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*Plenary sitting*

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**A9-0228/2020**

19.11.2020

**\*\*\*I**  
**REPORT**

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries to help the recovery from the COVID-19 pandemic  
(COM(2020)0281 – C9-0206/2020 – 2020/0155(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Ondřej Kovařík

### ***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### **Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

## CONTENTS

	<b>Page</b>
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION .....	5
OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION.....	21
PROCEDURE – COMMITTEE RESPONSIBLE .....	37
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE .....	38



## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries to help the recovery from the COVID-19 pandemic**

**(COM(2020)0281 – C9-0206/2020 – 2020/0155(COD))**

**(Ordinary legislative procedure: first reading)**

- having regard to the Commission proposal to Parliament and the Council (COM(2020)0281),
  - having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0206/2020),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the opinion of the European Economic and Social Committee of 29 October 2020<sup>1</sup>,
  - having regard to Rule 59 of its Rules of Procedure,
  - having regard to the opinion of the Committee on Internal Market and Consumer Protection,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0228/2020),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

### **Amendment 1**

#### AMENDMENTS BY THE EUROPEAN PARLIAMENT\*

to the Commission proposal

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<sup>1</sup> Not yet published in the Official Journal.

\* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol **||**.

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2020/0155 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and  
targeted adjustments for financial intermediaries to help the recovery from the COVID-  
19 pandemic**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The COVID-19 pandemic is severely affecting people, companies, health systems and the economies of Member States. The Commission, in its Communication to the European Parliament, the European Council, the Council, the European economic and social committee and the Committee of the regions of 27 May 2020 entitled ‘Europe's moment: Repair and Prepare for the Next Generation’<sup>2</sup> stressed that liquidity and access to finance will be a continued challenge in the months to come. It is therefore crucial to support the recovery from the severe economic shock caused by the COVID-19 pandemic by introducing targeted amendments to existing pieces of financial legislation. This package of measures is adopted under the label “Capital Markets Recovery Package”.
- (2) Regulation (EU) 2017/1129 of the European Parliament and of the Council<sup>3</sup> lays down requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated

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<sup>2</sup> COM/2020/456 final of 27.5.2020.

<sup>3</sup> Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12).

market in the Union. As part of the measures to help issuers to recover from the economic shock resulting from the COVID-19 pandemic, targeted amendments to the prospectus regime are necessary. Such amendments should enable issuers and financial intermediaries to reduce costs and free up resources for the recovery phase in the immediate aftermath of the crisis. ***The amendments should be in line with the overarching objectives of Regulation (EU) 2017/1129 to ensure a high level of consumer and investor protection and the proper functioning of the internal market. They should also specifically take full account of the extent to which the crisis has affected issuers' present situation and their future prospects.***

- (2a) ***The COVID-19 crisis makes Union companies, in particular SMEs and start-ups, more fragile and vulnerable. Where appropriate in order to facilitate and diversify funding sources for Union companies, with a particular focus on SMEs, including start-ups and mid-caps, the removal of unjustified barriers and red tape can help to promote their ability to access equity markets, as well as to access more diverse, longerterm and more competitive investment opportunities for retail and large investors. In that regard, this Regulation should also aim to make it easier for potential investors to learn about investment opportunities in companies, since they often have difficulty evaluating young and small firms with a short business record, a situation which leads to fewer innovative openings, especially by young entrepreneurs.***
- (3) Credit institutions have been active in the recovery to support companies that needed financing and are expected to be a fundamental pillar of the recovery. Regulation (EU) 2017/1129 entitles credit institutions to an exemption from the obligation to publish a prospectus in case of an offer of certain non-equity securities issued in a continuous or repeated manner up to an aggregated amount of EUR 75 million in a 12 month-period. That exemption threshold should be increased for a limited period of time in order to foster fundraising for credit institutions and bring them a breathing space to support their clients in the real economy. As ***this*** measure is limited to the recovery phase, it should therefore be available for a limited time period, ***ending on 31 December 2022.***
- (4) In order to swiftly address the severe economic impact of the COVID-19 pandemic, it is important to introduce measures to facilitate investments in the real economy, allow for a rapid recapitalisation of companies in the Union and enable issuers to tap into public markets at an early stage in the recovery process. In order to achieve those objectives, it is appropriate to create a new short-form prospectus ('EU Recovery prospectus') that, ***while also addressing the economic and financial issues specifically raised by the COVID-19 pandemic***, is easy to produce for issuers, easy to understand for investors, ***particularly retail investors***, who want to finance them and easy to scrutinise and approve for competent authorities. ***It should be noted that the EU Recovery prospectus should be seen primarily as a facilitator of re-equity, with careful monitoring by national competent authorities to ensure that the investor information requirements are met. Importantly, the amendments to Regulation (EU) 2017/1129 contained herein should not be used to bypass the due process for the review and possible revision of Regulation (EU) 2017/1129, which would need to be accompanied by a full impact assessment. In that regard, it would not be appropriate to add additional elements to the disclosure regimes that are not already required under***

***Regulation (EU) 2017/1129 and Commission Delegated Regulation (EU) 2019/980<sup>4</sup>. Such elements should only be introduced in the case of a regulatory proposal from the Commission on the basis of its review of Regulation (EU) 2017/1129, as provided for in Article 48 of that Regulation.***

- (4a) It is important to align retail investor information and key information documents across different financial products and laws, and to ensure full investment choice and comparability in the Union. In addition, consumer and retail investor protection should be considered in the foreseen reviews of Regulation (EU) 2017/1129 and of other relevant financial services laws to ensure harmonised, simple, and easy-to-understand information documents for all retail investors in all applicable laws.***

***The foreseen review of Regulation (EU) 2017/1129 should reflect upon the coherence and compatibility of requirements laid down by Regulation (EU) 2020/852 of the European Parliament and of the Council<sup>5</sup> and Directive 2014/95/EU of the European Parliament and of the Council<sup>6</sup>.***

- (4b) Information on environmental, social and governance (ESG) matters by companies have become increasingly relevant for investors in order to measure the sustainability impact of their investments and to integrate sustainability considerations in their investment decisions and risk management. Companies, as a result, face increasing pressure to respond to demands from both investors and credit institutions on those matters and are required to comply with multiple standards for ESG disclosures, which are often fragmented and inconsistent. Therefore, for the purpose of improving companies' disclosure of sustainability-related information and harmonising the requirements for such disclosure within Regulation (EU) 2017/1129, while also taking into account other Union financial services law, the Commission should, in the context of the review due by 21 July 2022, assess whether it is appropriate to integrate sustainability related information in Regulation (EU) 2017/1129 and make a legislative proposal in order to implement sustainability objectives in a standardised and comparable way across Union financial services law.***

- (5) Companies that have had shares admitted to trading on a regulated market or traded on an SME Growth market continuously for at least the last 18 months before the offer of shares or admission to trading, should have complied with periodic and ongoing disclosure requirements under Regulation (EU) No 596/2014 of the European**

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<sup>4</sup> Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (OJ L 166, 21.6.2019, p. 26).

<sup>5</sup> ***Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).***

<sup>6</sup> ***Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (OJ L 330, 15.11.2014, p. 1).***



Parliament and the Council<sup>7</sup>, Directive 2004/109/EC of the European Parliament and of the Council<sup>8</sup> or Commission Delegated Regulation (EU) 2017/565<sup>9</sup>. Hence, ***much*** of the required content of a prospectus will already be publicly available and investors will be trading on the basis of that information. Therefore, the EU Recovery prospectus should only be used for secondary issuances and should only focus on essential information that investors need to make informed investment decisions. ***Nevertheless, if applicable, issuers or offerors should address how the COVID-19 pandemic has affected their business activities since the primary issuance was launched as well as the pandemic's future anticipated impact on their business activities, if any.***

- (6) In order to be an efficient tool for issuers, the EU Recovery prospectus should be a single document of a limited size, allow for incorporation by reference, and benefit from the passport for pan-European offers of securities to the public or admissions to trading on a regulated market.
- (7) The EU Recovery prospectus should include a short-form summary as a useful source of information for investors, in particular retail investors. That summary should be ***set out at the beginning*** of the EU Recovery prospectus and should focus on key information that would enable investors to decide which offers and admissions to trading of securities to study further ***and thereafter to review*** the EU Recovery prospectus as a whole ***in order*** to take their decision. ***The key information should include information covering specifically the economic and business impact, if any, of COVID-19, as well as the anticipated future impact, if any. The EU Recovery prospectus should ensure retail investor protection by adhering to the relevant provisions of Regulation (EU) 2017/1129, while avoiding excessive administrative burden. In that regard, it is essential that the summary does not diminish investor protection nor give a misleading impression to the investor. Issuers should therefore ensure high levels of diligence in the drafting of the summary.***
- (7a) ***In order to alleviate concerns about the reduced amount of information provided by the EU Recovery prospectus as compared with a simplified secondary issuance prospectus, it is essential that there is full transparency as regards the dilution of shares following an issuance. Highly dilutive issuances might result in a material impact on the issuer's capital structure, and it is therefore necessary to include, among the information requirements to be disclosed by issuers, details about the dilution of share capital and voting rights that existing shareholders of the issuer will experience after the public offer. It should, nevertheless, be borne in mind that for smaller and medium size enterprises (SMEs), it might be necessary to issue an offer to the public for shares exceeding the total amount of their capital, for example to undertake large projects in order to scale up their operations. As it is preferable from***

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<sup>7</sup> Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173, 12.6.2014, p. 1).

<sup>8</sup> Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 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 (OJ L 390, 31.12.2004, p. 38).

<sup>9</sup> Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.3.2017, p. 1).

*the perspective of the debt/equity bias in the Union that such SMEs raise equity capital as opposed to taking on further debt through bank loans, a cap on the offers by the issuer as a percentage of outstanding capital is not an appropriate tool to monitor the dilution of shares.*

- (8) In order to collect data that support the assessment of the EU Recovery prospectus regime, the EU Recovery prospectus should be included in the ESMA storage mechanism. To limit the administrative burden for changing that mechanism, the EU Recovery prospectus could use the same data as the ones defined for the secondary issuance prospectus set out in Article 14 of Regulation (EU) 2017/1129, provided that the two types of prospectuses remain clearly differentiated.
- (9) The EU Recovery prospectus should complement the other forms of prospectuses laid down in Regulation (EU) 2017/1129 in view of different types of securities, issuers, offers and admissions. Therefore, unless explicitly stated otherwise, all references to ‘prospectus’ under Regulation (EU) 2017/1129 should be understood as referring to all different forms of prospectuses, including the EU Recovery prospectus laid down in this Regulation.
- (10) Regulation (EU) 2017/1129 requires financial intermediaries to inform investors of the possibility of a supplement and, under certain circumstances, to contact investors on the same day that a supplement is published. The ***deadline by which investors must be contacted, as well as the scope*** of investors to contact **■** can raise difficulties ***for financial intermediaries***. In order to provide relief and free up resources for financial intermediaries while maintaining a high level of investor protection, a more proportionate regime should be laid down. Such ***a*** regime should specify which investors should be contacted by financial intermediaries when a supplement is published and ***should*** extend the deadline to contact those investors. ***The regime should also ensure that the same information is provided to all investors.***
- (11) As the EU Recovery prospectus is limited to the recovery phase, the regime of this prospectus should expire ***by 31 December 2022***. In order to ensure the continuity of EU Recovery prospectuses, ***those EU Recovery prospectuses that have been*** approved before the expiration of the regime should benefit from a grandfathering provision.
- (12) The Commission should, before 21 July 2022, present a report to the European Parliament and the Council on the application of this Regulation, accompanied where appropriate by a legislative proposal. This review should incorporate in its assessment whether the disclosure regime for EU Recovery prospectuses is appropriate to meet the objectives pursued by this Regulation, ***in particular if it achieves the right balance between a reduction of the administrative and financial burden and the protection of investors.***
- (13) Regulation (EU) 2017/1129 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

*Article 1*  
**Amendments to Regulation (EU) 2017/1129**

Regulation (EU) 2017/1129 is amended as follows:

**(-1) Recital 66 is amended as follows:**

***"(66) In order to improve legal certainty, the respective time limits within which an issuer is to publish a supplement to the prospectus and within which investors have a right to withdraw their acceptance of the offer following the publication of a supplement should be clarified. On the one hand, the obligation to supplement a prospectus should apply when the significant new factor, material mistake or material inaccuracy occurs before the closing of the offer period or the time when trading of such securities on a regulated market begins, whichever occurs later. On the other hand, the right to withdraw an acceptance should apply only where the prospectus relates to an offer of securities to the public and the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period and the delivery of the securities. Hence, the right of withdrawal should be linked to the timing of the significant new factor, material mistake or material inaccuracy that gives rise to a supplement, and should apply provided that such triggering event has occurred while the offer is open and before the securities are delivered. The right of withdrawal granted to investors owing to a significant new factor, material mistake or material inaccuracy that arose or was noted during the validity period of a prospectus is not affected by the fact that the corresponding supplement is published after the validity period of that prospectus. In the particular case of an offer that continues under two successive base prospectuses, the fact that the issuer is in the process of having a succeeding base prospectus approved does not remove the obligation to supplement the previous base prospectus until the end of its validity and grant the associated rights of withdrawal. To improve legal certainty, the supplement to the prospectus should specify when the right of withdrawal ends. Financial intermediaries should inform investors of their rights and facilitate proceedings when investors exert their right to withdraw acceptances. Financial intermediaries should inform their clients at least once of the possibility of a supplement being published, and when and where it would be published. Upon subscriptions of the securities within the initial subscription period financial intermediaries should inform their clients about their right to withdraw acceptances and facilitate proceeding when investors exert their right to withdraw acceptances. In the event of a supplement is published, financial intermediaries should contact their clients through electronic means. If an investor does not provide a mean of electronic communication to the intermediaries, the investor waives the right to be contacted through intermediaries. In this case, the information regarding the supplement should be found on the issue's website."***

(1) in Article 1(4), the following point (k) is added:

“(k) from [date of application of this Regulation] to **31 December 2022** non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less

than EUR 150 000 000 per credit institution calculated over a period of 12 months, provided that those securities:

- (i) are not subordinated, convertible or exchangeable; and
- (ii) do not give a right to subscribe for or acquire other types of securities and are not linked to a derivative instrument.”;

(2) in the first subparagraph of Article 6(1), the introductory sentence is replaced by the following:

“1. Without prejudice to Articles 14(2), 14a(2) and 18(1), a prospectus shall contain the necessary information which is material to an investor for making an informed assessment of.”;

(3) in Article 7, the following paragraph 12a is added:

“12a. By way of derogation from paragraphs 3 to 12, EU Recovery prospectus drawn up in accordance with Article 14a shall include a summary in accordance with this paragraph.

The summary of an EU Recovery prospectus shall be drawn up as a short document written in a concise manner and of a maximum length of two sides of A4-sized paper when printed.

The summary shall not contain cross-references to other parts of the prospectus or incorporate information by reference and shall be:

- (a) presented and laid out in a way that is easy to read, using characters of readable size;
- (b) written in a language and a style that facilitate the understanding of the information, in particular, in a language that is clear, non-technical, concise and comprehensible for *all types of* investors.

*(ba) drawn up in accordance with Article 27.*

(c) made up of the following four sections:

- (i) an introduction, containing *warnings and the date of approval of the prospectus* as laid down in paragraph 5 of this Article;
- (ii) key information on the issuer, *including, if applicable, a specific reference of not less than 400 words to the economic and financial impact on the issuer of the COVID-19 pandemic;*
- (iii) key information on the *shares, including any limitations on and procedures for the exercise of the rights attached to the shares;*
- (iv) key information on the offer of securities to the public or the admission to trading on a regulated market or both.”;

(4) the following Article 14a is added :

“Article 14a  
EU Recovery prospectus

1. The following issuers may choose to draw up an EU Recovery prospectus under the simplified regime set out in this Article in case of an offer of shares to the public or an admission to trading of shares on a regulated market:
  - (a) issuers whose shares have been admitted to trading on a regulated market continuously for at least the last 18 months and who issue shares fungible with existing shares which have been previously issued;
  - (b) issuers whose shares have been already traded on an SME Growth market continuously for at least the last 18 months, provided that a prospectus has been published for the offer of those shares, and who issue shares fungible with existing shares which have been previously issued.

**(ba) offerors of shares admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months.**
2. By way of derogation from Article 6(1), and without prejudice to Article 18(1), the EU Recovery prospectus shall contain the relevant reduced information which is necessary to enable investors to understand:
  - (a) the prospects **and financial performance** of the issuer and the significant changes in the financial **and business** position of the issuer that have occurred since the end of the last financial year, if any, **as well as its long term business strategy and objectives, both financial and non-financial; the issuer shall include, if applicable, a specific reference of not less than 400 words to the financial and business impact of COVID-19 on the issuer and a statement regarding the anticipated future impact of the same;**
  - (b) the essential information on the shares, **the rights attached to the shares, including any limitations on those rights**, the reasons for the issuance and its impact on the overall capital structure of the issuer, **disclosure of capitalisation and indebtedness, a working capital statement**, and the use of proceeds.

The information contained in the EU Recovery prospectus shall be written and presented in an easily analysable, concise and comprehensible form and shall enable investors, **especially non-professional investors**, to make an informed investment decision. The competent authority shall also take into account whether the issuer has disclosed the regulated information to the public pursuant to Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014 and, where applicable, information referred to in Commission Delegated Regulation (EU) 2017/565.

The EU Recovery prospectus shall be a single document containing the minimum information laid down in Annex Va. It shall have a maximum length of 30 sides of A4-sized paper when printed and shall be presented and laid out in a way that is easy to read, using characters of readable size.

Information incorporated by reference in accordance with Article 19 shall not be taken into account as regards the maximum length of 30 sides of A4-sized paper referred to in the third subparagraph of this paragraph.



Issuers may decide the order in which the information referred to in Annex Va is set out in the EU Recovery prospectus.”;

- (5) in Article 20, the following paragraph 6a is added:
- “6a. By way of derogation from paragraphs 2 and 4, the time limits set out in the first subparagraph of paragraph 2 and in paragraph 4 shall be reduced to five working days for an EU Recovery prospectus drawn up in accordance with Article 14a. The issuer shall inform the competent authority at least five working days before the date envisaged for the submission of an application for approval.”;
- (6) in Article 21, the following paragraph 5a is added:
- “5a. An EU Recovery prospectus drawn up in accordance with Article 14a shall be classified in the storage mechanism referred to in paragraph 6 of this Article. The data used for the classification of prospectuses drawn up in accordance with Article 14 may be used for the classification of EU Recovery prospectuses drawn up in accordance with Article 14a, provided that the two types of prospectuses are differentiated in that storage mechanism.”;
- (7) Article 23 is amended as follows:
- (a) in paragraph 2, the first subparagraph is replaced by the following:
- “2. Where the prospectus relates to an offer of securities to the public, investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right, exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in paragraph 1 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. ***The right to withdraw is exercisable within three working days of the publication of the supplement.*** That period may be extended by the issuer or the offeror. The final date of the right of withdrawal shall be stated in the supplement.”;
- (b) in paragraph 3, the first and second subparagraphs are replaced by the following:
- “3. Where investors purchase or subscribe securities through a financial intermediary, between the time when the prospectus for those securities is approved and the closing of the ***initial*** offer period, whichever occurs later, that financial intermediary shall inform those investors of the possibility of a supplement being published, where and when it would be published and that the financial intermediary would assist them in exercising their right to withdraw acceptances in such case.
- Where the investors referred to in the first subparagraph of this paragraph have the right of withdrawal referred to in paragraph 2, the financial intermediary shall contact those investors ***within the working day following the one on which the supplement has been published. To avoid situations where an investor would not qualify to receive information from the financial intermediary, the information on the supplement shall be made available on the issuer’s website;***”;
- (8) the following Article 47a is inserted:

“Article 47a

Time limitation of the EU Recovery prospectus

The regime set out in Article 14a *and Article 23(2) and (3) expires on 31 December 2022.*

EU Recovery Prospectuses drawn up in accordance with Article 14a and approved between [date of application of this Regulation] and *31 December 2022* shall continue to be governed in accordance with that Article until the end of their validity or until twelve months have elapsed after *31 December 2022*, whichever occurs first.”

(9) in Article 48, paragraph 2 is replaced by the following:

“2. The report shall assess, inter alia, whether the prospectus summary, the disclosure regimes set out in Articles 14, 14a and 15 and the universal registration document referred to in Article 9 remain appropriate in light of their pursued objectives. In particular, the report shall include the following:

- (a) the number of EU Growth prospectuses of persons in each of the four categories referred to in points (a) to (d) of Article 15(1) and an analysis of the evolution of each such number and of the trends in the choice of trading venues by the persons entitled to use the EU Growth prospectus;
- (b) an analysis of whether the EU Growth prospectus strikes a proper balance between investor protection and the reduction of administrative burdens for the persons entitled to use it;
- (c) the number of EU Recovery prospectuses approved and an analysis of the evolution of such number, *as well as an estimate of the actual additional market capitalisation mobilised by such prospectuses at the point of issue in order to gather experience about the EU Recovery prospectus for post-evaluation*;
- (d) the cost of preparing and having an EU Recovery prospectus approved compared to the current costs for a *standard prospectus, a secondary issuance prospectus and an EU Growth* prospectus, together with an indication of the overall financial savings achieved *and of which costs could be further reduced, and the total costs of complying with this Regulation for issuers, offerors and financial intermediaries together with the calculation of those costs as a percentage of operational costs*;
- (e) an analysis of whether the EU Recovery prospectuses strike *the right* balance between investor protection and the reduction of administrative burden for the persons entitled to use it and *on the accessibility of essential information for investments.*”;

(10) the text set out in the Annex to this Regulation is inserted as Annex Va.

*Article 2*

**Entry into force and application**

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.  
Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*



## ANNEX

“ANNEX Va

### MINIMUM INFORMATION TO BE INCLUDED IN THE EU RECOVERY PROSPECTUS

#### **- I Summary:**

*The EU Recovery prospectus shall include a summary drawn up in accordance with Article 7(12a). That summary shall not be included as part of the calculation of the maximum length of the EU Recovery prospectus provided for in the third subparagraph of Article 14a(2).*

#### **I. Name of the issuer, country of incorporation, link to the issuer’s website**

The purpose is to identify the company issuing shares *by its legal and commercial name*, including its legal entity identifier (‘LEI’), its *country* of incorporation and the website where investors can find information on the company’s business operations, the products it makes or the services it provides, the principal markets where it competes, its organisational structure and, where applicable, information incorporated by reference.

#### **II. Responsibility statement**

The purpose is to identify the persons responsible for drawing up the EU Recovery prospectus and to include a declaration by them that, to the best of their knowledge, the information contained in the EU Recovery prospectus is in accordance with the facts and that the EU Recovery prospectus makes no omission likely to affect its import.

Where applicable, the statement shall contain information sourced from third parties, including the source(s) of that information, and statements or reports attributed to a person as an expert and the following details of that person:

- (a) name;
- (b) business address;
- (c) qualifications; and
- (d) material interest (if any) in the issuer.

The statement shall indicate the competent authority that has approved, *in accordance with this Regulation*, the EU Recovery prospectus *in relation to the completeness, comprehensibility and consistency of the information contained therein*, specify that such approval is not an endorsement of the issuer and specify that the EU Recovery prospectus has been drawn up in accordance with Article 14a.

#### **III. Risk factors**

*A description of the material risks that are specific to the issuer and that may affect the issuer’s ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed ‘Risk Factors’.*

*In each category the most material risks, in the assessment of the issuer,*

*offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the EU Recovery prospectus.*

#### **IV. Financial statements**

Financial statements (annual and half-yearly) are required to be published covering the period of 12 months prior to the approval of the EU Recovery prospectus. Where both annual and half-yearly financial statements have been published, only the annual statements shall be required where they postdate the half-yearly financial statements.

The annual financial statements must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC of the European Parliament and of the Council<sup>10</sup> and Regulation (EU) No 537/2014 of the European Parliament and of the Council<sup>11</sup>.

Where Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the annual financial statements must be audited or reported on as to whether or not, for the purposes of the EU Recovery prospectus, they give a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the EU Recovery prospectus:

- (a) a prominent statement disclosing which auditing standards have been applied;
- (b) an explanation of any significant departures from International Standards on Auditing;

Where audit reports on the annual financial statements have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.

A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, shall also be included, or an appropriate negative statement shall be included.

Where applicable, pro forma information shall also be included.

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<sup>10</sup> Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).

<sup>11</sup> Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158, 27.5.2014, p. 77).

#### ***IVa - Dividend policy***

***A description of the issuer's policy on dividend distributions and any current restrictions thereon, as well as share repurchases.***

#### **V. Trend information**

The purpose is to include a description of:

- (a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the EU Recovery prospectus;
- (b) information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

***(ba) information on the issuer's short and long-term business strategy and objectives, both financial and non-financial in the context of the COVID-19 crisis, if applicable.***

*If there is no significant change in either of the trends in point (a) or (b) of this section, a statement to that effect is required.*

#### **VI. Final offer price and amount of shares, including firm commitment from shareholders above 5 % and names of the underwriters.**

The purpose is to set out the specific information on the consideration of the offer of shares and present information on firm commitments from major shareholders to subscribe for more than 5 % of the offer and underwriting agreements.

#### **VII. Where and when to subscribe the shares**

The purpose is to provide ***the following*** essential information about the shares offered to the public:

- (a) the international security identification number ('ISIN');***
- (b) the rights attached to the shares, the procedure for the exercise of those rights and any limitations of those rights;***
- (c) where the shares can be subscribed as well as on the time period, including any possible amendments, during which the offer will be open and a description of the application process together with the issue date of new shares.

#### **VIII. Reasons for the offer and use of proceeds**

The purpose is to provide information on the reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented in order of priority of such uses.

Where the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, they shall state the amount and sources of other funds needed. Details shall also be given where proceeds are being used to acquire

assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.

***VIIIa - Receipt of state aid support***

***The purpose is to provide information as to whether the issuer has benefited from state aid in whatever form in the context of the recovery as well as the purpose of the aid, type of instrument and amount of the aid received and conditions attached to it, if any.***

***IXa. Capitalisation and indebtedness***

*A statement of capitalisation and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of a date no earlier than 90 days prior to the date of the document. The term 'indebtedness' also includes indirect and contingent indebtedness.*

*In the case of material changes in the capitalisation and indebtedness position of the issuer within the 90 day period, additional information shall be given through the presentation of a narrative description of such changes or through the updating of those figures.*

**X. Working capital statement**

To provide ***a statement*** as to whether ***or not there is sufficient*** working capital for the issuer's present requirements. ***If there is insufficient working capital, information should be provided as to*** how the issuer proposes to provide the additional working capital needed.

**XI. Conflicts of interest**

The purpose is to provide information about any conflicts of interest related to the issuance.

**XII. Dilution and Shareholding after the issuance**

The purpose is to provide information about the participation in ***and dilution of*** share capital and voting rights ***that existing shareholders of the issuer will experience*** after the capital increase resulting from the offer to the public.”.

11.11.2020

## OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries to help the recovery from the COVID-19 pandemic (COM(2020)0281 – C9-0206/2020 – 2020/0155(COD))

Rapporteur for opinion: Virginie Joron

### AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to take into account the following amendments:

#### Amendment 1

##### Proposal for a regulation

##### Recital 2

*Text proposed by the Commission*

(2) Regulation (EU) 2017/1129 of the European Parliament and of the Council<sup>14</sup> lays down requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market in the Union. As part of the measures to help issuers to recover from the economic shock resulting from the COVID-19 pandemic, targeted amendments to the prospectus regime are necessary. Such amendments should enable issuers and financial intermediaries to reduce costs and free up resources for the

*Amendment*

(2) Regulation (EU) 2017/1129 of the European Parliament and of the Council<sup>14</sup> lays down requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market in the Union. As part of the measures to help issuers to recover from the economic shock resulting from the COVID-19 pandemic, targeted amendments to the prospectus regime are necessary ***provided that they respect the principles of the Single European Market and pay attention to the specific needs of***

recovery phase in the immediate aftermath of the crisis.

***small and medium sized enterprises (SMEs) and start-ups.*** Such amendments should enable issuers and financial intermediaries to reduce costs and free up resources for the recovery phase in the immediate aftermath of the crisis. ***The amendments should also protect the interests of retail investors and consumers, in order to incentivise financial participation and turn savers into investors. Access to equity financing for SMEs, entrepreneurs and the social economy has become even more crucial to the COVID-19 recovery.***

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<sup>14</sup> Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12).

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<sup>14</sup> Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168, 30.6.2017, p. 12).

## **Amendment 2**

### **Proposal for a regulation Recital 2 a (new)**

*Text proposed by the Commission*

*Amendment*

***(2a) The COVID-19 crisis makes Union companies, in particular SMEs and start-ups, more fragile and vulnerable. Where appropriate in order to facilitate and diversify funding sources for Union companies, with a particular focus on SMEs, including start-ups and mid-caps, the removal of unjustified barriers and red tape can help to promote their ability to access equity markets, as well as to access more diverse, longer-term and more competitive investment opportunities for retail and large investors. In that regard, this Regulation should also aim to make it easier for potential investors to learn about investment opportunities in companies,***

*since they often have difficulty evaluating young and small firms with a short business record, a situation which leads to fewer innovative openings, especially by young entrepreneurs.*

### Amendment 3

#### Proposal for a regulation Recital 3

*Text proposed by the Commission*

(3) Credit institutions have been active in the recovery to support companies that needed financing and are expected to be a fundamental pillar of the recovery. Regulation (EU) 2017/1129 entitles credit institutions to an exemption from the obligation to publish a prospectus in case of an offer of certain non-equity securities issued in a continuous or repeated manner up to an aggregated amount of EUR 75 million in a 12 month-period. That exemption threshold should be increased for a limited period of time in order to foster fundraising for credit institutions and bring them a breathing space to support their clients in the real economy. As that measure is limited to the recovery phase, it should therefore be available for a limited time period of **18** months.

*Amendment*

(3) Credit institutions have been active in the recovery to support companies that needed financing and are expected to be a fundamental pillar of the recovery. Regulation (EU) 2017/1129 entitles credit institutions to an exemption from the obligation to publish a prospectus in case of an offer of certain non-equity securities issued in a continuous or repeated manner up to an aggregated amount of EUR 75 million in a 12 month-period. That exemption threshold should be increased for a limited period of time in order to foster fundraising for credit institutions and bring them a breathing space to support their clients in the real economy. As that measure is limited to the recovery phase, it should therefore be available for a limited time period of **21** months.

### Amendment 4

#### Proposal for a regulation Recital 7

*Text proposed by the Commission*

(7) The EU Recovery prospectus should include a short-form summary as a useful source of information for investors, in particular retail investors. That summary should be **a self-contained part** of the EU Recovery prospectus and should focus on **key** information that would enable

*Amendment*

(7) The EU Recovery prospectus should include a short-form summary as a useful source of information for investors, in particular retail investors, **savers, SMEs, and start-ups**. That summary should be **set out at the beginning** of the EU Recovery prospectus and should focus on **essential**,



investors to decide which offers and admissions to trading of securities to study further **by reviewing** the EU Recovery prospectus as a whole to take their decision.

***accurate, and up-to-date*** information that would enable investors to decide which offers and admissions to trading of securities to study further, ***and thereafter to review*** the EU Recovery prospectus as a whole ***in order*** to take their decision. ***A single market approach that avoids fragmentation between the Member States in the creation of the EU Recovery prospectus is essential. Such an approach should be ensured by providing access to the EU Recovery prospectus across all Member States, as well as by providing coordination with regards to language, format and means of accessing the EU Recovery prospectus, with the aim of enabling investors to make their own assessment and come to their own understanding of the risks involved.***

## Amendment 5

### Proposal for a regulation Recital 7 a (new)

*Text proposed by the Commission*

*Amendment*

***(7a) Unharmonised practices regarding the structure of the information presented in the EU Recovery prospectus could make it harder for potential investors to clearly understand the risks of investment and could increase market fragmentation. In order to provide an appropriate level of clarity throughout the Union, the information should be provided in a clear and intelligible manner so as to enable individual investors to make their own assessment and come to their own understanding of the risks involved. Such information should be made easily accessible by the competent authority of the Member State where the offer is issued, and by the issuer, where possible. Issuers should present information from Annex Va in the same order as presented in that Annex.***



## Amendment 6

### Proposal for a regulation Recital 10

*Text proposed by the Commission*

(10) Regulation (EU) 2017/1129 requires financial intermediaries to inform investors of the possibility of a supplement and, under certain circumstances, to contact investors on the same day that a supplement is published. The scope of investors to contact ***as well as the deadline to contact them*** can raise difficulties. In order to provide relief and free up resources for financial intermediaries while maintaining a high level of investor protection, a more proportionate regime should be laid down. Such regime should specify which investors should be contacted by financial intermediaries when a supplement is published and extend the deadline to contact those investors.

*Amendment*

(10) Regulation (EU) 2017/1129 requires financial intermediaries to inform investors of the possibility of a supplement and, under certain circumstances, to contact investors on the same day that a supplement is published. The ***deadline within which investors are to be contacted, as well as the*** scope of investors to contact, can raise difficulties ***for financial intermediaries***. In order to provide relief and free up resources for financial intermediaries while maintaining a high level of investor protection, a more proportionate regime should be laid down. Such ***a*** regime should specify which investors should be contacted by financial intermediaries when a supplement is published and ***should*** extend the deadline to contact those investors.

## Amendment 7

### Proposal for a regulation Recital 11

*Text proposed by the Commission*

(11) As the EU Recovery prospectus is limited to the recovery phase, the regime of this prospectus should expire ***18*** months after the date of application of this Regulation. In order to ensure the continuity of EU Recovery prospectuses, ***the ones*** approved before the expiration of the regime should benefit from a grandfathering provision.

*Amendment*

(11) As the EU Recovery prospectus is limited to the recovery phase, the regime of this prospectus should expire ***21*** months after the date of application of this Regulation. In order to ensure the continuity of EU Recovery prospectuses, ***those EU Recovery prospectuses that have been*** approved before the expiration of the regime should benefit from a grandfathering provision.

## Amendment 8

**Proposal for a regulation**  
**Recital 12**

*Text proposed by the Commission*

(12) The Commission should, before 21 July 2022, present a report to the European Parliament and the Council on the application of this Regulation, accompanied where appropriate by a legislative proposal. This review should incorporate in its assessment whether the disclosure regime for EU Recovery prospectuses is appropriate to meet the objectives pursued by this Regulation.

*Amendment*

(12) The Commission should, before 21 July 2022, present a report to the European Parliament and the Council on the application of this Regulation, accompanied where appropriate by a legislative proposal. This review should incorporate in its assessment whether the disclosure regime for EU Recovery prospectuses is appropriate to meet the objectives pursued by this Regulation ***and if considered to be appropriate, incorporate into its legislative proposal a permanent form of a prospectus which would reduce burdens on secondary issuances covered by the EU Recovery prospectus. That assessment should cover the issue of whether the EU Recovery prospectus has struck a proper balance between reduction of administrative burden for the issuer and investor protection.***

**Amendment 9**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 1**

Regulation (EU) 2017/1129

Article 1 – paragraph 4 – point k – introductory part

*Text proposed by the Commission*

(k) from [date of application of this Regulation] to [**18** months from the date of application of this Regulation] non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less than EUR 150 000 000 per credit institution calculated over a period of 12 months, provided that those securities:

*Amendment*

(k) from [date of application of this Regulation] to [**21** months from the date of application of this Regulation] non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less than EUR 150 000 000 per credit institution calculated over a period of 12 months, provided that those securities:

## Amendment 10

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 3

Regulation (EU) 2017/1129

Article 7 – paragraph 12a – point b a (new)

*Text proposed by the Commission*

*Amendment*

**(ba) drawn up in accordance with Article 27 of this Regulation;**

## Amendment 11

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 3

Regulation (EU) 2017/1129

Article 7 – paragraph 12a – point c – point i

*Text proposed by the Commission*

*Amendment*

(i) an introduction, containing **warning** as laid down in paragraph 5 of this Article;

(i) an introduction, containing **warnings and the approval date of the prospectus** as laid down in paragraph 5 of this Article;

## Amendment 12

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 4

Regulation (EU) 2017/1129

Article 14a – paragraph 2 – subparagraph 1 – point b

*Text proposed by the Commission*

*Amendment*

(b) the essential information on the shares, the reasons for the issuance and its impact on the overall capital structure of the issuer, and the use of proceeds.

(b) the essential information on the shares, **the rights attached to the securities, including any limitations and procedures for the exercise of those rights**, the reasons for the issuance and its impact on the overall capital structure of the issuer, **the disclosure of capitalisation and indebtedness, a working capital statement**, and the use of proceeds.

## Amendment 13

## Proposal for a regulation

### Article 1 – paragraph 1 – point 4

Regulation (EU) 2017/1129

Article 14a – paragraph 2 – subparagraph 2

#### *Text proposed by the Commission*

The information contained in the EU Recovery prospectus shall be written and presented in an easily analysable, concise and comprehensible form **and shall enable** investors to make an informed investment decision. The competent authority shall also take into account whether the issuer has disclosed the regulated information to the public pursuant to Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014 and, where applicable, information referred to in Commission Delegated Regulation (EU) 2017/565.

#### *Amendment*

The information contained in the EU Recovery prospectus shall be written **in easily understandable, concise and comprehensible language** and presented in an **intelligible**, easily analysable, concise and comprehensible form **for** investors, **in particular SMEs and savers, to enable them to** make an informed investment decision. The competent authority shall also take into account whether the issuer has disclosed the regulated information to the public pursuant to Directive 2004/109/EC, where applicable, Regulation (EU) No 596/2014 and, where applicable, information referred to in Commission Delegated Regulation (EU) 2017/565. **The competent authority shall ensure that the EU Recovery prospectus is easily accessible to investors.**

## Amendment 14

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 4

Regulation (EU) 2017/1129

Article 14a – paragraph 2 – subparagraph 5

#### *Text proposed by the Commission*

Issuers **may decide** the order in which the information referred to in Annex Va is **set out in the EU Recovery prospectus;**

#### *Amendment*

**When presenting the necessary information in the EU Recovery prospectus, issuers should follow** the order in which the information referred to in Annex Va is **presented.**

## Amendment 15

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 7 – point a

Regulation (EU) 2017/1129

Article 23 – paragraph 2 – subparagraph 1

*Text proposed by the Commission*

“2. Where the prospectus relates to an offer of securities to the public, investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right, exercisable within **three** working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in paragraph 1 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. That period may be extended by the issuer or the offeror. The final date of the right of withdrawal shall be stated in the supplement.”;

*Amendment*

“2. Where the prospectus relates to an offer of securities to the public, investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right, exercisable within **two** working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in paragraph 1 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. That period may be extended by the issuer or the offeror. The final date of the right of withdrawal shall be stated in the supplement.”;

**Amendment 16**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 7 – point b a (new)**

Regulation (EU) 2017/1129

Article 23 – paragraph 7a (new)

*Text proposed by the Commission*

*Amendment*

**(ba) the following paragraph is added:**

**“7a. The time limits provided for in Article 23(2) and (3) should expire 21 months after the date of application of this Regulation.”;**

**Amendment 17**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 8**

Regulation (EU) 2017/1129

Article 47a – paragraph 1

*Text proposed by the Commission*

*Amendment*

“The regime set out in Article 14a expires

“The regime set out in Article 14a expires

on [18 months from the date of application of this Regulation].”

on [21 months from the date of application of this Regulation].”

## Amendment 18

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 8

Regulation (EU) 2017/1129

Article 47a – paragraph 2

#### *Text proposed by the Commission*

“EU Recovery Prospectuses drawn up in accordance with Article 14a and approved between [date of application of this Regulation] and [18 months after the date of application of this Regulation] shall continue to be governed in accordance with that Article until the end of their validity or until twelve months have elapsed after [18 months after date of application of this Regulation], whichever occurs first.”

#### *Amendment*

“EU Recovery Prospectuses drawn up in accordance with Article 14a and approved between [date of application of this Regulation] and [21 months after the date of application of this Regulation] shall continue to be governed in accordance with that Article until the end of their validity or until twelve months have elapsed after [21 months after date of application of this Regulation], whichever occurs first.”

## Amendment 19

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 9

Regulation (EU) 2017/1129

Article 48 – paragraph 2 – point b

#### *Text proposed by the Commission*

(b) an analysis of whether the EU Growth prospectus strikes a proper balance between investor protection and the reduction of administrative burdens for the persons entitled to use it;

#### *Amendment*

(b) an analysis of whether the EU Growth prospectus strikes a proper balance between investor protection, *in particular retail investors, SMEs and start-ups*, and the reduction of administrative burdens for the persons entitled to use it;

## Amendment 20

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 9

Regulation (EU) 2017/1129

Article 48 – paragraph 2 – point c

*Text proposed by the Commission*

*Amendment*

(c) the number of EU Recovery prospectuses approved and an analysis of the evolution of such number;

(c) the number of **standard prospectuses, EU Growth prospectuses and** EU Recovery prospectuses approved and an analysis of the evolution of such number;

## **Amendment 21**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 9**

Regulation (EU) 2017/1129

Article 48 – paragraph 2 – point e

*Text proposed by the Commission*

*Amendment*

(e) an analysis of **whether** the EU Recovery prospectuses strikes a proper balance between investor protection and the reduction of administrative burden for the persons entitled to use it.”;

(e) an analysis of **the impact of** the EU Recovery prospectuses strikes a proper balance between investor protection, **in particular retail investors, SMEs and start-ups, the accessibility of the information**, and the reduction of administrative burden for the persons entitled to use it.”;

## **Amendment 22**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 9**

Regulation (EU) 2017/1129

Article 48 – paragraph 2 – point e a (new)

*Text proposed by the Commission*

*Amendment*

**(ea) an analysis of whether any changes are needed to the requirements set out in the Annexes;**

## **Amendment 23**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 9**

Regulation (EU) 2017/1129

Article 48 – paragraph 2 – point e b (new)

*Text proposed by the Commission*

*Amendment*

***(eb) the volume of investments withdrawn by investors using their withdrawal right and its share on the total volume of investments divided by the standard prospectuses, the EU Growth prospectuses and the EU Recovery prospectuses; and, based on those data, assess whether the duration and the nature of the withdrawal right is appropriate and does not harm the efficiency of the capital raising process or investor protection;***

#### **Amendment 24**

##### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 9**

Regulation (EU) 2017/1129

Article 48 – paragraph 2 – point e c (new)

*Text proposed by the Commission*

*Amendment*

***(ec) the types and trends of irregular and fraudulent behaviour of investors, issuers, offerors or financial intermediaries and third persons occurring in relation with this Regulation;***

#### **Amendment 25**

##### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 9**

Regulation (EU) 2017/1129

Article 48 – paragraph 2 – point e d (new)

*Text proposed by the Commission*

*Amendment*

***(ed) a risk, cost and benefit analysis of whether EU Recovery prospectuses can become a permanent form of prospectus.***

#### **Amendment 26**

##### **Proposal for a regulation**

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## Annex I

Regulation (EU) 2017/1129

Annex Va – section I – paragraph 1

*Text proposed by the Commission*

The purpose is to identify the company issuing shares, including its legal entity identifier ('LEI'), its Member State of incorporation and the website where investors can find information on the company's business operations, the products it makes or the services it provides, the principal markets where it competes, its organisational structure and, where applicable, information incorporated by reference.

*Amendment*

The purpose is to ***promote greater transparency and*** identify the company issuing shares, including its legal entity identifier ('LEI'), its Member State of incorporation and the website, ***if any,*** where investors can find information on the company's business operations ***and the disclaimer set out in the fourth subparagraph of Section IV of this Annex,*** the products it makes or the services it provides, the principal markets where it competes, its organisational structure and, where applicable, information incorporated by reference.

## Amendment 27

### Proposal for a regulation

#### Annex I

Regulation (EU) 2017/1129

Annex Va – section III – paragraph 1

*Text proposed by the Commission*

***The purpose is to describe the most material risks that are specific to the issuer and the shares.***

*Amendment*

***A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed 'Risk Factors'.***

***In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be stated in the registration document.***

## Amendment 28

## Proposal for a regulation

### Annex I

Regulation (EU) 2017/1129

Annex Va – section IX – title

*Text proposed by the Commission*

IX. Working capital statement

*Amendment*

IX. Working capital statement ***and statement on capitalisation and indebtedness***

## Amendment 29

## Proposal for a regulation

### Annex I

Regulation (EU) 2017/1129

Annex Va – section IX

*Text proposed by the Commission*

The purpose is to provide information as to whether the working capital is sufficient for the issuer's present requirements ***or, if not***, how the issuer proposes to provide the additional working capital needed.

*Amendment*

The purpose is to provide ***information on the issuer's capitalisation and indebtedness and*** information as to whether the working capital is sufficient for the issuer's present requirements. ***If there is insufficient capital, a clear description of*** how the issuer proposes to provide the additional working capital needed ***is required***.

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries to help the recovery from the COVID-19 pandemic
<b>References</b>	COM(2020)0281 – C9-0206/2020 – 2020/0155(COD)
<b>Committee responsible</b> Date announced in plenary	ECON 14.9.2020
<b>Opinion by</b> Date announced in plenary	IMCO 14.9.2020
<b>Rapporteur</b> Date appointed	Virginie Joron 2.9.2020
<b>Date adopted</b>	9.11.2020
<b>Result of final vote</b>	+ : 44 - : 0 0 : 0
<b>Members present for the final vote</b>	Alex Agius Saliba, Andrus Ansip, Pablo Arias Echeverría, Alessandra Basso, Brando Benifei, Adam Bielan, Biljana Borzan, Vlad-Marius Botoș, Markus Buchheit, Anna Cavazzini, Dita Charanzová, Deirdre Clune, David Cormand, Carlo Fidanza, Alexandra Geese, Sandro Gozi, Maria Grapini, Svenja Hahn, Virginie Joron, Eugen Jurzyca, Arba Kokalari, Marcel Kolaja, Kateřina Konečná, Andrey Kovatchev, Jean-Lin Lacapelle, Maria-Manuel Leitão-Marques, Morten Løkkegaard, Adriana Maldonado López, Antonius Manders, Beata Mazurek, Leszek Miller, Dan-Ștefan Motreanu, Kris Peeters, Anne-Sophie Pelletier, Miroslav Radačovský, Christel Schaldemose, Andreas Schwab, Tomislav Sokol, Ivan Štefanec, Róza Thun und Hohenstein, Kim Van Sparrentak, Marion Walsmann, Marco Zullo
<b>Substitutes present for the final vote</b>	Marco Campomenosi

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

44	+
ECR	Adam Bielan, Carlo Fidanza, Eugen Jurzyca, Beata Mazurek
GUE/NGL	Kateřina Konečnám, Anne-Sophie Pelletier
ID	Alessandra Basso, Markus Buchheit, Marco Campomenosi, Virginie Joron, Jean-Lin Lacapelle
NI	Miroslav Radačovský, Marco Zullo
PPE	Pablo Arias Echeverría, Deirdre Clune, Arba Kokalari, Andrey Kovatchev, Antonius Manders, Dan-Ștefan Motreanu, Kris Peeters, Andreas Schwab, Tomislav Sokol, Róza Thun und Hohenstein, Marion Walsmann, Ivan Štefanec
Renew	Andrus Ansip, Vlad-Marius Botoș, Dita Charanzová, Sandro Gozi, Svenja Hahn, Morten Løkkegaard
S&D	Alex Agius Saliba, Brando Benifei, Biljana Borzan, Maria Grapini, Maria-Manuel Leitão-Marques, Adriana Maldonado López, Leszek Miller, Christel Schaldemose
Verts/ALE	Anna Cavazzini, David Cormand, Alexandra Geese, Marcel Kolaja, Kim Van Sparrentak

0	-

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

## PROCEDURE – COMMITTEE RESPONSIBLE

<b>Title</b>	Amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries to help the recovery from the COVID-19 pandemic
<b>References</b>	COM(2020)0281 – C9-0206/2020 – 2020/0155(COD)
<b>Date submitted to Parliament</b>	27.7.2020
<b>Committee responsible</b> Date announced in plenary	ECON 14.9.2020
<b>Committees asked for opinions</b> Date announced in plenary	IMCO 14.9.2020
<b>Rapporteurs</b> Date appointed	Ondřej Kovařík 7.9.2020
<b>Date adopted</b>	19.11.2020
<b>Result of final vote</b>	+: 47 –: 5 0: 7
<b>Members present for the final vote</b>	Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Francesca Donato, Derk Jan Eppink, Engin Eroglu, Markus Ferber, Jonás Fernández, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Luis Garicano, Sven Giegold, Valentino Grant, Claude Gruffat, José Gusmão, Enikő Győri, Eero Heinäluoma, Danuta Maria Hübner, Stasys Jakeliūnas, Othmar Karas, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtos, Aurore Lalucq, Philippe Lamberts, Aušra Maldeikienė, Pedro Marques, Costas Mavrides, Jörg Meuthen, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Luděk Niedermayer, Piernicola Pedicini, Lídia Pereira, Sirpa Pietikäinen, Dragoş Pîslaru, Evelyn Regner, Antonio Maria Rinaldi, Alfred Sant, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Ernest Urtsun, Inese Vaidere, Johan Van Overtveldt, Stéphanie Yon-Courtin, Marco Zanni, Roberts Zīle
<b>Substitutes present for the final vote</b>	Manon Aubry, Patryk Jaki, Eugen Jurzyca, Maximilian Krah, Ville Niinistö, Mick Wallace
<b>Date tabled</b>	19.11.2020

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

47	+
PPE	Isabel Benjumea Benjumea, Stefan Berger, Markus Ferber, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Enikő Győri, Danuta Maria Hübner, Othmar Karas, Georgios Kyrtos, Aušra Maldeikienė, Siegfried Mureşan, Luděk Niedermayer, Lídia Pereira, Sirpa Pietikäinen, Andreas Schwab, Inese Vaidere
S&D	Marek Belka, Jonás Fernández, Eero Heinäluoma, Pedro Marques, Costas Mavrides, Csaba Molnár, Evelyn Regner, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli
Renew	Gilles Boyer, Engin Eroglu, Luis Garicano, Billy Kelleher, Ondřej Kovařík, Caroline Nagtegaal, Dragoş Pîslaru, Stéphanie Yon-Courtin
Verts/ALE	Sven Giegold, Claude Gruffat, Philippe Lamberts, Ville Niinistö, Ernest Urtegas
ECR	Derk Jan Eppink, Patryk Jaki, Eugen Jurzyca, Johan Van Oortveldt, Roberts Zīle
NI	Piernicola Pedicini

5	-
S&D	Aurore Lalucq
Verts/ALE	Stasys Jakeliūnas
GUE/NGL	Manon Aubry, José Gusmão, Mick Wallace

7	0
ID	Gunnar Beck, Francesca Donato, Valentino Grant, Maximilian Krah, Jörg Meuthen, Antonio Maria Rinaldi, Marco Zanni

Key to symbols:

+ : in favour

- : against

0 : abstention