprises; the wording of certain provisions concerning committee procedure. The Council instructed its competent bodies to continue work on the proposal as a matter of priority.?

Capital market: prospectus to be published for securities

The committee adopted the report by Chris HUHNE (ELDR, UK) amending the Commission proposal under the codecision procedure (1st reading). It was particularly concerned that the costs of complying with the new rules could have an adverse impact on small businesses, especially those who only want to raise funds on the domestic market. It therefore voted to allow exemptions for companies with a market capitalisation of less than EUR 350 million and wishing to raise funds only in the home state. Another cause for concern was the cost of complying with rules on "shelf registration" and updating information as proposed by the Commission, so the committee voted to make this optional rather than obligatory. Another amendment aimed to maintain current market practice, allowing the issuer the choice of competent regulatory authority, where appropriate. Some amendments sought to introduce an element of flexibility on the language question to take account of market practice, extend the scope of the definition of a "qualified investor" and bring debt securities within the scope of the directive. The committee also wanted to exclude Eurobonds traded between professional investors from the directive. Further amendments were designed to bring the legislation in line with the Lamfalussy procedure approved by Parliament in the February 2002 part-session in Strasbourg. They took account of Commission President Romano PRODI's solemn declaration before the House undertaking to respect Parliament's views and were designed to ensure the maximum amount of transparency and parliamentary scrutiny over implementing measures.?

Capital market: prospectus to be published for securities

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. ?

Capital market: prospectus to be published for securities

The Council confirmed that work should be pursued building on a Presidency compromise approach which : - introduces a limited distinction between non-equity securities destined for professional investors and those destined for non professional investors, thereby avoiding imposing unnecessary burdens on the eurobond market and while ensuring the necessary information for investors; - and allows flexibility for issuers to chose the competent authority for approving admission prospectuses for non-equity securities aimed at professional investors, while retaining the requirement for approval in the country where the issuer has its registered office for other securities. The Council invited the permanent Representative committee to take work forward rapidly on all outstanding issues in the light of the orientations provided by the Council as well as specific points raised by delegations, bearing in mind the priority attached to the adoption of this directive by the Barcelona European Council.?

Capital market: prospectus to be published for securities

To speed up the legislative process and meet the expectations expressed at the Barcelona Council on the early adoption of a directive on prospectuses, the Commission wishes to put forward an amended proposal for a Directive that takes account of many of Parliament's and the Council's wishes and concerns. The presentation of the proposal has been changed as regards form to make the text more understandable and readable. The amended proposal also includes new, flexible arrangements for firms that were not in the proposal adopted by the Commission on 30 May 2001 while remaining consistent with the principles of protection and sound information for investors. The main changes compared with the Commission's original proposal are: - introduction of enhanced disclosure standards in line with international standards for the public offer of securities and admission to trading; - introduction of special Community rules for securities designed to be traded by professionals; - introduction of new prospectus formats for frequent issuers, and the duty on firms whose securities are listed on a regulated market to update the information on issuers at least once a year; - possibility to offer or admit securities to trading on the basis of a simple notification of the prospectus approved by the home competent authority; - concentration of the responsibilities in the home administrative competent authority; - extensive use of the committee system, following the Stockholm European Council's broad endorsement of the Lamfalussy Report in the resolution adopted by Heads of State or Government on more effective securities markets regulation in the European Union.?

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The common position follows closely the Commission's amended proposal. At the same time it includes a large number of amendments (41 in total) proposed by the European Parliament to the original Commission proposal to the extent they were included in the amended Commission proposal. The majority of the changes contained in the common position in comparison with the amended Commission proposal are of a predominantly technical drafting nature and have been made in order to enhance legal certainty or to make the text clearer, while others modify the Commission proposal in a more substantial manner, e.g. the change in the definition of the home Member State, definition of the powers of the competent authority, language regime, etc. Concerning the definition of the home Member State, this has been amended in comparison with the amended Commission proposal. The common position follows the approach of the amended Commission proposal with separate treatment for equity and small denomination non-equity securities on the one hand and large denomination non-equity securities aimed at the professional market on the other, but strikes a different balance between the two categories. In the common position the balance is struck in a way that permits issuers of higher denomination bonds and certain derivative instruments to choose as the home Member State either the Member State where it has its registered office or the Member State where the securities in question are to be admitted to trading or are offered to the public for the first time. The limit for higher denomination bonds is set at 5 000 euro per unit. For EU issuers of all other securities the home Member State is defined as the Member State where the issuer has its registered office. This solution balances the need to preserve the principle of home Member State control against the need to take into account the fact that some competent authorities may have developed a particular expertise and experience in certain complex securities and therefore may be the best placed to approve certain prospectuses. As regards the competent authorities, the Council has decided that in each Member State one single competent authority should be designated to approve prospectuses and to assume responsibility for supervising compliance with this Directive. Under strict conditions, a Member State should be allowed to designate more than one competent authority but only one will assume the duties for international cooperation. Such an authority or authorities should be established as an administrative authority and in such a form that their independence from economic actors is guaranteed and conflicts of interest are avoided. The designation of a competent authority for prospectus approval should not exclude cooperation between that authority and other entities, with a view to guaranteeing efficient scrutiny and approval of prospectuses in the interest of issuers, investors, markets participants and markets alike. Any delegation of tasks relating to the obligations provided for in this Directive and in its implementing measures should, except for publication on the Internet of approved prospectuses, end five years after the entry into force of this Directive. Offers to the public of securities or the admission of securities to trading on a regulated market generally trigger the obligation to draw up a prospectus to ensure that the public is properly informed.?

Capital market: prospectus to be published for securities

The Commission considers that the Common Position adopted by the Council is faithful to the objectives and the spirit of the Commission amended proposal which is to ensure investor protection and market efficiency, in accordance with high regulatory standards adopted in the relevant international fora. The Commission also considers that the Common Position incorporates a large majority of Parliament's amendments, either completely or partially. In short, the Commission believes that the Common Position achieves a good balance between investor protection and market efficiency. The Commission hopes that the Directive can be approved during the year, in line with the deadline set in the Financial Services Action Plan and at the Stockholm European Council. If this can be achieved, and it must, it will facilitate the widest possible access to investment capital on a Community-wide basis while at the same time increasing investor confidence in corporate disclosure. This has never been as important as now. The Commission therefore recommends this Common Position to the European Parliament.?

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The committee adopted the report by Christopher HUHNE (ELDR, UK) broadly approving the Council's common position under the 2nd reading of the codecision procedure, subject to a number of amendments as follows: - whereas the common position provided for companies issuing bonds with a denomination of less than EUR 5,000 to be regulated in the home country, the committee voted to reduce this to just EUR 1,000 or a similar amount for non-euro currency issues; - the committee was concerned to reduce the burden on SMEs and voted to reduce red tape by removing the obligation to maintain a "register" of organisations considered as qualified investors. Furthermore, with a view to helping SMEs by enabling small-sized regional banks to issue bonds without the extra costs of drawing up a prospectus, the committee voted to double the threshold for exemption from EUR 50 million to EUR 100 million; - other amendments took up the question of convertible bonds and debts of public bodies; - on the question of the language of the prospectus, one amendment would allow the publication of information in a language "customary in the sphere of international finance". Lastly, the committee adopted other technical amendments relating to the operations of the market and deadlines for approval. ?

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The European Parliament adopted the resolution drafted by Christopher HUHNE (ELDR, UK) by 487 to 12 with 14 abstentions. There were 21 compromise amendments. This will enable the legislation to come into force immediately, thus avoiding conciliation. The main amendment concerns freedom of choice of regulator for the issuers of bonds worth more than EUR 1,000. The same regime will be applicable to non-equity securities in a currency other than the Euro, provided that the value of the minimum denomination is nearly equivalent to EUR 1000. Parliament also inserted a definition of "base prospectus". A further amendment takes up the question of the delegation of supervisory powers over the market, a question of particular importance for the smaller Member States. This provides for the Commission to review existing national arrangements after 5 years. If the Commission does not clear the arrangements, they must end after 8 years. Further improvements in investor protection involve the strengthening of legal obligations relating to the summary in translation, safeguards against providing misleading information and allowing national regulators to introduce higher standards. Parliament stated that the competent authorities of Member States may consult with operators of regulated markets particularly when deciding to suspend, or asking a regulated market to suspend or prohibit trading. The other amendments relate to timetables with regard to compliance.?

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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.?

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PURPOSE : to harmonise requirements for the drawing up, approval and distribution of the prospectus and to ensure that adequate and equivalent disclosure standards are in place in all Member States when securities are made available to all European investors either through an offer to the public or because they are admitted to trading on a regulated market. **LEGISLATIVE ACT** : Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC. **CONTENT** : Under previous EU rules, regulations and practices on prospectuses varied widely between European Member States. As a result EU capital markets have been fragmented and it has rarely proved possible to use the existing prospectuses to raise capital across frontiers within Europe. Additionally there was no European recognition system for securities falling outside the scope of the 80/390/EEC Directive. To this end, this Directive harmonises requirements for the drawing up, approval and distribution of the prospectus. It seeks to create a European passport for issuers by giving, Community-wide validity to the prospectus approved by the issuer's home competent authority, in order to facilitate the raising of capital for all types of issuer. The key features of the proposed Directive are the following: - definition of clear conditions related to the prospectus for offers to the public of securities and for admission to trading on a regulated market; - harmonisation of the essential definitions in order to avoid loopholes and different approaches, thus ensuring a level playing field throughout the EU; - the introduction of special EU rules for securities with a high minimum denomination (EUR 50 000), which are designed to be traded by professionals; - an adapted regime aimed at making things easier for small and medium-sized companies, which would not be obliged to draft a prospectus if only a small amount of securities is offered to the public; - disclosure standards based on international standards (IOSCO) with schedules adapted depending on the nature of the issuer and the type of securities involved, for example: equity securities such as shares, non-equity securities such as bonds, derivatives securities such as covered warrants, securities with a high minimum denomination and mortgage bonds; - the introduction of new prospectus formats for frequent issuers, notably for offering Euro Medium Term Notes, derivatives securities such as covered warrants, or for mortgage bonds issued on a continuous or repeated basis; - an effective regime for the "single passport". For companies to issue securities, or admit them to trading, in any EU Member State, they would simply need to notify the authorities in that country of their prospectus and show that the appropriate authority in another Member State has already approved it. **ENTRY INTO FORCE** : 31/12/03. **DATE OF TRANSPOSITION** : 01/07/05.?

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The Commission presents a staff working document on the state of play on convergence between International Financial Reporting Standards (IFRS) and third country national Generally Accepted Accounting Principles (GAAP).

According to the [European Securities and Markets Authority \(ESMA\)](#) report, the four countries that were found equivalent to IFRS on a temporary basis until 31 December 2011 (China, Canada, India, and South Korea) have taken further steps in pursuing their convergence or adoption. The document examines the actions undertaken by each country.

China has already substantially converged its accounting standards with IFRS and is committed to eliminating the remaining, residual, differences.

In India, the latest developments introduce uncertainty about the country's commitment towards an IFRS-compliant financial reporting system. There is significant uncertainty as to whether India would adopt the IFRS or otherwise come up with a country-specific version with numerous modifications and carve-outs in some important areas, such as agriculture, financial instruments, negative goodwill, and real estate.

Other major economies have also recently announced their intention to adopt IFRS, such as Argentina, Brazil, Mexico, and Taiwan.

In Russia, there have been recent developments as far as the adoption of IFRS is concerned.

Commission services will continue to monitor the situation and assesses the efforts by third countries converging to IFRS or intending to adopt

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The Commission presented a report on the exercise of the power to adopt delegated acts conferred on the Commission pursuant to Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

Adopted in November 2003, the Prospectus Directive (PD) was amended in November 2010 by [Directive 2010/73/EU](#) ("PD II", in application from July 2012). It was last amended by [Directive 2014/51/EU](#) (the "Omnibus II" Directive). The PD II includes a review clause requiring the Commission to assess by 1 January 2016 the application of the PD as amended by PD II.

Delegation of power: the Prospectus Directive (PD) empowers the Commission to adopt delegated acts for a period of 4 years from 31 December 2010. The Commission shall draw up a report in respect of the delegated power at the latest 6 months before the end of the four year period. The delegation of power shall be automatically extended for periods of an identical duration, unless the European Parliament or the Council revokes it.

Exercise of the delegation:

Article 1(4), Article 2(4), Article 3(4) of the PD: to date, an adjustment of the thresholds and definitions were not undertaken by the Commission. The definitions and thresholds will be assessed in the course of the review required by the PD II, by 1 January 2016.

Article 4(1) fifth subparagraph of the PD: to date, no requests for such assessments were made to specify the criteria for the equivalence of third-country regulatory frameworks. Furthermore, the equivalence assessment can be done directly. All equivalence provisions for third countries will be assessed in the course of the review required by Article 4 PD II, by 1 January 2016.

Article 5(5) and Article 7(1) of the PD: the Commission has used these empowerments to adopt the following three Commission Delegated Regulations:

- [Commission Delegated Regulation \(EU\) No 486/2012](#) amending Regulation (EC) No 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements.
- [Commission Delegated Regulation \(EU\) No 862/2012](#) amending Regulation (EC) No 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors.
- [Commission Delegated Regulation \(EU\) No 759/2013](#) amending Regulation (EC) No 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities.

Article 8(4) PD: this empowerment has not been used because discussions with the European Securities and Markets Authority (ESMA) and National Competent Authorities (NCAs) have not shown the need to further specify details about the omission of information from the prospectus.

Amendment of the "Omnibus II" Directive: the "Omnibus II" Directive amended the empowerment contained in Article 11(3), Article 13(7), Article 14(8) and Article 15(7) of the PD. The amended empowerment confers the power on ESMA to develop draft regulatory technical standards (RTS) to specify:

- the approval of the prospectus and the conditions in accordance with which time limits may be adjusted;
- the provisions relating to the publication of the prospectus;
- the provisions concerning the dissemination of advertisements announcing the intention to offer securities to the public or the admission to trading on a regulated market, in particular before the prospectus has been made available to the public or before the opening of the subscription, and specify certain provisions.

ESMA is to submit these draft regulatory technical standards to the Commission, for adoption, by 1 July 2015. The Commission is empowered to adopt the standards in question in accordance with Regulation in accordance with [Regulation \(EU\) No 1095/2010](#). ESMA undertook a public consultation on the draft RTS which closed on 19 December 2014.

Article 20(3) PD first subparagraph: to date, the Commission has not used the empowerment to adopt delegated acts establishing general equivalence criteria for third country prospectuses. The issue of general equivalence criteria for third country prospectuses will be assessed in the course of the review required by PD II, by 1 January 2016.