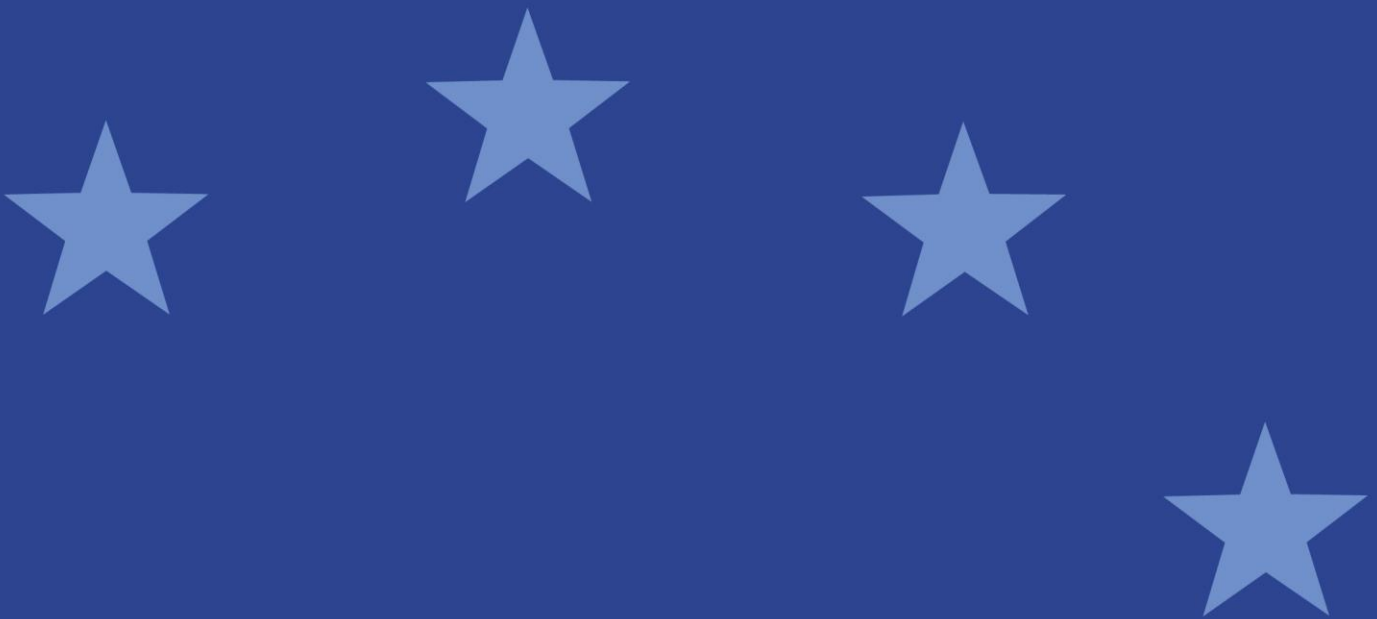




European Securities and
Markets Authority

Response form for the Consultation Paper on format and content of the prospectus



Responding to this paper

ESMA invites responses to the questions set out throughout this Consultation Paper. Responses are most helpful if they:

1. respond to the question stated;
2. contain a clear rationale; and
3. describe any alternatives ESMA should consider.

ESMA will consider all responses received by 28 September 2017.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

4. Insert your responses to the questions in the Consultation Paper in the form “Response form_Consultation Paper on format and content of the prospectus”, available on ESMA’s website alongside the present Consultation Paper (www.esma.europa.eu → ‘Your input – Open consultations’ → ‘Consultation on technical advice under the new Prospectus Regulation’).
5. Please do not remove tags of the type <ESMA_QUESTION_FAC_1>. Your response to each question has to be framed by the two tags corresponding to the question.
6. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
7. When you have drafted your response, name your response form according to the following convention: ESMA_FAC_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA_FAC_ABCD_RESPONSEFORM.
8. Upload the form containing your responses, in Word format, to ESMA’s website (www.esma.europa.eu under the heading ‘Your input – Open consultations’ → ‘Consultation on technical advice under the new Prospectus Regulation’).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly indicate by ticking the appropriate checkbox on the website submission page if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confi-



dential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading 'Data protection'.

Who should read this Consultation Paper

This Consultation Paper may be of particular interest to investors, issuers, including issuers already admitted to trading on a regulated market or on a multilateral trading facility, offerors or persons asking for admission to trading on a regulated market as well as to any market participant who is affected by the new Prospectus Regulation.



General information about respondent

Name of the company / organisation	BETTER FINANCE
Activity	Non-financial counterparty
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Europe

Introduction

Please make your introductory comments below, if any:

<ESMA_COMMENT_FAC_1>

BETTER FINANCE, the European Federation of Investors and Financial Services Users, is the dedicated representative of financial services users at European level. It counts about fifty national and international members and sub-member organizations in turn comprising about 4.5 million individual members. Our organization acts as an independent financial expertise centre to the direct benefit of the European financial services users (shareholders, other investors, savers, pension fund participants, life insurance policy holders, borrowers, etc.) and other stakeholders of the European financial services who are independent from the financial industry.

BETTER FINANCE is the most involved European end user and civil society organisation in the EU Authorities' financial advisory groups, with experts participating in the Securities & Markets, the Banking, the Occupational Pensions and Insurance and Reinsurance Stakeholder Groups of the European Supervisory Authorities; as well as in the European Commission's Financial Services User Group. Its national members also participate in national financial regulators and supervisors bodies when possible.

For further details please see our website: <http://betterfinance.eu/>

BETTER FINANCE welcomes the new Prospectus Regulation and the Technical Advice (Level 2) submitted by ESMA.

The Technical advice submitted by ESMA reflect the purpose of the Prospectus Regulation: to remove administrative and costs burden for companies and in particular for Small and Medium Enterprises (SMEs) while enhancing investors protection. Investors should be provided with clear, comprehensible and easily accessible information to make their investment decision.

BETTER FINANCE however would like to raise two points regarding the Prospectus Regulation and the submitted Technical Advices.

Firstly, as stated in paragraph 89 page 52 of the Technical Advice for the EU Growth Prospectus and in paragraph 137 page 98 of the Technical Advice on the format and the content of the Prospectus, ESMA suggests "to include a disclosure requirement making it clear that where a PRIIPs KID is used as part of a summary, the information contained in that KID (e.g. summary risk indicator) must also be included in the body of the prospectus. In cases where the prospectus has been drawn up as a base prospectus, the information contained in the KID, which is not included in the base prospectus, should be included in the related final terms".

The prospectus is an investor information document for securities (equities and bonds mostly) and not for packaged investment products (PRIIPs) such as investment funds which are ruled by EU legislation. As such, the PRIIPs' Key Information Document (KID) and funds' Key Investor Information Document (KIID) should not be mixed up with the Summary Prospectus drafted for equities and bonds, even though they all aim at informing investors in a standardized, complete and comprehensible way.



Secondly, and regarding the length of the Summary Prospectus and the EU Growth Summary prospectus, the page limit set at 7 pages for the Summary Prospectus (article 7(3) of the Prospectus Regulation) and 6 pages for the EU growth Summary prospectus (article 15(2) of the Prospectus Regulation) should be fully respected. The Summary should in fact be clear, comprehensible and concise.
<ESMA_COMMENT_FAC_1>

1. : Do you agree with the proposal that cover notes be limited to 3 pages? If not, what do you consider to be an appropriate length limit for the cover note? Could you please explain your reasoning, especially in terms of the costs and benefits implied?

<ESMA_QUESTION_FAC_1>

The cover note is where additional information from the issuance is displayed. It allows the potential investors to learn if the offer is extended to them or not. Since it depends on individual circumstances, we believe that the length should not be limited to 3 pages obligatorily.

<ESMA_QUESTION_FAC_1>

2. : Would a short section on “how to use the prospectus” make the base prospectus more accessible to retail investors? If so, should it be limited to base prospectuses? Would this imply any material cost for issuers? If yes, please provide an estimate of such cost.

<ESMA_QUESTION_FAC_2>

Retail investors do not usually rely on the prospectus to take their investment decisions due to the size and the high level of legal verbiage and technicality of the document. They will be more interested to read the Summary Prospectus (as they would read the KIID for investment funds, not the full prospectus). Therefore, a section called “How to use the prospectus” should not be necessary because the benefits on investors do not outweigh the costs that it will imply. Nevertheless, retail investors do base their investment decisions on the information included in the Summary Prospectus so we would welcome that the crucial information is displayed in the Summary, in a clear, simple and not misleading manner. The section could be used to refer all individual investors to the Summary Prospectus.

<ESMA_QUESTION_FAC_2>

3. : Should the location of risk factors in a prospectus be prescribed in legislation or should issuers be free to determine this? If it should be set out in legislation, what positioning would make it most meaningful?

<ESMA_QUESTION_FAC_3>

Our organization believes that the risks should be contemplated at the beginning and make sure that investors understand the meaning and the importance of the information. In order to achieve so, some relevant information about the company’s strategy and the details of the offer should be displayed.

<ESMA_QUESTION_FAC_3>

4. : Should the URD benefit from a more flexible order of information than a prospectus?

<ESMA_QUESTION_FAC_4>

As stated in Recital 36 of the Prospectus Regulation and in page 240 of the Public Consultation, the URD is designed as an optional self-registration for companies that expect to frequently issue securities. It is based on the premise that an issuer that draws up, every year, a complete registration document in the form of a URD should benefit from a fast-track approval when the competent authority approves a prospectus consisting of separate documents.



ESMA underlines that since the URD is used as a registration document that can be used by issuers to offer securities, it should be then aligned with the disclosure standard for a share registration document and should be similar, in terms of the range of information covered.

As such, the URD should be a comprehensive source of reference for investors, consolidating in one single document all information investors may need to know about a particular issuer, and avoiding duplicative disclosures by issuers.

In article D of its proposed Technical Advice, ESMA suggests the same order of information than the prospectus. This proposition seems reasonable since in the case of securities offered by a frequent issuer, they would benefit from a fast-track procedure. As such, the Universal Registration Document should follow the same order than the Prospectus itself.

<ESMA_QUESTION_FAC_4>

5. : Would a standalone and prominent use of proceeds section be welcome for investors?

<ESMA_QUESTION_FAC_5>

BETTER FINANCE believes that further discussion should be held about clarity when it is referred to the use of proceeds from any particular issuance is of paramount importance to investors.

The reason is due to the fact that issuers who search general funding could have, in some occasions, difficulties to fulfil such a requirement for a precise breakdown and could claim that a mention on the duty to serve the funding purposes should be enough to be aligned with the investor's information needs. Nevertheless, we are concern that issuers will tend to switch to a general funding whenever the situation allow them to do it, providing with less information to investors.

<ESMA_QUESTION_FAC_5>

6. : Is the list of “additional information” in Article XXI of the Commission Regulation fit for purpose? What other types of additional information should be included in a replacement annex?

<ESMA_QUESTION_FAC_6>

BETTER FINANCE believes that further discussion should be held about clarity when it is referred to the use of proceeds from any particular issuance is of paramount importance to investors.

The reason is due to the fact that issuers who search general funding could have, in some occasions, difficulties to fulfil such a requirement for a precise breakdown and could claim that a mention on the duty to serve the funding purposes should be enough to be aligned with the investor's information needs. Nevertheless, we are concern that issuers will tend to switch to a general funding whenever the situation allow them to do it, providing with less information to investors.



<ESMA_QUESTION_FAC_6>

7. : Are the definitions proposed to be carried over to the new regime, and new definitions proposed adequate? Should any additional definitions be added?

<ESMA_QUESTION_FAC_7>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_7>

8. : What is the overall impact of the above technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that the proposed technical advice will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_8>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_8>

9. : Do you agree that the scope of NCA approval should be included in the cover note? If not, please provide your reasoning.

<ESMA_QUESTION_FAC_9>

BETTER FINANCE is supportive of including the scope of National Competent Authorities approval in the cover note.

<ESMA_QUESTION_FAC_9>

10. : Do you agree that the requirement for issuers of equity and retail non-equity to include selected financial information in the prospectus can be removed without significantly altering the benefits to investors?

<ESMA_QUESTION_FAC_10>

In paragraph 58 on page 32 of the consultation, ESMA puts into question the necessity of including in the prospectus selected financial information, selected historical financial information in the summary, operating and financial review (OFR) and the audited accounts. The ESA considers that it is not necessary to include all four and that it is a burden for issuers. Therefore, “ESMA suggests the removal of the selected financial information for equity (as well as for retail non-equity)”.

Our organization agrees with the statements from the ESA and the resulting proposal. We believe that selected financial information could be removed without significantly altering the benefits to investors. The reason mainly resides, as we have mentioned before, in the fact that retail investors base their investment decisions in the information shown in the Summary Prospectus, not the prospectus document. That is why our organization finds so important the willing of ESMA to maintain a Summary for every equity and non-equity prospectus, which include all the key financial information. Selected financial information must remain in any case in the summary Prospectus.

<ESMA_QUESTION_FAC_10>

- 11. : Do you agree that issuers should be required to include their website address in the prospectus? Do you agree that issuers should be required to make documents on display electronically available? Would these requirements imply any material additional costs to issuers?**

<ESMA_QUESTION_FAC_11>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_11>

- 12. : Do you consider that a description of material past investments is necessary information for the purpose of the prospectus?**

<ESMA_QUESTION_FAC_12>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_12>

- 13. : Do you agree with the proposal to align the OFR requirement with the management reports required under the Accounting Directive? Would this materially reduce costs for issuers?**

<ESMA_QUESTION_FAC_13>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_13>

- 14. : Do you agree with ESMA's proposal to require outstanding profit forecasts for both equity and non-equity issuance to be included? Do you agree with the deletion of the obligation to include an accountant's or an auditor's report for equity and retail non-equity? Please provide an estimate of the benefits for the issuers arising from the abovementioned proposals. Would these requirements significantly affect the informative value of the prospectus for investors?**

<ESMA_QUESTION_FAC_14>

BETTER FINANCE agrees with ESMA's proposal to require outstanding profit forecasts to be included.

BETTER FINANCE strongly disagree with ESMA on the deletion of the obligation to include an accountant's or an auditor's report for equity. The reason is that this information is crucial for investors when determining the type of investment, and it increments the trustworthiness of the prospectus.

Although we understand the concern on the costs, we believe that an independent accountant or an auditor's perspective increases the reliability in the financial markets in general, and in the prospectus in this particular case. Therefore, we believe that the benefits for investors compensate the costs to issuers of such a report.

However, it should be underlined that the request from the Commission to ESMA is difficult to understand given the recent Audit reform which was designed to improve the confidence in the integrity of financial statements and to strengthen the role of the auditor.



<ESMA_QUESTION_FAC_14>

15. : Do you agree with the proposal to explain any ‘emphasis of matter’ identified in the audit report?

<ESMA_QUESTION_FAC_15>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_15>

16. : Should there be mandatory disclosure of the size of shareholdings pre and post issuance where a major shareholder is selling down? Would this requirement imply any material additional costs to issuers?

<ESMA_QUESTION_FAC_16>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_16>

17. : Do you consider that the new requirement to disclose potential material impacts on the corporate governance would provide valuable information to investors?

<ESMA_QUESTION_FAC_17>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_17>

18. : Do you agree with the proposal to clarify the requirement for restated financial information?

<ESMA_QUESTION_FAC_18>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_18>

19. : Do you agree with the lighter requirement in relation to replication of the issuer’s M&A in the prospectus? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_19>

Our organization disagrees with the deletion of certain provisions of the M&A in the share registration document of the “Additional information” section. BETTER FINANCE is concerned that some of the information that ESMA is thinking on deleting is contradictory to basic investor’s rights. More concretely, the information included in points 21.2.2, 21.2.4, 21.2.5, 21.2.6, and 21.2.7 should not be erased because investors take it into account when making their investment decisions. Moreover, the information requested in 21.2.4 and 21.2. are not regularly included in issuers’ M&A’s and therefore should remain included in any case in the SRD.

<ESMA_QUESTION_FAC_19>

20. : Should any further changes be made to the share registration document? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA_QUESTION_FAC_20>



TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_20>

21. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_21>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_21>

22. : Do you consider that the requirement for a working capital statement should be different in the case of credit institutions and insurance companies?

<ESMA_QUESTION_FAC_22>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_22>

23. : Do you agree that issuers should be required to update their capitalisation and indebtedness table if there are material changes within the 90 day period? Would this imply any material additional cost to issuers? If yes, please provide an estimation.

<ESMA_QUESTION_FAC_23>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_23>

24. : Do you consider the changes to dilution requirements would be helpful to investors at the same time as being feasible to provide for issuers?

<ESMA_QUESTION_FAC_24>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_24>

25. : Do you agree that the information solicited by item 9.2 is important for investors?

<ESMA_QUESTION_FAC_25>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_25>

26. : Do you consider that any further changes be made to the equity securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_26>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_26>

- 27. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).**

<ESMA_QUESTION_FAC_27>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_27>

- 28. : Do you agree with the proposal to delete disclosure on principal investments and replace this with a requirement to provide details on the issuer's funding structure and borrowing requirements? Would this significantly affect the informative value of the prospectus for investors?**

<ESMA_QUESTION_FAC_28>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_28>

- 29. : Do you agree that an issuer of retail non-equity should be required to include a credit rating previously assigned to it in the prospectus?**

<ESMA_QUESTION_FAC_29>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_29>

- 30. : Do you agree with the proposal to remove the requirement for profit forecasts and estimates to be reported on? Would this significantly affect the informative value of the prospectus for investors?**

<ESMA_QUESTION_FAC_30>
BETTER FINANCE believes that it is important to make the difference between the information that is needed by equity investors and non-equity investors. In this respect, equity investment would be directly influenced by modifications in profits and their forecasts. On the contrary, debt investors would have to search information about the material and adverse changes of the issuer's solvency. In these last cases, they will find the appropriate information in the Trend Information of the prospectus (under item 8.1 in Annex 3).

<ESMA_QUESTION_FAC_30>

- 31. : Do you agree with the proposal that outstanding profit forecasts and estimates should be included in the registration document?**

<ESMA_QUESTION_FAC_31>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_31>

32. : Do you agree with the deletion of the disclosure requirement related to board practices? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_32>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_32>

33. : Do you consider that any further changes should be made to the retail debt and derivatives registration document? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_33>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_33>

34. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_34>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_34>

35. : Do you agree with the removal of the requirement for wholesale non-equity issuers to restate their financial statements? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_35>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_35>

36. : Do you consider that any further changes be made to the wholesale debt and derivatives registration document? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_36>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_36>

37. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_37>
TYPE YOUR TEXT HERE



<ESMA_QUESTION_FAC_37>

38. : Do you agree with the way in which disclosure on taxation has been reduced? Would this significantly affect the informative value of the prospectus for investors?

<ESMA_QUESTION_FAC_38>

In paragraph 133 in page 100, ESMA suggests to align the information on taxation with Recital 47 of the Prospectus Regulation. The Recital points out that "*information on taxes on the income from the securities in a prospectus can only be generic, adding little informational value for the individual investor. Since such information is to cover not only the country of registered office of the issuer but also the countries where the offer is being made or admission to trading on a regulated market is being sought, where a prospectus is passported, it is costly to produce and might hamper cross-border offers*".

The Commission Regulation (EC 809/2004) of the Prospectus Directive provides in item 4.11 that the prospectus should include "*information on taxes on the income from the securities withheld at source and indication as to whether the issuer assumes responsibility for the withholding of taxes at the source*".

In Annex 5 (Retail Debt and derivatives securities note) on point 4.14 page 103, ESMA proposes to replace the disposition of item 4.11 by "*warning that the tax legislation of the investor's Member of State and of the issuer's Member State of incorporation may have an impact on the income received from the securities save where the investment entails a specific tax regime where a summarized description of such regime shall be included*".

This proposal seems to be to the detriment of investors since they will simply be warned that they might be taxed on the income received from securities. This is clearly a regressive step for the protection of investor since they will not be informed on taxes withheld at source that will be applied and whether the issuer assumes responsibility for the withholding of taxes at the source.

<ESMA_QUESTION_FAC_38>

39. : Do you consider there are any negative consequences of the requirement to make details on representation of security holders available electronically and free of charge? Would this imply any material additional costs to issuers? If yes, please provide an estimation.

<ESMA_QUESTION_FAC_39>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_39>

40. : Do you consider that expenses charged to the purchaser should also include implicit costs i.e. those costs included in the price (item 5.3.1)?

<ESMA_QUESTION_FAC_40>

In Item 5.3.1 page 105, ESMA suggests that the price at which the securities will be offered must contain:



- a description of the method of determining the price as stated in article 17(1)(b)(ii) of the Prospectus regulation
- the amount of any expenses, including those contained in the price and taxes charged to the subscriber or purchaser

Recital 55 of the Prospectus Regulation provides that “the valuation methods and criteria should be precise enough to make the price predictable and ensure a level of investor protection that is similar to the disclosure of the maximum price of the offer”.

BETTER FINANCE strongly supports this proposal. The disclosure of the maximum price of the offer, including expenses and taxes, will allow investors to know the total price of the offer.

<ESMA_QUESTION_FAC_40>

41. : Do you agree with the proposal that the issue price of the securities to be included in the prospectus in the case of an admission to trading?

<ESMA_QUESTION_FAC_41>

As stated in paragraph 135 page 97, ESMA underlines that the current Commission Regulation only requires the offer price of the debt securities in case of an offer to the public.

In that respect, ESMA proposes in paragraph 138 that the issue price of the securities must be disclosed in the prospectus in case of admission to trading.

BETTER FINANCE supports this proposal since the disclosure of issue price would allow investors to see the evolution of the price of the security (secondary trading).

<ESMA_QUESTION_FAC_41>

42. : Do you consider that any further changes be made to the retail debt and derivatives securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_42>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_42>

43. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_43>

BETTER FINANCE is very supportive of having a separated SummaryProspectus. The cost is most probably minimal and will strongly benefit investors, as , once again, most small investors do not read the full prospectus.

<ESMA_QUESTION_FAC_43>

44. : Do you consider that any further changes be made to the wholesale debt and derivatives securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_44>

On the draft Technical Advice (paragraphs 145 & 146) it is proposed that more clarity should be promoted in respect to the reference on securities and obligations if admitted on the regulated markets. In the case of non-listed underlyings, information relating to the issuer of the underlyings.

In this respect, our organization believes that, even if it is in the best interest of investors acquire the relevant information to analyse the underlying, it would be too ambitious to treat them as if they were the issuer.

Moreover, the circumstances could worsen if the information is kept in category A of the Prospectus, as it is currently done. This category A is one of earliest stages of the document and it will not take into account improvements that are done after that point. Therefore, we are not in favour in including it in the category A.

<ESMA_QUESTION_FAC_44>

45. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_45>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_45>

46. : Do you agree with the proposal to make derivate disclosures a building block?

<ESMA_QUESTION_FAC_46>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_46>

47. : Do you agree with the proposal to reclassify the how the return on derivatives take place from B to A? If not, please explain why.

<ESMA_QUESTION_FAC_47>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_47>

48. : Do you consider agree with ESMA's proposals to enhance the disclosure in relation to situations where investors may lose all or part of their investment?

<ESMA_QUESTION_FAC_48>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_48>

49. : Do you consider that the requirements should be different where the return of the investment is linked to the credit of other assets (i.e. credit linked securities) than where the return is linked to the value of a security?

<ESMA_QUESTION_FAC_49>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_49>

50. : Do you consider that any further changes be made to the derivatives securities building block? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA_QUESTION_FAC_50>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_50>

51. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_51>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_51>

52. : Do you agree with the proposed amendments to the annex relating to the underlying share?

<ESMA_QUESTION_FAC_52>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_52>

53. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_53>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_53>

54. : Do you agree that the annex for third countries and their regional and local authorities should remain unchanged (with the exception of the reference to Member States)?

<ESMA_QUESTION_FAC_54>
TYPE YOUR TEXT HERE



<ESMA_QUESTION_FAC_54>

55. : Do you agree with the proposal relating to the asset backed securities registration document?

<ESMA_QUESTION_FAC_55>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_55>

56. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_56>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_56>

57. : Do you agree with the proposal relating to the asset backed securities building block?

<ESMA_QUESTION_FAC_57>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_57>

58. : Do you agree with the proposal to allow reduced disclosure where the securities comprising the assets are listed on an SME Growth Market?

<ESMA_QUESTION_FAC_58>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_58>

59. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_59>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_59>

60. : Do you agree with the amendments to the pro forma building block? Should any further amendments be made to this annex? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA_QUESTION_FAC_60>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_60>

61. : Do you agree that the additional building block for guarantees does not need to change other than the minor amendments proposed by ESMA?

<ESMA_QUESTION_FAC_61>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_61>

62. : Do you think that depository receipts are similar enough to equity economically to require the inclusion of a working capital statement and / or a capitalisation and indebtedness statement? Please advise of any costs and benefits that would be incurred as a result of this additional disclosures.

<ESMA_QUESTION_FAC_62>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_62>

63. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_63>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_63>

64. : Do you agree with the changes proposed by ESMA for collective investment undertakings?

<ESMA_QUESTION_FAC_64>

As stated in paragraph 195 page 189 of the public consultation, ESMA suggests changes to the registration document for collective investment undertakings:

- Aligning the disclosure required in terms of the investment objectives and policy with disclosure required under AIFMD
- Allowing issuers who meet the requirements under 14(1) of the Prospectus regulation to draw up a simplified prospectus under simplified disclosure regime for secondary issuance
- Extending the ability of issuers to include reduced disclosure
- The ability for reduced disclosure on significant underlying investments in limited circumstance where an issuer can reasonably demonstrate that it cannot access the relevant information

These changes proposed by ESMA seem to be in line with the goal of the Prospectus Regulation to lighten the administrative and costs burden. Aligning the disclosure requirement with the



AIFMD will facilitate the administrative work for issuers and will enhance the transparency and disclosure of information included in the prospectus.

<ESMA_QUESTION_FAC_64>

65. : Is greater alignment with the requirements of AIFMD necessary? If so, where?

<ESMA_QUESTION_FAC_65>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_65>

66. : Do you agree with the proposal to allow reduced disclosure where the securities issued by the underlying issuer/collective investment undertaking/counterparty are listed on an SME Growth Market?

<ESMA_QUESTION_FAC_66>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_66>

67. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_67>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_67>

68. : Do you consider that any changes are required to the existing regime for convertible and exchangeable securities? If so, please specify.

<ESMA_QUESTION_FAC_68>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_68>

69. : Do you consider that any other types of specialist issuers which should be added? If so, please specify.

<ESMA_QUESTION_FAC_69>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_69>

70. : Do you agree with ESMA's proposal not to develop a schedule for securities issued by public international bodies and for debt securities guaranteed by a Member State of the OECD?

<ESMA_QUESTION_FAC_70>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_70>



71. : Do you agree that the URD disclosure requirements should be based on the share registration document plus additional disclosure items?

<ESMA_QUESTION_FAC_71>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_71>

72. : Should the URD schedule contain any further disclosure requirements?

<ESMA_QUESTION_FAC_72>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_72>

73. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_73>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_73>

74. : Do you consider that the proposed disclosure is sufficiently alleviated compared to the full regime? If not, where do you believe that additional simplification can be made? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA_QUESTION_FAC_74>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_74>

75. : Should secondary disclosure differ depending on whether the issuer is listed on a regulated market or on an SME Growth Market?

<ESMA_QUESTION_FAC_75>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_75>

76. : Do you consider that item 9.3 (information on corporate governance) is necessary?

<ESMA_QUESTION_FAC_76>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_76>

77. : Do you consider that information on material contracts is necessary for secondary issuance?

<ESMA_QUESTION_FAC_77>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_FAC_77>

78. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_78>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_78>

79. : Do you consider that there is further scope for alleviated disclosure in the securities note ? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA_QUESTION_FAC_79>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_79>

80. : Is a single securities note, separated by security type, clear or would it be preferable to have multiple securities note schedules?

<ESMA_QUESTION_FAC_80>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_80>

81. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA_QUESTION_FAC_81>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_FAC_81>