

Targeted consultation on the listing act: making public capital markets more attractive for EU companies and facilitating access to capital for SMEs

Additional input on question 92:

Question 92.1 Do you believe that the Listing Directive should be:

- ☐ Repealed
- ☒ Amended as a Directive
- ☐ Amended and transformed in a Regulation
- ☐ Incorporated in another piece of legislation
- ☐ Don't know / no opinion / not applicable

We would support the amendment of the Listing Directive, provided that its key provisions, remain in place for the reasons set out above. Those amendments should be limited towards streamlining specific provisions where a more common, European approach is desirable, such as the listing rules for equity. For non-equity securities, the current provisions and the nature of the Regulation (i.e. a Directive) provide the right degree of flexibility allowing Member States to tailor the regime to their local capital markets, which in turn facilitates their development without hindering the objectives of the Capital Markets Union.

Please explain the reasoning of your answer to question 92.1:

The regime of the Listing Directive is of great benefit to certain EU capital markets, as its popularity underscores. At the same time, the regime does not have any drawbacks that require repair: no undesirable outcomes have been observed, it is easy for issuers and investors to understand and it complements the 'access to trading' regime. We believe that the repeal of this Directive would not be in line with the objectives of Capital Markets Union to enhance capital markets and improve access to finance for businesses.

Repealing the regime would undermine market activity in a significant number of Member States. Transforming the Directive into a Regulation would hamper Member States to optimally fit the regime to their local particularities. Incorporating the regime in other regulations (e.g. MiFID II) would lead to undue complexity, as market participants would fail to understand the differences between the various regimes

(which serve different purposes) in a single regulation. Thus, the alternatives would undermine the Better Regulation objectives.

Amendments to the Directive should clarify certain points. For instance, for ABS certificates that repack fund units, situation is very unclear. Requiring description of underlying fund as if it were an equity issuer does not make sense. This is an important asset class and annexes setting out information requirements need to be overhauled to be more practical and reasonable. Further, the approach if underlying is a pool of assets in the ABS sphere is very unclear and there are non-aligned views amongst regulators. This negatively impacts the development of these products.