ASSOCIATION FRANÇAISE DES MARCHÉS FINANCIERS

FINANCIAL MARKET PROFESSIONALS

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

--

AFTI, FBF & AMAFI contribution

ABOUT AFTI, FBF & AMAFI

***The French Association of Securities Professionals* (AFTI)** is the leading association for post-market activities in France and in Europe. AFTI is made up of over 80 members and covers a wide range of activities including market infrastructures, custodians and depositories, securities services providers, issuers and report/data providers. AFTI represents a total of nearly 28,000 employees in Europe, including 16,000 in France. Active members represent 26% of the European custody business, with €55.6 trillion in assets under custody and 25-30% of the European fund depositaries and fund administrators. In 2017, French market infrastructures settled 29 million instructions (CSD) and cleared 730 million transactions (CCP).

***The Fédération bancaire française* (FBF)** has for mission to promote the banking and financial industry in France, Europe and around the world. It determines the profession's positions and makes proposals to public authorities and economic/financial authorities. FBF has 337 member banks including 115 foreign banks. Regardless of their size and status, credit institutions licensed as banks and the branch offices of credit institutions in the European Economic Area can, if they wish, become fully-fledged members of the FBF. The central bodies of cooperative or mutual banking groups are also fully-fledged members. The FBF is member of the European Banking Federation (EBF).

***Association française des marchés financiers* (AMAFI)** is the trade organisation working at national, European and international levels to represent financial market participants in France. It acts on behalf of credit institutions, investment firms and trading, regardless of where they operate or where their clients or counterparties are located. AMAFI's members operate for their own account or for clients in different segments, particularly organised and over-the-counter markets for equities, fixed-income products and derivatives, including commodities.

We welcome the opportunity to respond to this consultation on how to make public capital markets more attractive for EU companies and facilitating access to capital for SMEs and is generally in favour of Capital Markets Union.

KEY MESSAGES

1. It is essential that the financing of the European economy makes use of all available sources of funds at a time when the EU is facing major financing challenges (transformation to a sustainable economy, ageing of the population and industrial change towards a digital economy). We agree that unlike in the United

States, companies in the European Union rely too much on bank credit, which could seem paradoxical at a time when the strengthening of the prudential framework of banks creates important constraints.

Encouraging the European economy's financing model to evolve towards greater use of the financial markets, both for equity and debt, is therefore of the utmost importance to increase EU companies' access to funding.

2. As legislative inflation has a cost and generates a legal risk, any new intervention must be strictly calibrated to the objectives pursued. Although legislation would gain quality through simplification where it is overly burdensome, including by reducing its length and avoiding circular cross-references between regulations, legislative stability is needed. Unpredictability of legislation is likewise detrimental to the attractiveness of capital markets for companies.

   Any change to the legislation requires adaptation by multiple market participants of their processes, procedures, IT systems, service providers, legal arrangements, and sometimes business model at a cost which is often not a one-off but a recurring one.

3. Overall, our findings are that the barriers to increasing market financing may consist to a limited extent in the administrative burdens or costs related to listing (they are high but not disproportionate) and to a greater extent in the consciousness by SMEs founders/shareholders that they can have only limited ambitions with regard to the market valuation their company is likely to reach. The question therefore is as much how to increase the benefits of being listed in terms of cost of capital and easiness of funding. It is also important to debate as to how we should create a level-playing field in terms of disclosure and ESG requirements between private and public companies given the rise of private equity markets. This imbalance should be reduced for the benefit of all investors and for the good of the public interest.

   Promoting investor participation in IPOs is also essential. The Commission's work around Solvency 2 is important as the share of insurance companies in the capital of listed companies has shrunk significantly over the last 10 years. Encouraging cornerstone investors is also a key topic and there is certainly a key role to be played at the EU level by the European investment bank (EIB) and by State stakeholders such as KFW in Germany, CDC/ BPI in France and CDP in Italy who could coordinate their policies and actions.

4. The rules on product governance are unsuited to securities issued for funding purposes and to the investment service provider's activity as an advisor to the issuer. We welcomed the alleviation of the product governance requirements for corporate bonds with no other embedded derivative than a make-whole clause and for bonds for eligible counterparties (Quick-fix dispositions) but we consider that all "funding securities" including ordinary shares and plain vanilla bonds issuance are similarly important for the financing of companies and should be exempted as well based on the following arguments:

   a. these securities are not issued to serve retail investors' needs and objectives or address particular risk profiles unlike structured products for instance that offer solutions that are specifically designed to meet the needs of investors, particularly in terms of strategy, risk/return profile, maturity or nominal invested.

   b. the role of the investment firm in a capital market transaction is not to design an investment product that will meet the objectives and investment needs of targeted clients/investors. For instance, in an IPO, the investment firm is rather to assist the issuer in structuring the transaction (size, primary/secondary components, timetable…) and to market the transaction and place the shares. The investment firm is not the issuer of the financial instrument, let alone its manufacturer;

   c. the added value of product governance requirements in terms of investor protection for funding securities is very low or non-existent and in all cases very formal for such financial instruments. For these however, investor protection is adequately ensured by the disclosure in the prospectus and the relevant MiFID suitability and/or appropriateness tests by financial intermediaries. Having to apply such rules may, on the other hand, discourage form to distribute shares to retail investors (and notably those with very low risk appetite) whereas diversification of risks is universally considered as key for efficient investments.

This argument is all the more compelling today with the upcoming implementation of ESG provisions in product governance. If no change is made to the product governance requirements, investment firms will soon have to assess the ESG standing of ordinary shares with respect to the expectations of the final investors (target market), whereas such assessment requires specific expertise, generally offered by specialised firms and has nothing to do with the role the investment service provider plays in advising the IPO.

5. Technological development, and more precisely the dematerialisation of prospectuses, makes it possible to reinforce investor protection by offering more fluid and more rapidly accessible information. It is necessary to ensure that the information remains correct, clear and not misleading while promoting technological advances. Market practices and interpretation by national regulators should be further harmonised. ESMA should be given a mandate to set guidelines related to the intelligibility of prospectuses.

   This is especially important, as EU markets cannot be considered in isolation. Post Brexit, the UK is making significant changes to its regulations on companies' listing raising the attractiveness of the City as a major financial center. The US markets are also very attractive for Tech and Biotech companies. Companies and investors have freedom as to where they go public/invest their money. Maintaining the competitiveness of European markets starts with the way companies and investors are catered for in the EU public capital markets.

6. One of the factors of insufficient valuation and capitalisation of European SMEs is the lack of liquidity of their securities due notably to their poor visibility amongst investors. Institutional investors struggle in building up large enough positions in SME securities. Often the liquidity is insufficient for those securities to be included in indexes to which investment funds are benchmarked. They also suffer from a lack of visibility notably due to a low coverage in financial analysis.

   In our view, the following would help promote better market valuation and higher capitalisation of SMEs:
   (i) Maintaining high standards of investor information;
   (ii) Promoting financial research, including sponsored research;
   (iii) Preserving liquidity contracts between issuers and market animators.

7. Maintaining high standards of investor information: access to sufficient and reliable investor information is key in building trust in the capital markets and enables investors to make informed investment decisions, especially in SMEs for which available information is scarcer. As a result:

   (i) Our findings are that the prospectus is not a barrier to SMEs access to capital markets. It does not seem appropriate to extend the exemptions of issuance of a prospectus as proposed by the consultation paper, rather its content should be adjusted where necessary. The proportionality of the issuer's obligations to its size (which already exists) should not be at the expense of good investor information.

   (ii) However, certain burdens and costs can be removed without harming appropriate investor information.

8. Promoting financial research, including issuer-sponsored research: the availability of financial research is a key factor in attracting investors because it provides them with analyses developed by financial experts which can inform their decision process. The more numerous the research papers on an issuer, the more comparisons the investors can make.

   While the economic model for research on SMEs is traditionally fragile, MiFID II rules have weakened it further by cutting the cross-subsidisation relation that used to exist between (i) execution and research and (ii) research on blue chips and research on SMEs. This has made SME research hardly viable in the many instances where potential investors are too scarce. An alternative model has thus gained some traction in the recent years, whereby the issuer participates in the financing of the research, aka issuer-sponsored research. EU regulation should promote the development of such research. The objective should be to

enshrine in European law issuer-sponsored research that provides investors with guarantees equivalent to those provided by non-sponsored research. It is also important that new sources of revenues of research – including academic research- should find public funding through the EU to counterbalance, post Brexit, the weight of academic research around financial markets in the UK.

9. There are important involved costs to financial markets infrastructures. The principle of having markets that are tailored for SME's been translated in appropriate legislation for the trading, but not for clearing and settlement. The Securities Trading Obligation (STO), the obligation to centrally clear and the obligation to admit listed securities to central securities depositories, as well as the obligation for central banks and central depositories to outsource settlement to T2 and T2S mean that only one model of financial market infrastructures exists in the EU whilst the issuers, markets, investors and inherent risks are very divergent. One size doesn't fit all. The intrinsic functioning of market infrastructures creates a very high hurdle for the smaller players (investors, intermediaries, issuers) for a modest hope of reaching an interesting market capitalisation. The very functioning of the infrastructures should be reviewed to lower the barrier to entry for new entrants. For example, underneath thresholds to be defined, the obligation to issue securities in a CSD (*CSDR, art. 3.2*) when they are listed on certain markets should be alleviated; as the obligations to settle in central bank money underneath higher thresholds (*CSDR, art. 54.4*).

10. The maintenance of insider lists and the conditions for delaying disclosure of inside information are a costly and burdensome administrative charge, especially disproportionate for SMEs and particularly SMEs listed on MTFs. This obligation makes supervisors' investigations easier but does not improve investors protection directly. It should be made proportionate to the market size of the issuers or should be alleviated for issuers on SME growth markets and MTFs. As a consequence: art. 18.6 of the Market Abuse Regulation should be extended to all MTFs, it being understood that art. 18.2 requires issuers and their agents to inform possible holders of inside information of sanctions.

11. The rules on the prevention and sanctioning of market abuse are not administrative "burdens" as the consultation paper suggests. These rules have the important merit of contributing to confidence in the markets. We are not in favour of amending them, especially on regulated markets, except for:

    - the maintenance of insider lists as described in point 10 above;
    - issuers of vanilla bonds only, who should have an obligation to publish the sole inside information related to its ability to redeem the bonds.

AMAFI'S ANSWERS

I – GENERAL QUESTIONS ON THE OVERALL FUNCTIONING OF THE REGULATORY FRAMEWORK

1. In your view, has EU legislation relating to company listing been successful in achieving the following objectives? On a scale from 1 to 5 (1 being "achievement is very low" and 5 being "achievement is very high"), please rate each of the following objectives by putting an X in the box corresponding to your chosen options.

	1	2	3	4	5	Don't know/no opinion/not relevant
a) Ensuring adequate access tofinance through EU capital markets				X		
b) Providing an adequate level of investor protection					X	
c) Creating markets that attract an adequate base of professional investors for companies listed in the EU		X				
d) Creating markets that attract an adequate base of retail investors for companies listedin the EU	X					
e) Providing a clear legal framework				X		
f) Integrating EU capital Markets		X				

On the investor protection subject (point b), we believe that investors are well protected and not over-protected. Barriers are not related to costs or overly burdensome administrative charges. Even though costs and administrative charges are high, they are a logical consequence of going public and they serve the objective of investor protection.

We consider that the EU legal framework is clear. Moreover, we strongly insist on the need for legislative stability. Changes should be carefully calibrated and not be undone a few years later. Nevertheless, we would like to underline that the global legal framework under which capital markets transactions are implemented includes a local legal framework as far as Corporate law is concerned. If a full harmonization of Corporate laws in Europe does not seem appropriate, nor realistic, it may be appropriate to harmonize such Corporate laws on a few important points (such as the possibility to have shares with multiple voting rights for listed companies).

On the integration of EU capital markets (point f), we believe that there is room for harmonization of the interpretation and application of European legislation by national supervisors. The role of ESMA should be strengthened in order to achieve a more harmonized application of European legislation.

2. In your opinion, how important are the below factors in explaining the lack of attractiveness of EU public markets? Please rate each factor from 1 to 5, 1 standing for "not important" and 5 for "very important".

	Regulated Markets	SME growth markets	Other Markets(e.g. other MTFs, OTFs)
a) Excessive compliance costs linked to regulatory requirements	2	4	4
b) Lack of flexibility for issuers due to regulatory constraints around certain shareholding structures and listing options	2	4	4
c) Lack of attractiveness of SMEs' securities		5	5
d) Lack of liquidity of securities	2	5	
e) Other (please specify below)		5	5

As the administrative burdens on SME's are only slightly lighter than those on large companies, it is noticeable that the smaller the company, the heavier the rules are for it proportionally. This observation seems different for the debt market, that's why we would like to clarify that our marks on this Question 2 only concern equity markets. In addition, there is a national overlay which further constrains the access to public markets.

On "other", we would like to point to the lack of market information due to insufficient regulatory support of issuer-sponsored research.

However, while all the factors listed above partly explain the lack of attractiveness of EU public markets, the lack of liquidity is probably the most important one. From this factor, many other factors follow. In particular, the lack of attractiveness of SME's securities (*Q.2 c)*) depends mainly on the lack of liquidity and vice versa.

We still encounter a substantial diversity of local interpretation of regulation and of market practice, mainly due to the differing views of local regulators and market participants from jurisdiction to jurisdiction. EU regulation has to be as harmonised as possible and a consistency of approach is necessary. Everything that contributes to establishing European standards is positive for the attractiveness of the EU markets, whether equity or debt. In that regard, we would advocate amending and transforming the Listing Act Directive and make it a Regulation with the objective of having the same level-playing field for all companies in the EU. This strong political statement would demonstrate that the EU is advancing on CMU and is willing to promote the integration of its capital markets. In this sense, the new EU Listing Act should give ESMA an explicit mandate of (i) ensuring harmonisation and remove existing diverging interpretations for the ultimate good of efficient capital markets in the EU and (ii) promoting competiveness of EU markets vis a vis other financial centres (as the FCA in the UK). Overtime, discussion could start as to whether ESMA should take direct responsibility for approving IPO prospectuses with the objective of giving one central point equivalent to the US SEC. Especially for Tech and new business models, the process of approval at one single point of approval could generate efficiencies.

3. In your view, what is the relative importance of each of the below costs in respect to the overall cost of an initial public offering (IPO)?

	Please rate each cost from 1 to 5, 1 standing for "very low" and 5 for "very high"
Direct Costs	

a) Fees charged by the issuer's legal advisers for all tasks linked to the preparation of the IPO (e.g. drafting and negotiation of the prospectus and all relevant documentation, liaising with competent authorities, the relevant stock exchanges, the underwriters, etc.)	
b) Fees charged by the issuer's auditors in connection with the IPO	
c) Fees and commissions charged by the banks for the coordination, book building, underwriting, placing, marketing and the roadshow of the IPO	
d) Fees charged by the relevant stock exchange in connection with the IPO	
e) Fees charged by the competent authority approving the IPO prospectus	
f) Fees charged by the listing and paying agents	
Indirect Costs	
g) The potential underpricing of the shares during the IPO by investment banks	
h) Cost of efforts required to comply with the regulatory requirements associated with the listing process	
i) Other costs (please specify below)	

Despite not being in a position to provide precise figures, AMAFI would like to raise a few points:

- whether they are direct or indirect, costs are proportionally higher for smaller companies. They usually are subject to floor prices below which it is not possible to go, and which weighs more heavily on a small company than on a large one.
- Concerning fees and commissions (*Q.3 c)*) charged by banks, our findings, despite difficulties to compare different markets, are that fees in the US are four to five time higher than in Europe. The level of these fees hence does not seem to be a driving factor in the success of a primary market.
- As regards the potential "underpricing" of shares in an ECM transaction, we draw your attention to the following. In ECM transactions, the pricing is the result of:
  - either a negotiation between the issuer/the seller and the banks underwriting the transaction (in which case the proposed price by the banks reflects the risk of the underwriting commitment taken by the banks);
  - Or a (often quite long) process of price discovery through research analysts' investor education, marketing and presentation meetings by the management of the Company to investors: the final price is the result of a bookbuilding process and is the price at which the demand matches the offer;
  - In any case, the final price is fixed by the seller or the issuer either after negotiation and potentially a selective process of the underwriting banks (1st case) or on recommendation of the banks in the syndicate made on the basis of the pre-marketing process and as a result of a bookbuilding process as described above (2nd case) (*Q.3 g)*).

4. In your view, what is the relative importance of each of the below costs in respect to the overall costs that a company incurs while being listed?

	Please rate each cost from 1 to 5, 1 standing for "very low" and 5 for "very high"
Direct Costs	
a) Ongoing fees due by the issuer to the listing venue for the continued admission of its securities to trading on the listing venue	
b) Ongoing fees due by the issuer to its paying agent	
c) Ongoing legal fees due by the issuer to its legal advisors (if post- IPO external legal support is necessary to ensure compliance with listing regulations)	
d) Fees due by the issuer to auditors if post-IPO, extra auditor work is necessary to ensure compliance with listing regulation	
e) Corporate governance costs	
f) Other (e.g. costs for extra headcount, costs allocated to investors' relationships, development and maintenance of a website)	
Indirect Costs	
g) Increased risk of litigation due to investor base and increased scrutiny and supervision derived from being listed	
h) Risk of being sanctioned for non-compliance with regulation	
i) Other (please specify)	

Despite we are not in a position to provide precise figures, AMAFI would like to point out that European regulation induces increasing costs, with numerous financial and non-financial reporting and disclosure requirements (*Q. 4 g)*). This is particularly true for SMEs which do not necessarily have the human resources to follow and implement all these requirements such as the new regulations on sustainable finance currently being adopted or the extension of MAR to MTFs which can dissuade an SME to get listed. The clarity of a regulation and the ability of investors (especially from other countries) to understand it is obviously a factor of attractiveness that one must keep in mind.

Furthermore, we would like to underline that companies continue to incur a number of direct & indirect costs after the initial listing (regulation/compliance costs/fees of the venue).

5. (a) In your view, does compliance with IPO listing requirements create a burden disproportionate with the investor protection objectives that these rules are meant to achieve?

- ~~Yes~~
- No
- ~~Don't know/ no opinion / not relevant~~

The question of IPO listing requirements addresses two issues:

- Prospectus requirements: we do not believe that compliance with prospectus requirements creates a disproportionate burden in relation to the investor protection objectives they are intended to achieve.

- Other requirements and notably the free float requirement: in the interests of competitiveness and attractiveness of EU public markets, it would be appropriate to lower the 25% free float threshold.

(b) In your view, does compliance with post-IPO listing requirements create a burden disproportionate with the investor protection objectives that these rules are meant to achieve?

- ○ Yes
- ○ ~~No~~
- ○ ~~Don't know/ no opinion / not relevant~~

Yes, AMAFI believes that some post-IPO listing requirements create a burden disproportionate with the investor protection objectives these rules are meant to achieve. For instance, insider list requirements and conditions to delay the disclosure of inside information create an administrative burden disproportionate where they are primarily intended to facilitate the authorities' supervision and do not ensure greater investor protection. This remark is particularly true for SMEs.

6. In your view, would the below measures, aimed at improving the flexibility for issuers, increase EU companies' propensity to access public markets? Please put an X in the box corresponding to your chosen option for each measure listed on the table.

	Yes	No	Don't Know / No Opinion /Not Relevant
a) Allow issuers to use multiple voting right share structures when going public	X		
b) Clarify conditions around dual listing			X
c) Lower minimum free float requirements	X		
d) Eliminate minimum free float requirements		X	
e) Other (please specify below)	X		

Concerning multiple voting right share structures, AMAFI is of the opinion that they are important for the attractiveness and competitiveness of a market.

Regarding the proposal to lower the minimum free float requirements, it might bring down barriers that smaller issuers face when going public, although it is true that a larger free float is important to reach a sufficient liquidity. Between those opposite considerations, the banks leading the IPO are in the right position to recommend free float levels to their clients (issuers), in order to strike a balance between the impact on corporate governance and achieving an appropriate level of financing and liquidity, making the minimum free float requirements unnecessary.

Dual listing conditions are quite clear from our perspective.

Research is not listed in the proposed measures aimed at improving the flexibility for issuers and increase EU companies' propensity to access public markets. The availability and diversity of research on an issuer is an important factor of attractiveness which, as has been generally emphasized, is insufficiently taken into account and would deserve more attention in this first general part of the consultation.

7. In your view, what are the main factors that explain why the level of institutional and retail investments in SME shares and bonds remains low in the EU?

	Please rate each below element from 1 to 5, 1 standing for "notimportant" and 5 for "very important"
a) Lack of visibility and attractiveness of SMEs towards investors leading to a lack of liquidity for SME shares and bonds	4
b) Lack of investor confidence in listed SMEs	1
c) Lack of tax incentives	
d) Lack of retail participation in public capital markets (especially in SME growth markets)	2
e) Other (please specify below)	

While retail investors' contribution to SME funding may be more limited than institutional investors, it is not negligeable either (for some SME securities, a significant share of the funding is provided by retail investors). And their impact on daily liquidity is also essential (low volumes but continued presence in the markets).

On the other hand, trying to take into account the tax aspects does not seem to be of interest since any development in this area is subject to the unanimity rule of the member States.

II – SPECIFIC QUESTIONS ON THE EXISTING REGULATORY FRAMEWORK

2.1 Prospectus Regulation (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)

2.1.1. Costs stemming from the drawing up of a prospectus

8. (a) As an issuer or an offeror, could you provide an estimation for the average cost of the prospectuses listed below (in EUR amount)? If necessary, please provide different estimations per type of prospectus (e.g. prospectus for an IPO, for a right issue, for a convertible bond, for a corporate bond, for an EMTN program).

Prospectus Type	Your answer
Standard prospectus for equity securities	
Standard prospectus for non-equity securities	
Base prospectus for non-equity securities	
EU Growth prospectus for equity securities	

EU Growth prospectus for non-equity securities	
Simplified prospectus for secondary issuances of equity securities	
Simplified prospectus for secondary issuances of non-equity securities	
EU Recovery prospectus (currently available for shares only)	

(b) Considering the total costs incurred by an issuer <u>for the drawing up of a prospectus</u>, please indicate what is the relative importance of each of the below costs in respect to the overall costs.

a) IPO prospectus

	Less than or equal to 10% of total costs	**More than 10% and less than or equal to 20%of total costs**	**More than 20% and less than or equal to 40% of total costs**	**More than 40% and less than or equal to50% of total costs**	**More than 50% of total costs**	**Don't know / no opinion / not relevant**
a) Issuer's internal costs						
b) Auditors costs						
c) Legal fees (including legal fees borne by underwriters for drawing-up the prospectus)						
d) Competent authorities' fees						
e) Other costs (please specify)						

b) Right issue prospectus

	Less than or equal to 10% of total costs	**More than 10% and less than or equal to 20%of total costs**	**More than 20% and less than or equal to 40% of total costs**	**More than 40% and less than or equal to 50% of total costs**	**More than 50% of total costs**	**Don't know / no opinion / not relevant**
a) Issuer's internal costs						

b) Auditors costs						
c) Legal fees (including legal fees borne by underwriters for drawing- up the prospectus)						
d) Competent authorities' fees						
e) Other costs (please specify)						

c) Bond issue prospectus

	Less than orequal to 10%of totalcosts	More than 10% and less than or equal to 20% of total costs	More than 20% and less thanor equal to 40% of total costs	More than 40% and less thanor equal to 50% of total costs	More than 50% of total costs	Don't know / no opinion / not relevant
a) Issuer's internal costs						
b) Auditors costs						
c) Legal fees (including legal fees borne by underwriters for drawing- up the prospectus)						
d) Competent authorities' fees						
e) Other costs (please specify)						

d) Convertible bond issue prospectus

	Less than orequal to 10%of totalcosts	More than 10% and less than or equal to 20% of total costs	More than 20% and less thanor equal to 40% of total costs	More than 40% and less thanor equal to 50% of total costs	More than 50% of total costs	Don't know / no opinion / not relevant
a) Issuer's internal costs						
b) Auditors costs						
c) Legal fees (including legal fees borne by underwriters for drawing- up the prospectus)						
d) Competent authorities' fees						

e) Other costs (please specify)						

e) EMTN program prospectus

	Less	More	More	More	More	Don't
	than or equal to 10%of totalcosts	**than 10% and less than or equal to 20% of total costs**	**than 20% and less thanor equal to 40% of total costs**	**than 40% and less thanor equal to 50% of total costs**	**than 50% of total costs**	**know / no opinion / not relevant**
a) Issuer's internal costs						
b) Auditors costs						
c) Legal fees (including legal fees borne by underwriters for drawing- up the prospectus)						
d) Competent authorities' fees						
e) Other costs (please specify)						

9. What are the sections of a prospectus that you find the most cumbersome and costly to draft? Please rate each of the below sections from 1 to 5, 1 standing for "not burdensome at all" and 5 for "very burdensome".

	1 (Not burdensome at all)	**2** (Rather not burdensome)	**3** (Neutral)	**4** (Rather burdensome)	**5** (Very burdensome)	Don't know – No opinion – Not applicable
Summary						
Risk factors						
Business overview						
Operating and financial review						
Regulatory environment						
Trend information						

Profit forecasts or estimates						
Administrative management and supervisory bodies and senior management						
Related party transactions						
Financial information concerning the issuer's assets and liabilities, financial position and profit and losses						
Working capital statement						
Statement of capitalisation and indebtedness						
Others (please specify below which sections as well as the rating)						

10. As an issuer or an offeror, how much money do you consider saving with the EU Growth prospectus compared to a standard prospectus (in percentage)?

	Less than or equal to 10%	Between More than10% and less than or equal to 20%	Between More than20% and less than or equal to 40%	Between More than 40% and less than orequal to 50%	More than 50%	Don't know / no opinion /not relevant
EU Growth prospectus for equity securities compared to a Standard prospectus for equity securities						
EU Growth prospectus for non-equity securities compared to a Standard prospectus for non-equity securities						

11. As an issuer or offeror, how much money do you consider saving with the EU Recovery prospectus, currently available only for shares, compared to a standard prospectus and a simplified prospectus for secondary issuances of equity securities (in percentage)? Please put an X in the box corresponding to your chosen option.

	Less than or equal to 10%	More than10% and less than or equal to 20%	More than20% and less than or equal to 40%	More than 40% and less than orequal to 50%	More than 50%	Don't know / no opinion /not relevant
EU Recovery prospectus compared to a Standard prospectus for equity securities						
EU Recovery prospectus compared to a Simplified prospectus for secondary issuances of equity securities						

2.1.2. Circumstances when a prospectus is not needed

12. (a) Would you be in favour of adjusting the current prospectus exemptions so that a larger number of offers can be carried out without a prospectus? Please put an X in the box corresponding to the exemption(s) you would be in favour of adjusting and specify in the textbox what changes you would propose, including (where relevant) your preferred threshold.

Exemptions for offers of securities to the public (Article 1(4) of the Prospectus Regulation)	
1- An offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors (Article 1(4), point (b))	
3 –3 - An offer of securities addressed to investors who acquire securities for a total consideration of at least EUR 100 000 per investor, for each separate offer (Article 1(4), point (d))	
4 – Other exemptions – please specify	
Exemptions for the admission to trading on a regulated market (Article 1(5) of the ProspectusRegulation)	
5- Securities fungible with securities already admitted to trading on the same regulated market, provided that they represent, over a period of 12 months, less than 20 % of the number of securities already admitted to trading on the same regulated market (Article 1(5), first subparagraph, point (a))	X

6 - Shares resulting from the conversion or exchange of other securities or from the exercise of the rights conferred by other securities, where the resulting shares are of the same class as the shares already admitted to trading on the same regulated market, provided that the resulting shares represent, over a period of 12 months, less than 20 % of the number of shares of the same class already admitted to trading on the same regulated market, subject to the second subparagraph of this paragraph (Article 1(5), first subparagraph, point (b))	X
7 - Other exemptions – please specify	
Exemptions applicable to both the offer of securities to the public and admission to trading ona regulated market	
8 - 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 75 000 000 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 andare not linked to a derivative instrument (Article 1(4), point (j) and Article 1(5), first subparagraph, point (i))	
9 - From 18 March 2021 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 andare not linked to a derivative instrument (Article 1(4), point (l), and Article 1(5), first subparagraph, point (k))	
10 - Other exemptions – please specify	

As a rule, AFIT, FBF & AMAFI consider that the requirement to file a prospectus in case of public offerings and admission to trading on regulated markets is a central piece of information that contributes to investor confidence and protection. Consequently, we would only support very limited extensions of the current exemption regime.

Such targeted exemptions could include the admission to trading of:

a) Securities fungible with securities already admitted to trading on the same regulated market, provided that they represent, over a period of 12 months, less than 30 % of the number of securities already admitted to trading on the same regulated market (instead of the current 20%).

b) Shares resulting from the conversion or exchange of other securities or from the exercise of the rights conferred by other securities, where the resulting shares are of the same class as the shares already admitted to trading on the same regulated market, provided that the resulting shares

represent, over a period of 12 months, less than 30 % of the number of shares of the same class already admitted to trading on the same regulated market. (instead of the current 20%).

(b) Would you consider that more clarity should be provided on the application of the various thresholds below which no prospectus is required under the Prospectus Regulation (e.g. on total consideration of the offer and calculation of the 12 month-period)? If yes, please explain in the textbox below on which thresholds and on which elements more clarity is needed.

- o Yes
- o No
- o Don't know/ no opinion / not relevant

(c) Could any additional types of offers of securities to public and admissions to trading on a regulated market be carried out without a prospectus while maintaining adequate investor protection? If yes, please specify in the textbox below which additional exemptions you would propose.

- o Yes
- o No
- o Don't know/ no opinion / not relevant

13. (a) The exemption thresholds in Articles 1(3) and 3(2) are designed to strike an appropriate balance between investor protection and alleviating the administrative burden on small issuers for small offers. If you consider that these thresholds should be adjusted so that a larger number of offers can be carried out without a prospectus, please indicate your preferred threshold in the table below.

Provision	Existing Threshold	PreferredThreshold
Article 1(3) of the Prospectus Regulation Explanation: Offer of securities to the public with a total consideration in the Union of less than EUR 1 000 000, which shall be calculated over a period of 12 months, areout of scope of the Prospectus Regulation.	EUR 1 000 000	
Article 3(2) Explanation: Member States may decide to exempt offers ofsecurities to the public from the obligation to publish a prospectus provided that such offers do not require notification (passporting) and the total consideration of each such offer in the Union is less than a monetary amount calculated over a period of 12 months which shall not exceed EUR 8 000 000.	EUR 8 000 000 (Upper threshold)	

AMAFI is not in favour of additional prospectus exemptions. The current legislation is fine as it is and we consider that legislative stability is a priority.

(b) Do you agree with Member States exercising their discretion over the threshold set out in Article 3(2) of the Prospectus Regulation with a view to tailoring it to national specificities of their markets?

- o ~~Yes~~
- o No (please make an alternative proposal)
- o ~~Don't know/ no opinion / not relevant~~

While we appreciate the need for flexibility in the setting of this exemption threshold, we would nevertheless prefer a solution that would favour an enhanced convergence among Member States.

2.1.3. The standard prospectus for offers of securities to the public or admission to trading of securities on a regulated market (primary issuances)

14. (a) Do you think that the standard prospectus for an offer of securities to the public or an admission to trading of securities on a regulated market in its current form strikes an appropriate balance between effective investor protection and the proportionate administrative burden for issuers?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

(b) If you answered "No" to question 14(a), please indicate whether you consider that (please put an X in the box corresponding to your chosen option and provide details):

1. The standard prospectus should be replaced by a more streamlined and efficient type of prospectus (e.g. EU Growth prospectus)	
2. The standard prospectus should be significantly alleviated	
3. The standard prospectus for the admission to trading on a regulated market should be replaced by another document (e.g. an admission document)	
4. Other (please specify)	

(c) If you chose 14(b)(1), how should this more streamlined and efficient type of prospectus look like (or, if you refer to an existing type of prospectus, which one)?

If our answer to question 14(a) is positive for debt and equity, it is not regarding structured products.

By contrast, for structured products, the drafting and publication of prospectuses and base prospectus (issuance programmes) are not proportionate since the entry into force of the revised Prospectus Directive (PD2) that revamped the classification of elements of categories A, B and C, as the case may be, to be included in prospectuses versus Final Terms. The drafting and scrutiny process by national competent authorities of prospectuses / base prospectuses is overly burdensome considering investor protection. We wish to stress that structured securities fall within the PRIIPs KID remit and that marketing materials are generally made available to investors.

For debt and equity other than structured products, until now, the administrative burden of a standard prospectus for an issuer of shares seemed to be fairly proportionate to the protection offered to investors. However in a context where sustainability considerations are taking a growing part in financial regulation, it is possible to fear a more important burden for issuers in the months to come, with probably a necessary rapid implementation of sustainability measures in the standard prospectus.

(d) If you chose 14(b)(2), what are the disclosures that could be removed or alleviated from a standard prospectus? (You may take as reference the disclosures outlined in the table on question 9)

N/A

(e) If you chose 14(b)(3), how should this document look like?

N/A

15. (a) Would you support introducing a maximum page limit to the standard prospectus?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

No. AFTI, FBF & AMAFI believe that setting a page limit would be counterproductive as it is extremely difficult to determine what the maximum page limit should be considering the various types of transactions and issuers. A prospectus must be intelligible, but some issuers need more pages than others to describe their business. In addition, base prospectuses for structured products are necessarily longer as all potential characteristics of the securities need to be described. However, in order to guarantee that the prospectus is of reasonable length and intelligible, we believe that ESMA and NCAs should be given mandate to supervise its comprehensibility and length (*see our answer in paragraph 4 of question 2*).

(b) If you answered "Yes" to question 15(a), how should such a limit be defined? Please distinguish between a standard prospectus for equity and a standard prospectus for non-equity securities and clarify if you would consider any exceptions (e.g. complex type of securities, issuers with complex financial history).

N/A

16. (a) Do you believe that the prospectus summary regime has achieved its objectives (i.e. make the summary short, simple, clear and easy for investors to understand)? Please put an X in the box corresponding to your chosen option for each type of summary listed on the table.

Type of prospectus summary	Yes	No	Don't know/no opinion/notrelevant
1. Summary of the standard prospectus (Article 7 of theProspectus Regulation, excluding paragraph 12a)	X		
2. Summary of the EU Growth prospectus (Article 33 of Commission Delegated Regulation (EU) 2019/980)			X
3. Summary of the EU Recovery prospectus (Article 7(12a)of the Prospectus Regulation)			X

(b) if you answered in the negative to question 16(a), could you please explain how could it be further improved?

N/A

17. Would you suggest any improvement to the existing rules on incorporation by reference, including amending or expanding the list of information that can be incorporated by reference?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

Incorporation by reference is already widely used in most European countries, and AFTI, FBF & AMAFI consider that it is obviously very important. It facilitates the drafting of the prospectus and avoids duplication of information. The list of information that can be incorporated by reference could be expanded.

Art. 19.1 of the Prospectus Regulation contains a limited list of documents that may be incorporated by reference in a prospectus. It would be most helpful if all of the issuer's press releases that have been publicly disseminated as part of the regulated information could be incorporated by reference, and not only those relating to financial statements.

18. (a) Do you think that the prospectus (including the base prospectus) for non- equity securities, with differentiated rules for the admission to trading on a regulated market of retail and wholesale non-equity securities, has been successful in facilitating fundraising through capital markets?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

Although this functions well for wholesale offerings of non-equity securities that are admitted to trading on a regulated market, the prospectus requirements remain too complicated when the offer is to be made to retail clients. As a result, most non-equity securities are offered only on the wholesale market, without on-sale to retail clients.

(b) Would you be in favour of further aligning the prospectus for retail non- equity securities with the prospectus for wholesale non–equity securities, to make the retail prospectus lighter and easier to be read?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

We are much in favor of legislative stability.

(c) Would you consider any other amendment to the existing rules?

N/A

2.1.4. Prospectus for SMEs

19. Do you believe that the EU Growth prospectus strikes a proper balance between investor protection and the reduction of administrative burdens for SMEs?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

In order to foster access of SMEs to European Growth markets we would be in favour of alleviating the associated regulatory burden with respect to the prospectus.

AMAFI considers that ESMA's and NCA's competences related to the intelligibility of prospectuses should be increased.

19.1 (a) If you responded "No" to question 19, how could the regime for SMEs be amended? Please put an X in the box corresponding to your chosen option.

1. The EU Growth prospectus should remain the prospectus for SMEs but should bealleviated and / or a page size limit be introduced (please specify)	
2. A new prospectus for SMEs should be introduced and aligned to the level of disclosures required for admission or listing by MTFs, including SME growth markets	
3. Instead of a prospectus, another form of admission or listing document should beintroduced (please specify)	
4. Other (please specify)	X

(b) If you selected option 19(a)(2) or 19(a)(3), which MTFs, including SME growth markets, in the EU do you consider having the most appropriate admission or listing documents?

N/A

2.1.5. The format and language of the prospectus

20. Do you agree that the above mentioned obligation should be deleted and that a prospectus should only be provided in an electronic format as long as it is published in accordance with Article 21 of the Prospectus Regulation?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

21. Concerning the language rules laid down in Article 27 of the Prospectus Regulation, with which of the following statements do you agree? Please put an X in the box corresponding to your chosen option.

It should be allowed to publish a prospectus **only** in English, as the customary language inthe sphere of international finance.	X
It should be allowed to publish a prospectus **only** in English, as the customary language inthe sphere of international finance, except for the prospectus summary.	
It should be allowed to publish a prospectus **only** in English, as the customary language in the sphere of international finance, for any cross-border offer or admission to trading on a regulated market, including when a security is offered/admitted to trading in the home Member State.	
It should be allowed to publish a prospectus **only** in English, as the customary language in the sphere of international finance, for any cross-border offer or admission to trading on a regulated market, including when a security is offered/admitted to trading in the home Member State, except for the prospectus summary.	
There is no need to change the current language rules laid down in Article 27 of the Prospectus Regulation.	X
Don't know/ no opinion / not relevant	

In France, the current regulations allow for public offerings to be conducted with an English prospectus provided a summary in French is available. As this summary tends to be the central piece of information of

retail investors we believe it is the only document that needs to be translated into the national language(s) of the jurisdiction(s) of the offering. For the prospectus, this translation should not be a regulatory requirement and remain at the option of the issuer. In practice, we observe that issuers whose offerings are limited to one jurisdiction tend to draft the prospectus into the national language of such jurisdiction (so not necessarily in English): the option for the issuer to draft the Prospectus in English or 'in a language accepted by the competent authority of the home Member State' should remain.

2.1.6. The prospectus for secondary issuances of issuers already listed on a regulated market or an SME growth market and/or for transfer from a SME growth market to a regulated market

22. Do you agree that, for issuers that have already been listed continuously and for at least the last 18 months on a regulated market or an SME growth market, the obligation to publish a prospectus could be lifted for any subsequent offer to the public and/or admission to trading of securities fungible with existing securities already issued (with a prospectus) without impairing investors' protection?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

As expressed in our reply to question 12, we support the requirement to file a prospectus in case of public offerings and admission to trading on regulated markets.

However, we favour a prospectus exemption for admissions to trading that do not involve a public offering and concern securities that are fungible with those previously issued with a prospectus and represent less than 30 % of them.

22.1 If you responded "No" to question 22, do you think that the regime for secondary issuances could nevertheless be simplified? Please put an X in the box corresponding to your chosen option.

1. The obligation to draw up a prospectus should, for both the offer to the public and the admission to trading on a regulated market of securities fungible with existing securities which have been previously issued, be replaced with the obligation to publish a statement confirming compliance with continuous disclosure and financial reporting obligations.	
2. The obligation to draw up a prospectus should, for both the offer to the public and the admission to trading on a regulated market of securities fungible with existing securities which have been previously issued, be replaced with the obligation to publish an alternative admission or listing document (content to be defined at EU level). Such document should only be filed with the relevant national competent authority (i.e. neithersubject to the scrutiny nor to the approval of the latter).	
3. The obligation to publish a prospectus should remain applicable (unless one of the existing exemptions apply) but only a prospectus significantly simplified and focusing onessential information should be required.	
4. Other (please specify)	
5. Don't know/ no opinion / not relevant	

N/A

22.2 If you chose option 22(2), could you please indicate what could be the main characteristics and content of such admission or listing document and how it would compare to the already existing ones?

N/A

22.3 If you chose option 22(3), could you please indicate what the main simplifications should be?

N/A

23. Since the application of the capital markets recovery package, have you seen the uptake in the use of the EU Recovery prospectus?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

24. Do you think that the EU Recovery prospectus should (please put an X in the box corresponding to your chosen option for every point listed on the table):

	Yes	No	Don't know / noopinion / not Relevant
a. Be extended on a permanent basis for secondary issuances of shares			
b. Be introduced on a permanent basis for secondary issuances of all types of securities (both equity and non-equity securities)			
c. Be used as a simplified prospectus for all cases set out in Article 14(1)			
d. Other (please specify)			

24.1 If you replied in the affirmative to question 24(a), which changes, if any, would be necessary to the EU Recovery prospectus?

N/A

24.2 If you replied in the affirmative to question 24(b), which changes would be necessary to the EU Recovery prospectus, also to adapt it to the secondary issuance of non-equity securities?

Please explain your reasoning: *[4000 character(s) maximum]*

24.3 If you replied in the affirmative to question 24(c), which changes, if any, would be necessary to the EU Recovery prospectus to adapt it to all cases under Article 14(1)?

Please explain your reasoning: *[4000 character(s) maximum].*

2.1.7. Liability regime

25. Do you think that the current punitive regime under the Prospectus Regulation is proportionate to the objectives sought by legislation as well as the type and size of entities potentially covered by that regime?

- o ~~Yes~~
- o ~~No~~
- o Don't know/ no opinion / not relevant

Please explain your reasoning, notably in terms of costs: [2000 character(s)maximum]

26. (a) Do you believe that the current civil liability regime under the Prospectus Regulation is adequately calibrated?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

(b) If you responded negatively to question 26(a), which changes would you propose in the context of this initiative?

N/A

27. (a) Do you consider that the liability of national competent authorities' (NCAs) in relation to the prospectus approval process is adequately calibrated and consistent throughout the EU?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

(b) If you responded negatively to question 27(a), which changes would you propose in the context of this initiative?

N/A

28. According to your opinion, which administrative pecuniary sanctions (as prescribed in Article 38(2) of the Prospectus Regulation) have a higher impact on an issuer's decision to list? Please put an X in the in the box corresponding to your choice for each type of issuers listed on the table.

	Pecuniary sanctions in respectof natural persons	**Pecuniary sanctions in respectof legal persons**
Issuers listed on SME growthmarkets		
Issuers listed on othermarkets		

N/A

29. (a) Do you think that the maximum administrative pecuniary sanction for infringements laid down in Article 38(2) of the Prospectus Regulation in respect of legal persons should be decreased? Please put an X in the in the box corresponding to your choice for each type of issuers listed on the table. If you respond in the affirmative, please specify in the textbox below to what level sanctions should be decreased.

	Yes	No	Don't know / no opinion / not relevant
Issuers listed on SME growth markets		X	
Issuers listed on other markets		X	

(b) Do you think that the maximum administrative pecuniary sanction for infringements laid down in Article 38(2) of the Prospectus Regulation in respect of natural persons should be decreased? Please put an X in the in the box corresponding to your choice for each type of issuers listed on the table. If you respond in the affirmative, please specify in the textbox below to what level sanctions should be decreased.

	Yes	No	Don't know / no opinion / not relevant
Issuers listed on SME growth markets			
Issuers listed on other markets			

30. (a) Do you think that the possibility of applying criminal sanctions in the case of non-compliance with any of the requirements specified in Article 38(1) of the Prospectus Regulation should be removed?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

(b) If you responded positively to question 30(a), could you please specify for which requirements.

N/A

2.1.8. Scrutiny and approval of the prospectus

31. a) Do you consider that there is alignment in the way national competent authorities assess the completeness, comprehensibility and consistency of the draft prospectuses that are submitted to them for approval?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

(b) If you answered "No" to question 31(a), which material differences do you see across EU Member States (e.g. extra requirements and extra guidance being provided by certain national competent authorities)?

See our answer in paragraph 4 of question 2.

32. (a) Do you consider the timelines for approval of the prospectus as prescribed in Article 20 of the Prospectus Regulation adequate?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

(b) If you answered "No" to question 32, please provide concrete suggestions on how to improve the process.

N/A

33. (a) In its June 2020 report, the CMU HLF suggested that prospectuses could be made available to the public closer to the offer (e.g. in three working days). Should the minimum period of six working days between the publication of the prospectus and the end of an offer of shares (Article 21(1) of the Prospectus Regulation) be relaxed in order to facilitate swift book-building processes?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

Yes. AMAFI believes that this requirement should be deleted. Should minimum subscription period for offerings that includes a retail offering be applied, such minimum period should not exceed 3 working days.

(b) Should a minimum period of days between the publication of a prospectus and the end of an offer be set out also for offer of non-equity securities, in particular to favour more retail participation?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

For two reasons, there shouldn't be a minimum period of days between the publication of a prospectus and the end of an offer for non-equity securities. First, this is not done in certain third country jurisdictions and second, the market can be extremely volatile and therefore, applying delays can prevent the offer of such volatile products to retail investors.

34. (a) Should the dual regime for the determination of the home Member State for non-equity and equity securities featured in Article 2(m) of the Prospectus Regulation be amended?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

See our answer in paragraph 4 of question 2.

(b) If you answered "Yes" to question 34, which national competent authority should be the relevant authority due to approve the prospectus? Please put an X in the box corresponding to your chosen option(s).

For all issuers established in the Union, whatever the securities to be issued, the national competent authority of the Member State where the issuer has its register office	

For all issuers established in the Union, whatever the securities to be issued, the national competent authority of the Member State where the issuer has its registered office, or where the securities were or are to be admitted to trading on a regulated market or where the securities are offered to the public, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market	
Other (please explain below)	
Don't know/ no opinion / not relevant	

N/A

2.1.9. The Universal Registration Document (URD)

35. In your view, what are the main reasons for the lack of use of the URD among issuers across the EU? Please put an X in the box corresponding to your chosen option(s).

(a) The time period necessary to benefit from the status of frequent issuer is too lengthy	
(b) The URD supervisory approval process is too lengthy	
(c) The costs of regularly updating, supplementing and filing the URD are not outweighed byits benefits	
(d) The URD content requirements are too burdensome	
(e) The URD is not suitable for non-equity securities as it is built on the more comprehensiveregistration document for equity securities	
(f) The URD language requirements are too burdensome	
(g) Other (please explain below)	X

To ensure the success of the URD, enhanced synergies between the Transparency and the Prospectus requirements should be promoted. In France, this convergence allows the AMF to accept URDs in the format of an annual report, i.e. a tool of financial communication of tables of correspondence.

Also, when a prospectus is required, the scrutiny should indeed be limited to the securities note and the summary, without prejudice to the right for the competent authority to review the content of the universal registration document at any time pursuant to Article 9.8 of the Prospectus Regulation).

36. As the URD can only be used by companies already listed, should its content be aligned to the level of disclosures for secondary issuances (instead of primary issuances as currently) to increase its take up by both equity and non-equity issuers?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

37. Should the approval of a URD be required only for the first year (with a filing every year after)?

- o Yes

- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

38. Should a URD that has been approved or filed with the national competent authority be exempted from the scrutiny and approval process of the latter when it is used as a constituent part of a prospectus (i.e. the scrutiny and approval should be limited to the securities note and the summary)?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

As indicated above under question 35, in France the URD regime works very well (in other countries where the regulator scrutinizes the URD in a similar manner as the securities note, the benefit of the URD is understandably missed).

To ensure the success of the URD, the scrutiny should indeed be limited to the securities note and the summary, without prejudice to the right for the competent authority to review the content of the universal registration document at any time pursuant to Article 9.8 of the Prospectus Regulation.

In the event where a universal registration document (and any amendments thereto) has been approved by a competent authority and passported (notified) to the home member state authority for the prospectus approval in another jurisdiction, then the universal registration document and any amendments thereto shall be exempted from the scrutiny and approval process of the home member state authority in that other jurisdiction. This is particularly relevant for non-equity securities, i.e. debt and structured products. We believe that this principle is hardwired in the 2nd paragraph of Article 21.3 of the Prospectus Regulation: "*The competent authority of the home Member State for the prospectus approval shall not undertake any scrutiny nor approval relating to the notified registration document, or universal registration document and any amendments thereto, and shall approve only the securities note and the summary, and only after receipt of the notification*.".

39. Should issuers be granted the possibility to draw up the URD only in English for passporting purposes, notwithstanding the specific language requirements of the relevant home Member State?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

N/A

40. How could the URD regime be further simplified to make it more attractive to issuers across the EU?

N/A

2.1.10. Other possible areas for improvement

41. (a) Has the temporary regime for supplements laid down in Articles 23(2a) and 23(3a) of the Prospectus Regulation provided additional clarity and flexibility to both financial intermediaries and investors and should it be made permanent?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

No, despite the laudable investor protection objective of this provision, the resulting obligations still represent a significant challenge for financial intermediaries.

Article 23.2 was modified to add an extra day for the withdrawal process (from 2 to 3) but the real challenge lays with article 23.3. The problem concerns above all the intermediary's obligation to "*contact investors on the day when the supplement is published*" (temporarily extended to " *by the end of the first working day following that on which the supplement is published*"(*PR3, art. 23(3)a*)).

This places a disproportionate obligation on intermediaries to reach investors that is difficult to meet.. Depending on the volume of issues, the chain of intermediaries may include a greater or lesser number of intermediaries. In this context, it has been proven extremely difficult to reach individually all final investors in a timely manner to provide them with the relevant information to exercise their rights. To offer a more adequate investors protection, we believe that the obligations in this respect should be the same as those for the acceptable means of publication of the prospectus or other types of regulated information, i.e. "*the prospectus **shall be made available** to the public by the issuer (...) **at a reasonable time** in advance of, and at the latest at the beginning of, the offer to the public or the admission to trading of the securities involved*". The prospectus being " *deemed available to the public when **published in electronic form on any of the following websites** (...)*" (*PR3, art. 21*).

(b) Would you propose additional improvements?

As explained above, as the current wording places financial intermediaries at potential risk of legal and compliance defaults that could lead them to limit their participation in public offerings of securities, AFTI, FBF & AMAFI believe that it would be appropriate to delete this obligation for intermediaries to contact investors on the day or by the end of the first working day of the publication of the supplement. It should therefore be replaced by an obligation for the issuer or the offeror to make the supplement available in the same conditions as the initial prospectus.

42. (a) Do you believe that the equivalence regime set out in Article 29 of the Prospectus Regulation, which is difficult to implement in its current version, should be amended to make it possible for the Commission to take equivalence decisions in order to allow third country issuers to access EU markets more easily with a prospectus drawn up in accordance with the law of a third country?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

(b) If you answered positively to question 42(a), how would you propose to amend Article 29 of the Prospectus Regulation?

N/A

43. Would you have any other suggestions on possible improvements to the current prospectus rules laid down in the Prospectus Regulation?

Article 12 of the Prospectus Regulation provides that a prospectus shall be valid for 12 months after its approval. An extension of the validity from 12 months to 24 months for base prospectuses (EMTN, warrants, certificates, notes issuances programs) could be considered. Issuers would then have room to update their issuances programs on a yearly basis or every 2 years.

However, such an extension would be heavily and strictly dependent on the ability of issuers to publish, and the willingness of national competent authorities to approve, supplements to base prospectuses for the

insertion of new features (such as but not limited to new payouts, new underlying asset classes provisions, new risk factors) and amendments to existing provisions of the base prospectus.

3.1 Market Abuse Regulation (Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse)

2.2.1. Costs and burden stemming from MAR

44. (a) For each of the MAR provisions listed below, please indicate how burdensome the EU regulation is for listed companies (please rate each of them from 1 to 5, 1 standing for "not burdensome at all" and 5 for "very burdensome"):

	1	2	3	4	5	Don't know / no opinion /not relevant
Definition of "inside information"						
• For all companies	X					
• For issuers listed on SME growth markets	X					
Disclosure of inside information						
• For all companies	X					
• For issuers listed on SME growth markets	X					
Conditions to delay disclosure of inside information						
• For all companies					X	
• For issuers listed on SME growth markets					X	
Drawing up and maintaining insiders lists						
• For all companies					X	
• For issuers listed on SME growth markets					X	
Market sounding						
• For all companies						
• For issuers listed on SME growth markets						
Disclosure of managers' transactions						
• For all companies				X		
• For issuers listed on SME growth markets				X		

Enforcement						
• For all companies						
• For issuers listed on SME growth markets						
Other (please specify in the textbox below)						

On “Other”, AFTI, FBF & AMAFI suggest a simplification of MAR and corresponding delegated regulations on the following points:

- Stabilization activities reporting and disclosure:
  - We suggest limiting the reporting of stabilization activities to the competent authority of this issuer (for Listing prospectus and MAR purposes) only. Should regulators of other trading venues need any information, they could receive such information from the competent authority according to the applicable framework of information exchange between European regulators;
  - In terms of disclosure, we suggest removing the details of the transactions from the disclosure requirements as provided for in Article 6.2 of the Delegated Regulation 596/2014. A level of disclosure similar to the disclosure requirements provided for in Article 3 (disclosure at the end of the stabilization period is sufficient);
  - These modifications would be appropriate for the reporting and disclosure requirements applicable to issuers in case of share buyback.
- Cleansing requirements should be simplified in case of market sounding: as recommended by ESMA in its MAR review report to the Commission[1] ; investor cleansing should not be required when the transaction is launched, since the information on the transaction is made public before the launch of such transaction. Cleansing should be required only if the issuer decides not to launch the transaction.
- Exclusion of stock lendings in the context of a securities offering in order to cover an over-allotment option put in place for stabilization purposes (in accordance of MAR) from reporting requirements under SFTR: such stock lendings are put in place only to cover the over-allotment option in a view to allow stabilization activities. All necessary information on such stabilization activities is disclosed in a prospectus and/or in a press release in accordance with MAR. Therefore, such stock lendings should be excluded from reporting requirements under article 4 of SFTR.

In addition, third level legislation would be most welcome on the application of inside information to bonds, e.g. it is extremely difficult to assess the significant effect (*MAR, art. 7.1 a*) of inside information in relation to a new bond issuance on the existing bond issuances.

(b) Please explain your reasoning and, if possible, provide supporting evidence, notably in terms of costs (one-off and ongoing costs) [4000 character(s) maximum]

On market soundings, the provisions of MAR should be amended as mentioned above (cleansing).

On the disclosure of managers transactions, this point is particularly sensitive for fund management companies as the disclosure of managers transactions might in some cases lead to the divulgation of personal wealth and end up published in the press. This risk is an important point of attention and element of choice when electing a listing place.

2.2.2. Scope of application of MAR

45. In your opinion, if MAR requirements started applying only as of the moment of trading, would there be potential cases of market abuse between the submission of the request for admission to trading and the actual first day of trading?

[1] MAR Review report (ESMA 70-156-2391)

o ~~Yes~~
o No
o ~~Don't know/ no opinion / not relevant~~

2.2.3. The definition of "inside information" and the conditions to delay its disclosure

46. (a) Do you consider that clarifications provided by ESMA in the form of guidance would be sufficient to provide the necessary clarifications around the notion of inside information?

o Yes
o ~~No~~
o ~~Don't know/ no opinion / not relevant~~

We are much in favor of legislative stability and, where need be, interpretation being published by ESMA.

(b) If you answered "No" to question 46(a), please indicate if you would support the following changes or clarifications to the current definition of "inside information" under MAR, by putting X in the box corresponding to your chosen option(s):

	I support	**I don't support**	**Don't know/no opinion/ not relevant**
a) MAR should distinguish between a definition of inside information for the purposes of market abuse prohibition and a notion of inside information triggering the disclosure obligation.			
b) The definition of inside information with a significant price effect should be refined to clarify that "significant price effect" shall mean "*information a rational investor would be likely to consider relevant for the long-term fundamental value of the issuer and use as part of the basis of his or her investment decisions*".			
c) It should be clarified that inside information relating to a multi-stage process need only be made public once the end stage is reached, unless a leakage has occurred.			
e) Other (please specify below)			

N/A

47. (a) Do you consider that a system relying on the concept of material events for the disclosure of inside information would provide more clarity?

o ~~Yes~~
o No
o ~~Don't know/ no opinion / not relevant~~

(b) In your opinion, would such a system pose any challenge to the integrity of the market?

o Yes
o ~~No~~
o ~~Don't know/ no opinion / not relevant~~

48. (a) Do you consider that the revision of ESMA's Guidelines on delay in the disclosure of inside information would be sufficient to provide the necessary clarifications?

o ~~Yes~~
o No
o ~~Don't know/ no opinion / not relevant~~

(b) If you answered "No" to question 48(a), what changes would you propose to Article 17(4) MAR?

The last paragraph of Art. 17(4) of MAR should be deleted as the obligation to declare to the competent authority information that the issuer legitimately decided not to disclose to the public puts a considerable burden on the issuer that does not, in any way, benefit investors (it is only made to simplify the work of regulators, who have more effective ways to detect market abuses).

2.2.4. Disclosure of inside information for issuers of bonds only

49. Please specify whether you agree with the following statements (please put an X in the box corresponding to the chosen option for each requirement listed on the table):

Issuers that only issue plain vanilla bonds should…	**Yes**	**No**	**Don't know/no opinion/no trelevant**
(a) have the same disclosure requirements as equity issuers		X	
(b) disclose only information that is likely to impair their ability to repay their debt	X		

2.2.5 Managers' transactions (Article 19 MAR)

50. (a) Do you believe that the minimum amount of EUR 5 000 provided in Article 19(8) MAR can be increased without harming the market integrity and investor confidence?

o Yes
o ~~No~~
o ~~Don't know/No opinion/not relevant~~

The amount should be increased and importantly, be harmonized throughout the European Union.

(b) If you answered "Yes" to question 50(a), please specify to what level the minimum amount set out in Article 19(8) should be increased and for which groups of issuers.

	EUR 10 000	EUR 15 000	EUR 20 000	EUR 50 000	Other (please indicate threshold)
Issuers listed on SME growth markets					
Issuers listed on all markets					

N/A

51. Do you agree with maintaining the discretion for national competent authorities to increase the threshold set out in Article 19(8)?

- o Yes
- o ~~No~~
- o ~~Don't know/No opinion/not relevant~~

51.1 If you answered in the affirmative to question 51, what should be the maximum amount that national competent authorities can increase the threshold to?

If you answered in the affirmative to question 51, what should be the maximum amount that national competent authorities can increase the threshold to?	EUR 25 000	EUR 35 000	EUR 40 000	EUR 50 000	Other (please indicate threshold)
Issuers listed on SME growth markets					
Issuers listed on all markets					

N/A

52. (a) If you are an issuer to whom MAR applies or an NCA, please specify how many notifications you have received in the last 2 years according to Article 19(1):

Year	Number of notifications (threshold of EUR5 000)	Number of notifications (threshold of EUR20 000)
2019		
2020		

N/A

(b) How would the above figures change in case of an increased threshold under Article 19(8) of MAR? Please insert a X in the box corresponding to your choice of the estimated percentage value:

How many less notifications (in % terms) would you receive in case of an increased threshold under Article 19(8) to	EUR 10 000	EUR 15 000	EUR 20 000	EUR 50 000	Other (please specify threshold)
0-10%					
11-20%					
21-35%					
36-50%					
more than 50%					

N/A

53. (a) Please provide the approximate level of costs related to disclosure of managers' transactions in the last 2 years:

Year	Costs (threshold of EUR 5 000)	Costs (threshold of EUR 20 000)
2019		
2020		

N/A

(b) Please provide the estimated level of cost savings (in % terms) in case of an increased threshold under Article 19(8). Please insert a X in the box corresponding to your choice of the estimated percentage value:

The estimated cost savings (in % terms) incase of an increased threshold in Article 19 (8) to	EUR 10 000	EUR 15 000	EUR 20 000	EUR 50 000	Other (please specify threshold)
0-10%					
11-20%					
21-35%					
36-50%					

more than 50%					

N/A

54. Would you consider that public disclosure of managers' transactions should always be done by:

- o ~~Issuer~~
- o National competent authority
- o ~~Either by issuer or National competent authority, depending on national law(status quo)~~
- o ~~Don't know/No opinion/not relevant~~

55. (a) Do you consider that ESMA's proposed targeted amendments to Article 19(12) MAR are sufficient to alleviate the managers' transactions regime?

- o Yes
- o No
- o Don't know/No opinion/not relevant

N/A

(b) If you answered "no" to question 55(a), please indicate if you would support the following changes or clarifications to the managers' transactions regime:

	I support	I don't support	No opinion
a) The thresholds should be applied in a non-cumulative way (i.e. each transaction is to be assessed against the threshold).			
b) Clear guidance should be provided on what types of managers' transactions need to be disclosed, as well as the scope of the relevant provisions in the context of different types of transaction, beyond the targeted amendments already proposed by ESMA.			
c) The requirement of keeping a list of closely associated persons should be repealed.			
d) Other (please specify)			

N/A

2.2.6. Insider lists (Article 18)

56. What is the impact (or if not available – expected impact) of the recent alleviations (under the SME Listing Act) for SME growth market issuers as regards insider lists? Please illustrate and quantify, notably in terms of (expected) reduction in costs.

N/A

57. (a) Please indicate whether you agree with the statements below:

The insider list regime should…	Yes	No	Don't know -No opinion
be simplified for all issuers to ensure that only the mostessential information for identification purposes is included.	X		
be simplified further for issuers listed on SME growth markets		X	
be repealed for issuers listed on SME growth markets	X		
Other (please specify)			

(b) Please explain your reasoning and provide supporting arguments/evidence, in particular in terms of savings/reduction in costs: [2000 character(s) maximum]

AFTI, FBF & AMAFI support ESMA's recommendation in its MAR Review Report to allow issuers and persons acting on their behalf (notably financial intermediaries) to include in their own insider list only one natural person per external provider through which they access to inside information. Furthermore, AMAFI believes that the insider list regime should be alleviated regarding the content of the lists and some mandatory fields on personal data of the included persons. The information required in those fields could rather be transmitted to the supervisors upon request if needed.

In addition, the insider list regime should be completely repealed for issuers listed on SME growth markets and other MTFs.

2.2.7. Market sounding

58. (a) Do you consider that the ESMA's limited proposals to amend the market sounding procedure are sufficient, while providing a balanced solution to the need to simplify the burden and maintaining the market integrity?

- o ~~Yes~~
- o No
- o ~~Don't know/No opinion/not relevant~~

Negotiation is not market sounding. The conclusion in the SME listing package whereby "*communication of information to those qualified investors for the purposes of negotiating the contractual terms and conditions of their participation in an issuance…, shall not constitute a market sounding* " should be extended to all financial instruments and not only to bonds. As ESMA already clarified, when, in its discussions with investors, the professional is trying to negotiate a transaction, these actions do not qualify as market soundings.

The market sounding regime should not apply when there is no risk of communicating inside information. Investment products, typically structured EMTNs, should be excluded from the scope of market soundings since for those, the sole objective of discussions conducted by the issuer (or its advisors) with potential investors is to facilitate matching investors' expectations and do not embed any risk of disclosure of inside information. At least such scope should exclude contacts with investors aimed at adjusting the issuance terms of an investment product, typically structured EMTN to investors' needs

(b) If you answered no to question 58(a), how would you further amend the market sounding regime?

Issuers listed on SME growth markets	X
Issuers listed on regulated markets	X
Issuers on other markets (MTFs)	X

Market sounding regime should be calibrated so as to exclude negotiation, as defined in question 58. This is not a matter of the type of financial instruments concerned or the place of listing, but rather, of the type of interactions between the DMPs and potential investors (market sounding recipients). Please see our answer to question 58(a).

59. (a) Do you agree with the TESG proposal to extend the exemption from market sounding rules to private equity placements for all issuers?

- o Yes
- o ~~No~~
- o ~~Don't know/No opinion/not relevant~~

Yes, despite the fact the AMAFI does not read it as an exemption for private bond placement but solely for the negotiation phase of such placements. The market sounding regime should not apply to the negotiation phase, as defined in question 58, for any type of financial instruments.

(b) If you answered in the negative to question 59(a), would you agree to extend the exemption from market sounding rules to private equity placements for issuers on SME growth markets?

- o Yes
- o No
- o Don't know/No opinion/not relevant

N/A

2.2.8. Administrative and criminal sanctions

60. Do you think that the current punitive regime (both administrative pecuniary sanctions and criminal sanctions) under MAR is proportionate to the objectives sought by legislation (i.e., to dissuade market abuse), as well as the type and size of entities potentially covered by that regime?

- o Yes
- o ~~No~~
- o ~~Don't know/No opinion/not relevant~~

61. Do you think that the maximum administrative pecuniary sanctions (as prescribed in Article 30 MAR) are an important factor when making a decision by companies concerning potential listing? Please put an X in the box corresponding to your chosen option for each type of issuers listed in the table.

	Yes, it has a significant impact	**Yes, it has a medium impact**	**Yes, but it has alow impact**	**No, it is rather irrelevant**

Issuers listed on SME growth markets				
Issuers listed onother markets				

N/A

62. According to your opinion, which administrative pecuniary sanctions (as prescribed in Article 30 MAR) have a higher impact on a company when making a decision concerning potential listing?

	Pecuniary sanctions in respect of natural persons	**Pecuniary sanctions in respect of legal persons**
Issuers listed on SME growth markets		
Issuers listed on other markets		

N/A

63. (a) Do you think that the maximum administrative pecuniary sanction for infringements of Articles 16-19 (in respect of legal persons) should be decreased? Please put an X in the box corresponding to your chosen option(s).

Answers	**Issuers listed on SME growth markets**				**Issuers listed on other markets**			
	Art. 16	Art. 17	Art. 18	Art. 19	Art. 16	Art. 17	Art. 18	Art. 19
Yes								
No								
No opinion								

N/A

(b) If you answered "Yes" to question 63(a), please indicate the level of maximum administrative pecuniary sanction for infringements of Articles 16 and 17 of MAR.

Current level of sanctions	**Art. 16**	**Art. 17**
2 500 000 EUR or the corresponding value in thenational currency on 2 July2014		

2% of the total annual turnover according to the lastavailable accounts approved by the management body		

N/A

(c) If you answered "Yes" to question 63(a), please indicate the level of maximum administrative pecuniary sanction for infringements of Articles 18 and 19 of MAR.

Current level of sanctions	**Art. 18**	**Art. 19**
1 000 000 EUR or the corresponding value in the national currency on 2 July 2014		

N/A

64. (a) Should the "total annual turnover according to the last available accounts approved by the management body" as a criterion to define the maximum administrative pecuniary sanctions be replaced with a different criterion?

- o Yes
- o No
- o Don't know/No opinion/not relevant

N/A

(b) If you answered "Yes" to question 64(a), please specify which criterion.

N/A

65. (a) Do you think that the maximum administrative pecuniary sanction for infringements of Article 16-19 (in respect of natural persons) should be decreased?

Answers	**Issuers listed on SME growth markets**				**Issuers listed on other markets**			
	Art. 16	Art. 17	Art. 18	Art. 19	Art. 16	Art. 17	Art. 18	Art. 19
Yes								
No								
No opinion								

N/A

(b) If you answered "Yes" to question 65(a), please indicate the level of maximum administrative pecuniary sanction for infringements of Articles 16 and 17 MAR.

Current level of sanctions	Art. 16	Art. 17
1 000 000 EUR or the corresponding value in the national currency on 2 July 2014		

N/A

(c) If you answered "Yes" to question 65(a), please indicate the level of maximum administrative pecuniary sanction for infringements of Articles 18 and 19 MAR.

Current level of sanctions	Art. 18	Art. 19
500 000 EUR or the corresponding value in the national currency on 2 July 2014		

N/A

66. (a) Should the level of maximum administrative pecuniary sanctions with respect to natural persons be defined according to a different criterion?

- o Yes
- o No
- o Don't know/No opinion/not relevant

(b) If you answered "Yes" to question 66(a), please specify which criterion.

N/A

67. Should the maximum administrative pecuniary sanctions for the other infringements specified in article 30(1)(a) of MAR and different from the infringements of Articles 16, 17, 18 and 19, be decreased accordingly?

Answers	Issuers listed on SMEgrowth markets	Issuers listed on other markets
Yes		
No		
No opinion		

N/A

68. Do you think that the possibility of applying criminal sanctions in the case of noncompliance with the requirements set out in Articles 16, 17, 18, 19 and 30(1)first subparagraph, letter (b) of MAR should be removed? Please put an X in the box corresponding to your chosen option(s).

Answers	Infringements of:				
	Art. 16	Art. 17	Art. 18	Art. 19	Art. 30(1) first subpar. letter (b)
Yes					
No					
No opinion					

N/A

2.2.9. Liquidity contracts

69. Do you agree with the TESG proposal to remove the obligation on market operators to "agree to the contracts' terms and conditions", defined by issuers and investment firms in liquidity contracts used on SME growth markets?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

Yes. With a view to reducing burdensome compliance requirements, AFTI, FBF & AMAFI agree with the TESG proposal to remove the obligation on market operators to "agree to the contracts' terms and conditions" as they are not involved in the agreement of the liquidity contract. Their role must only be to ensure fair and orderly markets by monitoring the quality and liquidity of their relevant markets.

2.2.10. Disclosure obligation related to the presentation of recommendations under MAR

70. In your opinion, should investment recommendations or other information recommending or suggesting an investment strategy be exempted from the requirements laid down in Commission Delegated Regulation (EU) No. 2016/958 when they relate exclusively to instruments admitted to trading on a SME growth market?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

The current scope of application of the relevant MAR provisions is too wide. There is no rationale for including sales memos or wholesale information flows sent systematically by sales to professional clients. More generally, the scope should be limited to information effectively distributed on a large scale. The current regime is heavy and costly, without added value for clients (especially wholesale) who do not consult the disclosed information relating to this obligation.

It would make sense to exempt sales memos of wholesale information sent to professional clients.

2.2.11. Other

71. Would you have any other suggestions on possible improvements to the current rules laid down in the Market Abuse Regulation?

N/A

3.2 MiFID II (Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments)

2.3.1. Registration of a segment of an MTF as SME growth market

72. Would you see merit in including in MiFID II Level 1 the conditions under which an operator of an MTF may register a segment of the MTF as SME growth market?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

2.3.2. Dual listing

73. (a) Do you believe that Article 33(7) of MiFID II would benefit from further clarification in level 1 to ensure an interpretation whereby the issuers themselves can request a dual listing?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

(b) If you answered "Yes" to question 73(a), do you believe that Article 33(7) should clarify that, where the issuers themselves request a dual listing, they shall not be subject to any obligation relating to corporate governance or initial, ongoing or ad hoc disclosure with regard to the second SME growth market?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

74. Do you believe that, subject to the conditions set out in Article 33(7) of MiFID II, financial instruments of an issuer, admitted to trading on an SME growth market, could be traded on another venue (and not necessarily only on another SME growth market)?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

2.3.3. Equity Research coverage for SMEs

75. Do you consider that the alleviation to the research regime introduced with the capital markets recovery package has effectively helped (or will help) to support SMEs' access to the capital markets?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

Even if it is too early to have a precise view of the actual outcome of the alleviation, we consider that it may have a positive but limited impact for the SMEs ecosystem (i.e. generally specialized brokers and investors). Indeed, the possibility to bundle research and execution costs is easier to implement for small asset

managers which are specialized in investing in SMEs than the MiFID II unbundled regime. Therefore, they will be more likely to compensate brokers for their research services. Nevertheless, the outcome should not be overestimated because, it will be very difficult to renegotiate the current contracts between asset managers and research producers. The new regime will be put in place for new contracts and may in the medium run have some positive impacts. The impact of the alleviation is also limited by the fact that it is unlikely that asset managers managing both SME funds (eg funds with an investment universe exclusively targeting companies with a market cap below EUR 1bn) and blue chips funds will accept to run two systems in parallel for the remuneration of research: bundled fees for SME funds and payments from their own pocket / RPA for other funds.

That said, we are not in the opinion to enlarge the bundled regime to large caps (above 1 billion of capitalization) since it is not possible, for economic, commercial and organizational reasons, to go backwards completely.

76. (a) Would you see merit in alleviating the MiFID II regime on research even further?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

Cutting the cross-subsidisation relation that used to exist between (i) execution and research and (ii) research on blue chips and research on SMEs has made SME research hardly viable in the many instances where the universe of potential investors is too narrow. As a consequence, issuer sponsored research, which was already a well-established practice has significantly developed since the entry into force of MiFID II and has become a significant part of the SME research coverage. To date, AMAFI members have signed over 350 sponsored research contracts with French issuers, and it is anticipated that this number is going to increase.

Providers of issuer-sponsored research produce this research under the same conditions as investment research, i.e., according to MiFIR 2 rules on analyst independence and MAR rules on disclosure of conflicts of interest.

Issuer sponsored research is entirely paid for by the issuer, or it is partially paid for, with the research provider's clients supplementing the research provider's remuneration.

However, some questions may arise as to the qualification of sponsored research (marketing communication or investment research) and how it can be received by asset managers.

According to us, the approach to issuer-sponsored research should be based on the following reasoning:

- If the research provider strictly complies with the current MiFID II and MAR rules, issuer-sponsored research can be qualified as investment research and not marketing communication.
- Management companies should receive this research, if fully remunerated by the issuer, under the minor non-monetary benefits regime, if only partially remunerated by the issuer, under the same conditions as provided for in Article 13 of DD 2017/593.

Only the adoption of such framework will enable the development of issuer-sponsored research, that is indispensable for the development of the EU SMEs markets.

(b) If you answered "Yes" to question 76(a), please indicate whether you consider that written material other than the one currently falling under the minor non-monetary benefits regime could be added to that list.

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

AFTI, FBF & AMAFI does not consider that it is necessary to add any written material other than the current one of the lists, but, considering our answer to question 76 a) it is absolutely necessary that issuer-sponsored research can, under certain conditions, be qualified as "investment research" and is not systematically flagged as being "marketing communication".

(c) If you answered "Yes" to question 76(a), please indicate whether you consider that FICC (fixed income, currencies and commodities) research and research provided by independent research providers should be exempted from the unbundling regime introduced by MiFID II.

o ~~Yes~~
o No
o ~~Don't know/ no opinion / not relevant~~

AMAFI considers that there is no reason to modify the current FICC research regime.

Furthermore, we are strongly opposed to the proposal to exempt independent research from the MiFID II regime. It would create an unacceptable level playing field between research provided by investment firms and other research producers.

(d) If you answered "Yes" to question 76(a), please indicate whether you have any further concrete proposal.

N/A

77. As an investor, what type(s) of research do you find useful for your investment decisions? Please put an X in the box corresponding to your chosen option for each type of research listed on the table.

	Useful	**Not useful**	**Don't know/No opinion/Not relevant**
Independent research			
Venue-sponsored research			
Issuer-sponsored research			
Other (please specify)			

N/A

78. How could the following types of research be supported through legislative and non-legislative measures? Please put an X in the box corresponding to your chosen option for each type of research listed on the table.

	Legislative measures	**Non-legislative measures**	**Don't know/No opinion/Not relevant**

Independent research		X	
Venue-sponsored research			X
Issuer-sponsored research	X		
Other (please specify)			

Moreover from a non-legislative perspective, and considering that issuers do not fall into the MiFiD II regulatory regime, authorities could encourage the implementation of contractual arrangements between research providers and issuers in order to ensure that issuer sponsored research fulfils MiFID 2 and MAR requirements. This could be achieved through a best practice charter involving research producers issuers and asset managers.

79. In order to make the issuer-sponsored research more reliable and hence more attractive for investors, would you see merit in introducing rules on conflict of interest between the issuer and the research analyst?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

As stated above in our responses above (Q 76 a and b) it is of utmost importance to consider that issuer-sponsored investment research is legitimate and is not to be systematically viewed as marketing communication.

To achieve this goal, it is necessary to slightly amend Article 37 (d) of MiFID II DR like below:

d) the investment firms themselves, financial analysts, and other relevant persons involved in the production of the investment research ***(the researcher)*** *do not accept inducements, from those with a material interest in the subject-matter of the investment research;*

d.ii) In relation to issuer sponsored research, payments from issuers should not be viewed as an inducement in the sense of previous paragraph upon the strict condition that the issuer is not in a position to exercise any influence on the conditions and outcome of such research. *(…)*

Moreover, and considering that issuers do not fall into the MiFID II regulatory regime, authorities could encourage the implementation of contractual arrangements between research providers and issuers in order to ensure that issuer sponsored research fulfils MiFID II and MAR requirements. This could be achieved through a best practice charter involving research producers and issuers.

80. What should be done, in your opinion, to support more funding for SMEs research?

2.3.5. Other

81. Would you have any other suggestions on possible improvements to the current rules laid down in MiFID II to facilitate listing while assuring high standards of investor protection?

As stated in point 4 of our introduction, we believe that rules on product governance are unsuited to securities issued for funding purposes and to the investment service provider's activity as an advisor to the issuer. We would therefore like for "funding securities" including ordinary shares and plain vanilla bonds, to be excluded from product governance requirements; these securities are not issued to serve retail investors' need, the role of an intermediary in an IPO is to assist the issuer in its structuring transaction and the added value in terms of investor protection is extremely limited if not zero.

3.3 Other possible areas for improvement

2.4.1. Transparency Directive (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)

82. (a) Do you consider that there is potential to simplify the Transparency Directive's rules on disclosures of annual and half-yearly financial reports and on the ongoing transparency requirements for major changes in the holders of voting rights, keeping in mind the need to facilitate accessibility, analysis and comparability of issuers' information and to maintain a high level of investor protection on these markets?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

(b) If you answered "yes" to question 82(a), which changes would you propose?

Information on the crossing of controlling thresholds is useful for transparency purposes. However, as the specific thresholds triggering a disclosure obligation are defined in national corporate laws, pan-European investors and intermediaries may find the current disharmony of rules challenging. A convergence in this area, through ESMA third level legislation, would be most welcomed.

83. Would you have any other suggestion to improve the current rules laid down in the Transparency Directive?

N/A

2.4.2. Special Purpose Acquisition Companies (SPACs)

84. Do you believe that SPACs are an effective and efficient alternative to traditional IPOs that could facilitate more listings on public markets in the EU?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

Yes, AFTI, FBF & AMAFI believe that SPACs a valid alternative vehicle to traditional IPOs as they constitute an opportunity to facilitate new listings on the public markets. Given that other jurisdictions offer this solution, and in view of the many tech companies and unicorns that are emerging, it is important to give all the opportunities in order to develop the EU markets competitiveness.

85. (a) What would you see as being detrimental to the SPACs development in the EU?

AFTI, FBF & AMAFI believe that it would be detrimental for SPAC development if these vehicles were not solely dedicated to professional investors considering the SPACs risk profile and if they were not subject to the EU legal framework applicable to the regulated markets (Prospectus & MAR). Henceforth, SPACs should be listed on regulated markets and be subject to the Prospectus Regulation and the issuer be subject to the Transparency Directive and the Market Abuse framework. Regarding this framework, it is important for national competent authorities to encourage a harmonised vision which would help to foster the development of a pan European SPAC market for both investors and companies that may seek to go public through merging with a SPAC.

However, SPAC development in the EU could be hindered by the introduction of additional and premature regulatory constraints that could create unnecessary burden and impede the ongoing evolution and innovation regarding SPAC structures. We therefore suggest not to propose additional level 1 measures.

To minimize the opportunity for regulatory arbitrage, NCAs could encourage a harmonised regulatory regime for the characterisation, listing and marketing of SPACs, as well as the requirements applicable at the time of the de-SPACing by introducing level 3 guidance for instance.

(b) What could be done in terms of policies to contain risks for investors while encouraging the efficient and safe development of SPACs' activity in the EU?

The structural requirements for SPACs are set in the EU at a national level pursuant to local listing rules or domestic corporate law, and therefore there is not a harmonised approach to SPAC structures across the EU. We note that such listing rules and corporate law requirements are outside of the scope of the Prospectus Regulation itself, so it may not be appropriate for ESMA to set consistent structural requirements (in addition to disclosure requirements) for all EU listed SPACs which are designed to enhance investor protection.
AMAFI would welcome any measures to shorten the time period between the announcement of a de-SPAC/PIPE and completion of the related business combination. This is an illiquid period where the investment in the target operating company is committed but the shares of the combined entity are not tradable yet. This period of illiquidity for investors is approximately 8 weeks in Europe. In traditional IPOs the equivalent period would be a few days for settlement; the more this period can be reduced the more a SPAC/PIPE business combination could be seen as an alternative to traditional IPOs.

86. Do you believe that investing in SPACs, via an IPO or on the secondary market, should be reserved to professional investors only?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

Yes, in France SPACs (before de-SPACing) are listed on the Professional Segment of Euronext Paris, where retail access is restricted and for which specific MIFID II distributions rules apply such as the product governance (PoG) regime which requires that a target market is assigned to financial instruments such as SPACs' shares and warrants. Considerations for SPACs may differ from those for a traditional IPO, due to their different natures and the fact that certain instruments may constitute PRIIPs which, if intended for retail distribution, requires that a KID is produced. Typically, at IPO, a SPAC vehicle will only offer its units (comprising shares and warrants, or the separate shares and warrants if offered and traded separately from the outset) to professional investors and eligible counterparties, given that they require a more sophisticated and nuanced assessment by investors than vanilla shares, due to the nature of a SPAC vehicle and the existence of the separately traded line of warrants.

87. In the case of investments in SPACs (whether on the primary or the secondary markets), would you see the need to reinforce some safeguards and/or to further harmonise the disclosure regime in the EU (please consider an investment open to professional only or to professional and retail investors)? Please put an X in the box corresponding to your chosen option(s).

	Reinforce Safeguards	**Harmonise the disclosure regime**
Yes, even if an investment is open to professional investors only		
Yes, for an investment open to both professional and retail investors		
No		
Don't know/ no opinion / not relevant		

With respect to the disclosure regime, there already exists a European harmonized regime which has proven to be sufficient and adequate for the listing of SPACs on regulated markets. In particular, the following frameworks apply: Prospectus Regulation, Transparency Directive and Market Abuse Regulation. Based on these frameworks, and in particular pursuant to the Prospectus Regulation, new SPACs entering the regulated market via a private placement (as the case may be) need to establish a listing prospectus, which allows for sufficient and adequate disclosures.

88. As part of the SPAC's IPO process, it is common practice for SPACs to issue warrants subscribed by the sponsors and/or the initial shareholders, which can subsequently have significant dilutive effects for the shareholders post IPO. Do you believe measures should be put in place to ensure that post IPO shareholders get a clear information about the dilutive effects of those warrants and that the dilutive effect of those warrants remains limited?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

AFTI, FBF & AMAFI does not believe that additional legislative measures are required. The Prospectus Regulation already requires full transparency about the dilutive effects of the relevant financial instruments. Based on this information, qualified investors should be able to make their own opinion on the acceptability of the level of dilution induced by founder shares and founder warrants.

89. Do you see the need for a clear framework for the deposit and management of the securities and proceeds held in escrow by a SPAC?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

AMAFI believes that a specific account for the proceeds is an important measure to protect investors from misappropriation or excessive running costs being incurred by the SPAC's management.

90. Some recent SPACs IPOs have relied on the sustainability-related characteristics of the contemplated target companies. Do you believe that SPACs putting forward sustainability as a selling point should be subject to specific/different disclosures and/or standards in this regard?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

In order to avoid that the use of sustainability-related labels by SPACs lead to greenwashing or other misleading behaviour, it is key that each NCA ensures a thorough scrutiny process during the prospectus approval phase, and that there is no confusing or misleading information or promises presented by the issuer.

91. Do you have any other proposal on how to improve the current listing regime when considering an IPO via a SPAC?

N/A

2.4.3. Listing Directive (Directive 2001/34/EC of the European Parliament and of the Council of 28 May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities)

92. (a) Do you consider that the Listing Directive, in its current form, achieves its objectives and does not need to be amended?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

See our answer in paragraph 4 of question 2.

(b) If you answered "No" to question 92(a), do you believe that the Listing Directive should be (please put an X in the box corresponding to your chosen option):

Repealed	
Amended as a Directive	
Amended and transformed in a Regulation	
Incorporated in another piece of legislation (please specify)	
Don't know/ no opinion / not relevant	

N/A

2.4.3.1. Definitions

93. (a) Do you consider that the definitions laid down in Article 1 of the Listing Directive are outdated?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

(b) If you answered "Yes" to question 93(a), what changes would you propose?

N/A

2.4.3.2. Listing conditions

94. Do you consider that the broad flexibility that the Listing Directive leaves to Member States and competent authorities on the application of the rules for the admission to the official listing of shares and debt securities is appropriate in light of local market conditions?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

95. (a) How relevant do you still consider the following requirements?

	1 (not relevant at all)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (very relevant)	Don't know/No opinion/Not relevant

1. **Expected market capitalisation:** The foreseeable market capitalisation of the shares for which admission to official listing is sought or, if this cannot be assessed, the company's capital and reserves, including profit or loss, from the last financial year, must be at least one million euro (Article 43(1)).						
2. **Disclosure pre-IPO:** A company must have published or filed its annual accounts in accordance with national law for the three financialyears preceding the application for official listing. (…) (Article 44).						

3. Free float: A sufficient number of shares shall be deemed to have been distributed either when the shares in respect of which application for admission has been made are in the hands of the public to the extent of a least 25 % of the subscribed capital represented by the class of shares concerned or when, in view of the largenumber of shares of the same class and the extent of their distribution to thepublic, the market will operate properly with a lower percentage. (Article 48(5)).						

N/A

(b) Regarding the foreseeable market capitalisation would you consider a different threshold?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

(c) Do you consider that the minimum number of years of publication or filing of annual accounts is adequate?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

96. (a) In your opinion is free float a good measure to ensure liquidity?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

(b) In your opinion, could a minimum free float requirement be a barrier to listing?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

(c) In your opinion, is the recommended threshold set at 25% appropriate?

- o ~~Yes~~
- o No (please specify in the textbox below whether it should be higher or lower)
- o ~~Don't know/ no opinion / not relevant~~

As per our answer to question 6, we are of the opinion that the free float requirements should be lowered.

(d) In your opinion, is it necessary to maintain the national discretion to depart from the recommended threshold for free float?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

97. Are there other provisions relating to the admission of shares, set out in Title III, Chapter II of the Listing Directive, that you would propose to change? Please specify which ones.

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

98. (a) Do you consider the provisions relating to the admission to official listing of debt securities issued by an undertaking, set out in Title III, Chapter III and IV of the Listing Directive (e.g. amount of the loan, rules on convertible or exchangeable debentures, rules on sovereign debt), adequate?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

(b) If you answered "No" on question 98(a), which changes would you propose?

N/A

2.4.3.3. Competent Authorities

99. Would you propose any changes relating to the provisions on competent authorities and cooperation between Member States, laid down in Title VI of the Listing Directive?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

2.4.3.4. Other

100. Would you have any other suggestions on possible improvements to the current rules laid down in the Listing Directive?

N/A

2.4.4. Shares with multiple voting rights

101. Do you believe that, where allowed, the use of shares with multiple voting rights has effectively encouraged more firms to seek a listing on public markets?

- o Yes
- o ~~No~~
- o ~~Don't know/ no opinion / not relevant~~

Yes. Multiple voting rights shares seem to be a measure of attractiveness for issuers and therefore a good competition tool. In an ecosystem where more and more tech companies try to get listed, authorising multiple voting rights may increase the attractiveness of public markets as it is likely to favour the listing of certain companies whose founders could benefit from multiple voting rights.

102. (a) In your opinion, what impact do shares with multiple voting rights have on the attractiveness of a company for investors? Please put an X in the box corresponding to your chosen option.

Negative impact	
Slightly negative impact	
Neutral	
Slightly positive impact	
Positive impact	
Don't know/no opinion	

N/A

(b) When multiple voting right share structures are allowed, do you believe limits to the voting rights attached to a single share improve the attractiveness of the company to investors?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

(c) If you answered "Yes" to question 102(b), please indicate what ratio you consider acceptable to overcome potential drawbacks associated with shares with multiple voting rights. Please put an X in the box corresponding to your chosen option.

2:1	
10:1	
20:1	
Other (please explain)	
Don't know / No opinion	

N/A

103. Do you believe that the inclusion of sunset clauses (i.e. clauses that eliminate higher voting rights after a designated period of time) have proved useful in striking a proper balance between founders' and investors' interests?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

Although we have no experience with the application of clauses that eliminate higher voting rights after a designated period of time, AFTI, FBF & AMAFI is not in favour of introducing a sunset clause on immutable instruments that do not evolve over time.

104. Would you see merit in stipulating in EU law that issuers across the EU may be able to list on any EU trading venues following the multiple voting rights structure?

- o Yes
- o No
- o Don't know/ no opinion / not relevant

N/A

105. Do you have any other suggestion on how to make listing more attractive from the standpoint of companies' founders?

N/A

2.4.5. Corporate Governance standards for companies listed on SME growthmarkets

106. Would you see merit in introducing minimum corporate governance requirements for companies listed on SME growth market with the aim of making them more attractive for investors?

- o ~~Yes~~
- o No
- o ~~Don't know/ no opinion / not relevant~~

AFTI, FBF & AMAFI is not in favour of introducing minimum corporate governance requirements for companies listed on SME Growth Market as such corporate governance topics are currently addressed

across different pieces of EU legislation such as the Transparency Directive, the Takeover Directive and the revised Shareholder Rights Directive (SRDII) with regard to companies listed on regulated markets as defined in MiFID II.

106.1 If you see merit, which of the following option(s) would be most suitable for a possible initiative on corporate governance? Please put an X in the box corresponding to your chosen option(s).

SME growth market operators should require in their own rulebook that issuers comply with corporate governance requirements tailored to localconditions.	
SME growth market operators should recommend in in their own rulebookthat issuers comply with corporate governance requirements tailored to local conditions.	
EU legislation should set out corporate governance principles for issuers listed on SME growth markets while allowing Member States and/or market operators' flexibility in how to implement the principles.	
Corporate governance requirements for companies listed on SME growthmarkets should be fully harmonised at EU level.	
Other	
Don't know / no opinion / not relevant	

N/A

107. (a) Please indicate the corporate governance requirements that would be the most needed and would have the most impact to increase the attractiveness of issuers listed on SME growth markets (please rate each proposal from 1 to 5, 1 standing for "no impact" and 5 for "very significant positive impact"):

	1	2	3	4	5	No opinion
Requirement to report related party transactions (i.e. issuers would have to publicly announce material transactions with related parties at the time of the conclusion of such transaction and to adopt an internal procedure to assess and manage these transactions inorder to protect the interests of the company)						
Additional disclosure duties regarding the acquisition/ disposal of voting rights as required by the Transparency Directive for major shareholdings in companies with shares traded on Regulated Markets						
Obligation to appoint an investor relations manager						
Introduction of minimum requirements for the delistingof shares:						

o supermajority approval (e.g. 75% or 90% of shareholders attending the meeting) for shareholdersresolutions which directly or indirectly lead to the issuer's delisting (including merger or similar transactions)						
o sell-out rights assigned to minority shareholders if the company is delisted or if one shareholder owns more than 90% or 95% of the share capital.						
Appointment of at least one independent director (independence should be understood according to para. 13.1. of Commission's recommendation 2005/162/EC)						
Other (please specify)						

N/A

(b) In your opinion, what would be the impact on the costs of listing and staying listed if the following corporate governance requirements were introduced for issuers listed on SME growth markets?

	1	2	3	4	5	No opinion
Requirement to report related party transactions (i.e. issuers would have to publicly announce material transactions with related parties at the time of the conclusion of such transaction and to adopt an internal procedure to assess and manage these transactions in order to protect the interests of the company)						
Additional disclosure duties regarding the acquisition/ disposal of voting rights as required by the Transparency Directive for major shareholdings in companies with shares traded on Regulated Markets						
Obligation to appoint an investor relations manager						
Introduction of minimum requirements for the delistingof shares:						
o supermajority approval (e.g. 75% or 90% of shareholders attending the meeting) for shareholders resolutions which directly or indirectly lead to the issuer's delisting (including merger or similar transactions)						

o sell-out rights assigned to minority shareholders if the company is delisted or if one shareholder owns more than 90% or 95% of the share capital.						
Appointment of at least one independent director (independence should be understood according to para. 13.1. of Commission's recommendation 2005/162/EC)						
Other (please specify)						

N/A

108. Do you have any other suggestion on how to make issuers listed on SME growth markets more attractive to investors?

AFTI, FBF & AMAFI suggests boosting the number of SMEs benefiting from the SME Growth Market's framework by increasing the market capitalisation threshold defining an SME in MiFID II, from 200 M€ currently (art. 4.13 of MiFID) to 1 bn€. An increased threshold would allow more mid-sized entities to be considered as SMEs, thus enlarging the population of companies benefitting from customized alleviations awarded to SME Growth Markets in EU law and encouraging the development of small listed issuers, as well as liquidity on such trading venues.

Rather than increasing the threshold underneath which no prospectus is required (as asked under question 13), we suggest widening the definition of SME, which seems coherent with the necessity to provide investors with correct information (as SME's do publish prospectus'). Importantly, this also means that ESMA's and NCAs' resources and competences in relation to the approval of prospectuses should need to be increased (as per our answer to question 19a).

2.4.6. Gold-plating by NCAs and/or Member States

109. (a) Are you aware of any cases of gold-plating by NCAs or Member States in relation to EU rules applicable both to companies going through a listing process and to companies already listed on EU public markets? Please note that for the purposes of this consultation gold-plating should be understood as encompassing all measures imposed by NCAs and/or Member States that go beyond what is required at EU level (i.e. it does no relate to existing national discretions and options in EU legislation).

- o Yes
- o No
- o Don't know/ no opinion / not relevant

See our answer in paragraph 4 of question 2.

(b) If you responded "yes" to question 109(a), please provide details in the textbox below.

N/A

Additional information

N/A