



**2015/0268(COD)**

29.6.2016

## **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  
on the prospectus to be published when securities are offered to the public or  
admitted to trading  
(COM(2015)0583 – C8-0375/2015 – 2015/0268(COD))

Rapporteur: Vicky Ford



## SHORT JUSTIFICATION

### Background

The current Prospectus Directive 2003/71/EC harmonises rules for publishing prospectuses when companies want to raise capital either by listing shares or by offering investment opportunities to the general public. The prospectus must contain the necessary information for investors to make an informed investment decision.

As part of the Capital Markets Union, the Commission has proposed an overhaul of the Prospectus Directive with a view to making it easier and less expensive for companies, particularly SMEs to raise capital and to provide clear information for potential investors, including retail investors.

The IMCO Committee is responsible for the legislative oversight of consumer interests in a wide range of sectors, including financial services as well as enhancing competitiveness across the Single Market. It is important that retail investors have access to appropriate information so that they can make an informed decision.

### Summary

The Rapporteur recommends renaming the “summary” to “introductory summary” to more accurately reflect its purpose. The Rapporteur suggests that the provision of a summary should be mandatory only when securities are being offered to retail investors. It should be a short document written in a concise manner and easily comparable.

However she believes that the summary regime proposed by the Commission is too prescriptive in certain instances, such as setting the maximum length to six pages and the risk factors to five. She would welcome comments on this.

### Language

The Rapporteur supports the idea that an investor should be able to read the summary of the prospectus in one of the official languages of their home Member State and suggests that the prospectus summary should be translated where necessary, using the same language regime as agreed in the PRIIPs regulation.

### Non-equity

The Rapporteur supports opening up the non-equity market to retail investors and the removal of the exemption for bonds above a denomination of €100,000, but sees a need to keep a differentiation between qualified and non-qualified investor in terms of disclosure.

### Thresholds

The ECON Rapporteur has suggested raising and lowering certain thresholds in order to facilitate SMEs that wish to access capital markets. The IMCO Rapporteur believes that enabling increased access to finance for SMEs is beneficial, and that consumers could also benefit from increased investment choices. Given the type of consumer likely to invest in these offers, the IMCO Rapporteur believes that the changes in thresholds are unlikely to materially impact on consumer protection. However, she suggests that the IMCO Committee should review these and hence has re-tabled these amendments for a vote in IMCO.

## Secondary Issuance

The Commission proposal suggests a minimum disclosure regime for secondary issuances. This will significantly reduce the administrative cost for approximately 70% of issuances. The IMCO Rapporteur supports this provided that there has been no material change and has tabled an amendment in this regard.

## Crowdfunding

The Rapporteur is aware that the Commission is reflecting on crowdfunding, and believes that retail investors have clearly embraced the opportunities crowdfunding brings. She believes that an appropriate level of consumer protection should be offered by platforms and has tabled an amendment in this regard.

## 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 1

*Text proposed by the Commission*

(1) This Regulation constitutes an essential step towards the completion of the Capital Markets Union as set out in the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, entitled 'Action Plan on Building a Capital Markets Union' of 30 September 2015. The aim of the Capital Markets Union is to help businesses tap into more diverse sources of capital from anywhere within the European Union (hereinafter 'the Union'), make markets work more efficiently and offer investors and savers additional opportunities to put their money to work, in order to enhance growth and create jobs.

*Amendment*

(1) This Regulation constitutes an essential step towards the completion of the Capital Markets Union as set out in the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, entitled 'Action Plan on Building a Capital Markets Union' of 30 September 2015. The aim of the Capital Markets Union is to help businesses tap into more diverse sources of capital from anywhere within the European Union (hereinafter 'the Union'), make markets work more efficiently and offer investors and savers additional opportunities to put their money to work, in order to enhance growth and create jobs, *in particular for SMEs.*

### Amendment 2

#### Proposal for a regulation

### Recital 3

*Text proposed by the Commission*

(3) Disclosure of information in case of offers of securities to the public or admission of securities to trading on a regulated market is vital to protect investors by **removing** asymmetries of information between them and issuers. Harmonising this disclosure allows for the establishment of a cross-border passport mechanism which facilitates the effective functioning of the internal market in a wide variety of securities.

*Amendment*

(3) Disclosure of information in case of offers of securities to the public or admission of securities to trading on a regulated market is vital to protect investors by **reducing** asymmetries of information between them and issuers. Harmonising this disclosure allows for the establishment of a cross-border passport mechanism which facilitates the effective functioning of the internal market in a wide variety of securities.

### Amendment 3

#### Proposal for a regulation

#### Recital 7

*Text proposed by the Commission*

(7) The aim of this Regulation is to ensure investor protection and market efficiency, while enhancing the single market for capital. The provision of information which, according to the nature of the issuer and of the securities, is necessary to enable investors to make an informed investment decision ensures, together with rules on the conduct of business, the protection of investors. Moreover, such information provides an effective means of increasing confidence in securities and thus of contributing to the proper functioning and development of securities markets. The appropriate way to make this information available is to publish a prospectus.

*Amendment*

(7) The aim of this Regulation is to ensure investor protection and market efficiency, while enhancing the single market for capital **and facilitating the access of SMEs to that market**. The provision of information which, according to the nature of the issuer and of the securities, is necessary to enable investors to make an informed investment decision ensures, together with rules on the conduct of business, the protection of investors. Moreover, such information provides an effective means of increasing confidence in securities and thus of contributing to the proper functioning and development of securities markets. The appropriate way to make this information available is to publish a prospectus.

### Amendment 4

#### Proposal for a regulation

#### Recital 12

*Text proposed by the Commission*

(12) For offers of securities to the public **of a consideration below EUR 500 000**, the cost of producing a prospectus in accordance with this Regulation is likely to be disproportionate to the envisaged proceeds of the offer. It is therefore appropriate that the requirement to draw up a prospectus under this Regulation should not apply to offers of such small scale. Member States should refrain **to impose** at national level disclosure requirements which would constitute a disproportionate or unnecessary burden in relation to such offers and thus increase fragmentation of the internal market.

*Amendment*

(12) For offers of securities to the public **with a total consideration in the Union of less than EUR 1 000 000**, the cost of producing a prospectus in accordance with this Regulation is likely to be disproportionate to the envisaged proceeds of the offer. It is therefore appropriate that the requirement to draw up a prospectus under this Regulation should not apply to offers of such small scale. Member States should, **moreover**, refrain **from imposing** at national level disclosure requirements which would constitute a disproportionate or unnecessary burden in relation to such offers and thus increase fragmentation of the internal market.

**Amendment 5**

**Proposal for a regulation  
Recital 12 a (new)**

*Text proposed by the Commission*

*Amendment*

**(12a) While it might be proportionate to exclude from this Regulation offers of securities to the public with a total consideration in the Union of less than EUR 1 000 000, a minimum level of consumer protection should still be observed in relation to such offers, for instance in areas such as crowdfunding. Such protection could consist of, inter alia, clearly visible risk warnings, basic disclosure and organisational requirements, a right of cancellation and investment amount caps.**

## Amendment 6

### Proposal for a regulation

#### Recital 13

##### *Text proposed by the Commission*

(13) Where offers of securities to the public are addressed only to domestic investors in one Member State, and thus have no cross-border effects, and where such offers do not exceed a total consideration of EUR 10 000 000, the passport mechanism under this Regulation is not needed and drawing up a prospectus may represent a disproportionate cost. Therefore ***it is appropriate to allow Member States to decide to exempt such kinds of offers from the prospectus obligation set out in this Regulation, taking into account the level of domestic investor protection they deem to be appropriate. In particular, Member States should be free to set out in their national law the threshold between EUR 500 000 and EUR 10 000 000, expressed as the total consideration of the offer over a period of 12 months, from which this exemption should apply.***

## Amendment 7

### Proposal for a regulation

#### Recital 22

##### *Text proposed by the Commission*

(22) The summary of the prospectus should be a useful source of information for investors, in particular retail investors. It should be a self-contained part of the prospectus and should focus on key information that investors need in order to be able to decide which offers and admissions to trading of securities to consider further. Such key information should convey the essential characteristics

##### *Amendment*

(13) Where offers of securities to the public are addressed only to domestic investors in one Member State, and thus have no cross-border effects, and where such offers do not exceed a total of EUR 10 000 000, ***expressed as the total consideration of the offer over a period of 12 months***, the passport mechanism under this Regulation is not needed and drawing up a prospectus may represent a disproportionate cost. Therefore Member States ***should*** exempt such kinds of offers from the ***disclosure*** obligation set out in this Regulation.

##### *Amendment*

(22) The summary of the prospectus should be a useful source of information for investors, in particular retail investors ***and SMEs***. It should be a self-contained part of the prospectus and should focus on key information that investors need in order to be able to decide which offers and admissions to trading of securities to consider further. Such key information should convey the essential characteristics

of, and risks associated with, the issuer, any guarantor, and the securities offered or admitted to trading on a regulated market. It should also provide the general terms and conditions of the offer. In particular, the presentation of risk factors in the summary should consist of a limited selection of specific risks which the issuer considers to be the most material ones.

## Amendment 8

### Proposal for a regulation Recital 43

#### *Text proposed by the Commission*

(43) One of the core objectives of the Capital Markets Union is to facilitate access to financing on capital markets for SMEs in the Union. As such companies usually need to raise relatively lower amounts than other issuers, the cost of drawing up a prospectus can be disproportionately high and may deter them from offering their securities to the public. At the same time, because of their size and shorter track record, SMEs might carry a higher investment risk than larger issuers and should disclose sufficient information for investors to take their investment decision. A proper balance should therefore be struck between the cost-efficient access to financial markets and investor protection when calibrating the content of a prospectus applying to SMEs and a specific disclosure regime should therefore be developed for SMEs to achieve that objective.

## Amendment 9

### Proposal for a regulation Recital 44

of, and risks associated with, the issuer, any guarantor, and the securities offered or admitted to trading on a regulated market. It should also provide the general terms and conditions of the offer. In particular, the presentation of risk factors in the summary should consist of a limited selection of specific risks which the issuer considers to be the most material ones.

#### *Amendment*

(43) One of the core objectives of the Capital Markets Union is to facilitate access to financing on capital markets for SMEs, ***which are the main driver of the economy*** in the Union. As such companies usually need to raise relatively lower amounts than other issuers, the cost of drawing up a prospectus can be disproportionately high, and ***complicated administrative procedures*** may deter them from offering their securities to the public. At the same time, because of their size and shorter track record, SMEs might carry a higher investment risk than larger issuers and should disclose sufficient information for investors to take their investment decision. A proper balance should therefore be struck between the cost-efficient access to financial markets and investor protection when calibrating the content of a prospectus applying to SMEs and a specific disclosure regime should therefore be developed for SMEs to achieve that objective.



*Text proposed by the Commission*

(44) The **minimum** information required to be disclosed by SMEs under the specific disclosure regime should ***be calibrated in a way that focuses*** on information that is material and relevant for companies of such size and their investors, **and** should aim at ensuring proportionality between the size of the company and its fundraising needs, on the one hand, and the cost of producing a prospectus, on the other hand. In order to ensure SMEs can draw up prospectuses without incurring costs that are not proportionate to their size, and thus the size of their fundraising, the specific disclosure regime for SMEs should be more flexible than that applying to companies on regulated markets to the extent compatible with ensuring that the key information necessary to the investors is disclosed.

*Amendment*

(44) The **reduced** information required to be disclosed by SMEs under the specific disclosure regime should **focus** on information that is material and relevant for companies of such size and their investors. **It** should aim at ensuring proportionality between the size of the company and its fundraising needs, on the one hand, and the cost of producing a prospectus, on the other hand. In order to ensure SMEs can draw up prospectuses without incurring costs that are not proportionate to their size, and thus the size of their fundraising, the specific disclosure regime for SMEs should be more flexible than that applying to companies on regulated markets to the extent compatible with ensuring that the key information necessary to the investors is disclosed.

**Amendment 10**

**Proposal for a regulation**  
**Recital 47**

*Text proposed by the Commission*

***(47) Favourable treatments granted to issuances of non-equity securities with a denomination per unit in excess of EUR 100 000 may distort the structure of debt markets, create impediments to proper diversification of portfolios and to the development of electronic trading platforms, thus undermining liquidity on the secondary market, and may reduce investment choice for retail investors by depriving them of the opportunity to acquire investment-grade corporate bonds. It is therefore appropriate to remove the prospectus exemption for offers of non-equity securities whose***

*Amendment*

***deleted***

*denomination per unit amounts to at least EUR 100 000 and the lower standard of disclosure granted to prospectuses concerning such non-equity securities, featured originally in Directive 2003/71/EC. In particular, it is appropriate to unify the minimum information requirements for non-equity prospectuses, thereby replacing the dual standard of disclosure between issuances targeting qualified investors only and issuances targeting non-qualified investors.*

## **Amendment 11**

### **Proposal for a regulation**

#### **Recital 49**

##### *Text proposed by the Commission*

(49) Omission of sensitive information in a prospectus should be allowed in certain circumstances by means of a derogation granted by the competent authority in order to avoid detrimental situations for an issuer.

##### *Amendment*

(49) Omission of sensitive information in a prospectus should be allowed in certain circumstances by means of a derogation granted by the competent authority in order to avoid detrimental situations for an issuer, ***provided that such an omission is not likely to mislead the public with regard to the facts and circumstances essential for an informed assessment of the issuer, offeror or guarantor.***

##### *Justification*

*The recital should align with the correspondent Article of the proposal ( Article 17 paragraph 2-b)*

## **Amendment 12**

### **Proposal for a regulation**

#### **Article 1 – paragraph 3 – point b**

*Text proposed by the Commission*

*Amendment*

(b) an offer of securities addressed to fewer than **150** natural or legal persons per Member State, other than qualified investors;

(b) an offer of securities addressed to fewer than **500** natural or legal persons per Member State, other than qualified investors; ***existing shareholders and employees shall not be included when calculating the number of persons to whom the offer is addressed;***

Amendment 13

**Proposal for a regulation**  
**Article 1 – paragraph 3 – point c a (new)**

*Text proposed by the Commission*

*Amendment*

***(ca) an offer of securities whose denomination per unit amounts to at least EUR 100 000;***

**Amendment 14**

**Proposal for a regulation**  
**Article 1 – paragraph 3 – point d**

*Text proposed by the Commission*

*Amendment*

(d) an offer of securities with a total consideration in the Union of less than **EUR 500 000**, which shall be calculated over a period of 12 months;

(d) an offer of securities with a total consideration in the Union of less than **EUR 1 000 000**, which shall be calculated over a period of 12 months;

**Amendment 15**

**Proposal for a regulation**  
**Article 2 – paragraph 1 – point v a (new)**

*Text proposed by the Commission*

*Amendment*

***(va) 'retail investor' means a retail investor as defined in point 6 of Article 4 of Regulation (EU) No 1286/2014.***

## *Justification*

*This introduces the definition of "retail investor" contained in the PRIIPs Regulation.*

### **Amendment 16**

#### **Proposal for a regulation Article 3 – paragraph 2**

##### *Text proposed by the Commission*

2. *A Member State may exempt* offers of securities to the public from the prospectus requirement of paragraph 1 provided that:

(a) the offer is *made only in that Member State*, and

(b) the total consideration of the offer is less than a monetary amount calculated over a period of 12 months, which shall not exceed EUR 10 000 000.

Member States shall *notify the Commission and ESMA of the exercise of the option* under this paragraph, *including the consideration of the offer chosen below which the exemption for domestic offers applies.*

##### *Amendment*

2. Offers of securities to the public *shall be exempt* from the prospectus requirement of paragraph 1 provided that:

(a) the offer is *not subject to notification in accordance with Article 24*, and

(b) the total consideration of the offer is less than a monetary amount calculated over a period of 12 months, which shall not exceed EUR 10 000 000.

Member States shall *not impose or maintain disclosure requirements for offers exempted* under this paragraph.

### **Amendment 17**

#### **Proposal for a regulation Article 7 – paragraph 1 – subparagraph 1 a (new)**

##### *Text proposed by the Commission*

##### *Amendment*

*By way of derogation from the first subparagraph, where the prospectus relates to the admission to trading on a regulated market of non-equity securities offered solely to qualified investors or having a denomination of at least EUR 100 000, no summary shall be required.*

## Amendment 18

### Proposal for a regulation Article 7 – paragraph 2

*Text proposed by the Commission*

2. The content of the summary shall be accurate, fair, clear and not misleading. It shall be consistent with the other parts of the prospectus.

*Amendment*

2. The content of the summary shall be accurate, fair, clear and not misleading **and shall contain all relevant information**. It shall be consistent with the other parts of the prospectus.

## Amendment 19

### Proposal for a regulation Article 7 – paragraph 3 – introductory wording

*Text proposed by the Commission*

The summary shall be drawn up as a short document written in a concise manner and of a maximum of six sides of A4-sized paper when printed. It shall:

*Amendment*

The summary shall be drawn up as a short document written in a concise manner and of a maximum of six sides of A4-sized paper when printed, **which may be increased to a maximum of 10 sides where necessary**. It shall:

## Amendment 20

### Proposal for a regulation Article 7 – paragraph 3 – point b

*Text proposed by the Commission*

(b) be written in a language and a style that facilitate the understanding of the information, in particular, in language that is clear, non-technical, succinct and comprehensible.

*Amendment*

(b) be written in a language and a style that facilitate the understanding of the information, in particular, in language that is clear, non-technical, succinct and comprehensible **for the type of investor concerned**.

## Amendment 21

### Proposal for a regulation

#### Article 7 – paragraph 4 – point a

*Text proposed by the Commission*

(a) an introduction containing warnings;

*Amendment*

(a) an introduction containing warnings, ***including the extent to which investors can lose their investment in a worst-case scenario***;

## Amendment 22

### Proposal for a regulation

#### Article 7 – paragraph 5 – introductory part

*Text proposed by the Commission*

5. The ***introduction of the summary*** shall contain the name of the securities, the identity and contact details of the issuer, the offeror or the person seeking admission, the identity and contact details of the home competent authority and the date of the document. It shall contain warnings that:

*Amendment*

5. The ***section referred to in point (a) of paragraph 4*** shall contain the name of the securities, the identity and contact details of the issuer, the offeror or the person seeking admission, the identity and contact details of the home competent authority and the date of the document. It shall contain warnings that:

## Amendment 23

### Proposal for a regulation

#### Article 7 – paragraph 6 – point c

*Text proposed by the Commission*

(c) under a sub-section titled 'What are the key risks that are specific to the issuer?' a brief description of no more than five of the most material risk factors specific to the issuer contained in the category of highest materiality according to Article 16.

*Amendment*

(c) under a sub-section titled 'What are the key risks that are specific to the issuer?' a brief ***and clear*** description of no more than five of the most material risk factors specific to the issuer contained in the category of highest materiality according to Article 16; ***the number of risk factors may be increased to no more than eight where necessary***.

## Amendment 24

### Proposal for a regulation

#### Article 7 – paragraph 7 – point d

*Text proposed by the Commission*

(d) under a sub-section titled 'What are the key risks that are specific to the securities?' a brief description of no more than five of the most material risk factors specific to the securities, contained in the category of highest materiality according to Article 16.

*Amendment*

(d) under a sub-section titled 'What are the key risks that are specific to the securities?' a brief **and clear** description of no more than five of the most material risk factors specific to the securities, contained in the category of highest materiality according to Article 16; **the number of risk factors may be increased to no more than eight where necessary.**

## Amendment 25

### Proposal for a regulation

#### Article 14 – paragraph 1 – subparagraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***In cases where there has been no material change to the information contained in the registration document submitted as part of the initial prospectus, the specific registration document for the purposes of the secondary issuance shall not require approval by the competent authority prior to its publication.***

## Amendment 26

### Proposal for a regulation

#### Article 15 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

***SMEs*** may choose to draw up a prospectus under the ***minimum*** disclosure regime ***for***

*Amendment*

***Issuers*** may choose to draw up a prospectus under the ***proportionate***

***SMEs in the case of an offer of securities to the public*** provided that they have no securities admitted to trading on a regulated market.

disclosure regime ***set out in this Article*** provided that they have no securities admitted to trading on a regulated market ***and provided that they are either:***

***(a) making an offer of securities to the public with a total consideration in the Union of a monetary amount not exceeding EUR 10 000 000, calculated over a period of 12 months, and which is notified in accordance with Article 24; or***

***(b) SMEs making an offer of securities to the public in at least one Member State.***

*(The change from "minimum" to "proportionate" disclosure regime is horizontal and requires making the corresponding change throughout.)*

## **Amendment 27**

### **Proposal for a regulation Article 16 – paragraph 1**

#### *Text proposed by the Commission*

1. The risk factors featured in a prospectus shall be limited to risks which are specific to the issuer and/or the securities and are material for taking an informed investment decision, as corroborated by the content of the registration document and the securities note. ***They shall be allocated across a maximum of three distinct categories which shall differentiate them by their relative materiality based on the issuer's assessment of the probability of their occurrence and the expected magnitude of their negative impact.***

#### *Amendment*

1. The risk factors featured in a prospectus shall be limited to risks which are specific to the issuer and/or the securities and are material for taking an informed investment decision, as corroborated by the content of the registration document and the securities note.

## **Amendment 28**

### **Proposal for a regulation Article 16 – paragraph 2**



*Text proposed by the Commission*

2. ESMA shall develop guidelines on the assessment **by competent authorities** of the specificity and materiality of risk factors **and on the allocation** of risk factors **across categories**.

*Amendment*

2. ESMA shall develop guidelines on the assessment of the specificity and materiality of risk factors. **In addition, ESMA shall develop guidelines to assist competent authorities in their review** of risk factors **in a manner which encourages appropriate and focused risk factor disclosure by issuers**.

**Amendment 29**

**Proposal for a regulation**  
**Article 19 – paragraph 9**

*Text proposed by the Commission*

9. The level of fees charged by the competent authority of the home Member State for the approval of prospectuses, registration documents, including universal registration documents, supplements and amendments, as well as for the filing of universal registration documents, amendments thereto and final terms, shall be disclosed to the public at least on the website of the competent authority.

*Amendment*

9. The level of fees charged by the competent authority of the home Member State for the approval of prospectuses, registration documents, including universal registration documents, supplements and amendments, as well as for the filing of universal registration documents, amendments thereto and final terms, shall be **proportionate and shall be** disclosed to the public at least on the website of the competent authority.

**Amendment 30**

**Proposal for a regulation**  
**Article 19 – paragraph 12**

*Text proposed by the Commission*

12. Without prejudice to Article 30 of Regulation (EU) No 1095/2010, ESMA shall organise and conduct at least one peer review of the scrutiny and approval procedures of competent authorities, including notifications of approval between competent authorities. The peer review shall also assess the impact of different approaches with regard to scrutiny and

*Amendment*

12. Without prejudice to Article 30 of Regulation (EU) No 1095/2010, ESMA shall **also** organise and conduct at least one peer review of the scrutiny and approval procedures of competent authorities, including notifications of approval between competent authorities. The peer review shall also assess the impact of different approaches with regard to scrutiny and

approval by competent authorities on issuers' ability to raise capital in the European Union. The report on this peer review shall be published no later **that** three years after the date of application of this Regulation. In the context of this peer review, ESMA shall, where appropriate, request opinions or advice from the Securities and Markets Stakeholder Group referred to in Article 37 of Regulation (EU) No 1095/2010.

approval by competent authorities on issuers' ability to raise capital in the European Union. The report on this peer review shall be published no later **than** three years after the date of application of this Regulation. **The report shall also be accessible in an online format.** In the context of this peer review, ESMA shall, where appropriate, request opinions or advice from the Securities and Markets Stakeholder Group referred to in Article 37 of Regulation (EU) No 1095/2010.

### Amendment 31

#### Proposal for a regulation Article 21 – paragraph 5 a (new)

*Text proposed by the Commission*

*Amendment*

**5a. Any fee charged by a competent authority for the scrutiny of advertisements carried out pursuant to this Article shall be at a proportionate level.**

### Amendment 32

#### Proposal for a regulation Article 25 – paragraph 2 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

The competent authority of each host Member State **may** require that the summary referred to in Article 7 be **translated into its official language or languages, but it** shall not require the translation of any other part of the prospectus.

The competent authority of each host Member State **shall** require that the summary referred to in Article 7 be **written in the official languages, or in one of the official languages, used in the part of the Member State where the security is offered, or in another language accepted by the competent authorities of that Member State, or, where it has been written in a different language, it shall be translated into one of those languages.**

*The translation shall faithfully and accurately reflect the content of the original summary.*

*The competent authority of each host Member State shall not require the translation of any other part of the prospectus.*

*If a security is offered in a Member State through marketing documents written in one or more official languages of that Member State, the summary shall be written in at least the corresponding official languages.*

*Justification*

*This amendment is based on Article 7 of the PRIIPs Regulation.*

**Amendment 33**

**Proposal for a regulation**

**Article 25 – paragraph 3 – subparagraph 2**

*Text proposed by the Commission*

The competent authority of each host Member State *may* require that the summary referred to in Article 7 be ***translated into its official language or languages but it*** shall not require the translation of any other part of the prospectus.

*Amendment*

The competent authority of each host Member State ***shall*** require that the summary referred to in Article 7 be ***written in the official languages, or in one of the official languages, used in the part of the Member State where the security is offered, or in another language accepted by the competent authorities of that Member State, or, where it has been written in a different language, it shall be translated into one of those languages.***

***The translation shall faithfully and accurately reflect the content of the original summary.***

***The competent authority of each host Member State shall not require the translation of any other part of the prospectus.***

***If a security is offered in a Member State through marketing documents written in***

*one or more official languages of that Member State, the summary shall be written in at least the corresponding official languages.*

*Justification*

*This amendment is based on Article 7 of the PRIIPs Regulation.*

**Amendment 34**

**Proposal for a regulation**

**Article 28 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

For the purpose of Article 27, and, where deemed necessary, for the purpose of Article 26, the competent authorities of Member States shall conclude cooperation arrangements with *supervisory* authorities of third countries concerning the exchange of information *with supervisory authorities in third countries* and the enforcement of obligations arising under this Regulation in third countries. Those cooperation arrangements shall ensure *at least* an efficient exchange of information that allows the competent authorities to carry out their duties under this Regulation.

*Amendment*

For the purpose of Article 27, and, where deemed necessary, for the purpose of Article 26, the competent authorities of Member States shall conclude *supervisory* cooperation arrangements with *the competent* authorities of third countries concerning the exchange of information and the enforcement of obligations arising under this Regulation in third countries. Those *supervisory* cooperation arrangements shall ensure an efficient exchange of information that allows the competent authorities to carry out their duties under this Regulation.

**Amendment 35**

**Proposal for a regulation**

**Article 39 – paragraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

**4a. Member States shall take all necessary measures to ensure optimal reporting procedures regarding breaches of this Regulation.**

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Prospectus to be published when securities are offered to the public or admitted to trading	
<b>References</b>	COM(2015)0583 – C8-0375/2015 – 2015/0268(COD)	
<b>Committee responsible</b> Date announced in plenary	ECON 18.1.2016	
<b>Opinion by</b> Date announced in plenary	IMCO 18.1.2016	
<b>Rapporteur</b> Date appointed	Vicky Ford 2.2.2016	
<b>Discussed in committee</b>	20.4.2016	23.5.2016
<b>Date adopted</b>	14.6.2016	
<b>Result of final vote</b>	+: 20	–: 15
	0: 0	
<b>Members present for the final vote</b>	Dita Charanzová, Carlos Coelho, Sergio Gaetano Cofferati, Lara Comi, Anna Maria Corazza Bildt, Daniel Dalton, Nicola Danti, Pascal Durand, Vicky Ford, Ildikó Gáll-Pelcz, Evelyne Gebhardt, Maria Grapini, Robert Jarosław Iwaszkiewicz, Liisa Jaakonsaari, Philippe Juvin, Antonio López-Istúriz White, Virginie Rozière, Christel Schaldemose, Andreas Schwab, Olga Sehnalová, Igor Šoltes, Ivan Štefanec, Mylène Troszczynski, Marco Zullo	
<b>Substitutes present for the final vote</b>	Lucy Anderson, Pascal Arimont, Biljana Borzan, Edward Czesak, Jussi Halla-aho, Morten Løkkegaard, Roberta Metsola, Dariusz Rosati, Marc Tarabella, Sabine Verheyen	
<b>Substitutes under Rule 200(2) present for the final vote</b>	Daniela Aiuto	