

Paris, 21 February 2022

**Paris EUROPLACE's response
to the European Commission's targeted consultation on the Listing Act**

Paris EUROPLACE -which represents Paris International Financial Centre's market players, international corporates, investors, banks, financial intermediaries and other financial services providers- welcomes the opportunity to contribute to the debates to make public capital markets more attractive for EU companies and to facilitate access to capital for SMEs.

1. 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 to finance through EU capital markets						
b) Providing an adequate level of investor protection						
c) Creating markets that attract an adequate base of professional investors for companies listed in the EU						

d) Creating markets that attract an adequate base of retail investors for companies listed in the EU						
e) Providing clear legal framework						
f) Integrating EU capital markets						

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

Paris EUROPLACE considers that the EU financial markets urgently need to be revamped to support the post Covid economic recovery and to boost the SMEs' own funds against a backdrop of a rising private debt. It may also limit the gap observed with other jurisdictions, notably the US, when it comes to the developments of non-banking financing of the real economy. Indeed, alternative ways of funding have to be sought and encouraged in the EU to better meet new needs expressed by companies, especially recently created ones.

In addition, we think that promoting financial markets to better finance the economic recovery as a complementary tool to what current players already do (including banks, insurance companies and asset managers) may also attract new investors, including retail ones, notably from outside the EU. Therefore, boosting capital markets to make them more attractive for more European SMEs may increase not only capital, but also liquidity, which should ultimately benefit to all EU firms and institutional and retail investors. Of course, Paris EUROPLACE also urgently press European authorities to rapidly implement the action plan of the Capital Markets Union to accelerate the creation of deep and efficient financial markets in the EU.

- 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			
b) Lack of flexibility for issuers due to regulatory constraints around certain shareholding structures and listing			

options			
c) Lack of attractiveness of SMEs' securities			
d) Lack of liquidity of securities			
e) Other (please specify below)			

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

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	
Other costs (please specify below)	

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

Although direct and indirect costs are an important aspect of the choice made by companies to select an exchange, it has to be clearly highlighted that:

- The overall cost of an IPO in EU venues is much lower than in US ones for example, with a ratio of approximately 1 to 4 according to our preliminary estimates;
- These regulatory costs also represent the other side of crucial elements for EU capital markets: meeting regulatory requirements enables investors to share the same level of information regarding key relevant information of SMEs. It also strongly contributes to the reduction of asymmetry of information among markets participants.

Paris EUROPLACE emphasizes the positive role played by a sound, balanced and proportionate regulation, all standards which are due to be kept active for financial stability and investors protection purposes. This need of proportionality is all the more significant to be taken into account that non-financial (ESG) reporting will gain more importance in the near future for companies.

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

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

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

(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

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

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.

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

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 "not important" and 5 for "very important"
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a) Lack of visibility and attractiveness of SMEs towards investors leading to a lack of liquidity for SME shares and bonds	
b) Lack of investor confidence in listed SMEs	
c) Lack of tax incentives	
d) Lack of retail participation in public capital markets (especially in SME growth markets)	
e) Other (please specify below)	

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

2. 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

- & (a) As an issuer or an offeror, could you provide an estimation for the average cost of the prospectuses listed below (in EUR amount)?

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

Please explain your reasoning: *[5000 character(s) maximum]*

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”.

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

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)?

Please explain your reasoning: *[2000 character(s) maximum]*

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.

Please explain your reasoning: *[2000 character(s) maximum]*

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.

Please explain your reasoning: *[2000 character(s) maximum]*

(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.

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

Please explain your reasoning: *[2000 character(s) maximum]*

(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.

☒ **Yes**

☐ No

☐ Don't know/ no opinion / not relevant

Please explain your reasoning: [2000 character(s) maximum]

Paris EUROPLACE suggests to remove or at least significantly simplify the obligation to release an EU-harmonized prospectus for companies offering securities to the public on SME Growth markets, both when firms are launching an IPO and when their securities have already been admitted for trading on these markets. Indeed, such companies almost always offer their securities locally, i.e. within their home member State. Consequently, it could be envisaged to let the operator of the SME Growth market the responsibility to set its guidance and rules, in order to ease the regulatory burden as currently perceived by some EU firms. The relevance and the quality of the information thus released by these companies would nevertheless be indirectly monitored by the national competent authority in charge of approving the rules established by this operator.

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	Preferred Threshold
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, are out of scope of the Prospectus Regulation.	EUR 1 000 000	

Article 3(2) Explanation: Member States may decide to exempt offers of securities 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	EUR 8 000 000 (Upper threshold)	
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.		

Please explain your reasoning: *[2000 character(s) maximum]*

We suggest harmonizing across EU countries the upper threshold of EUR 8M and to consider raising the latter for issuers after first initial offers, i.e. for follow-ons offers.

(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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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)

General issues

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?

- ☐ Yes
- ☐ No
- ☐ 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)?

Please explain your reasoning: *[2000 character(s) maximum]*

(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)

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

(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).

Please explain your reasoning: *[2000 character(s) maximum]*

Prospectus summary

- 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.

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

Please explain your reasoning: *[2000 character(s) maximum]*

Incorporation by reference

- 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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

- 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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

(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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

2.1.5. The format and language of the prospectus

Electronic 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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

Language rules for the prospectus

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 in the sphere of international finance.	<input checked="" type="checkbox"/>
It should be allowed to publish a prospectus only in English, as the customary language in the sphere of international finance, except for the prospectus summary.	<input type="checkbox"/>
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.	<input type="checkbox"/>

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.	
Don't know/ no opinion / not relevant	

Paris EUROPLACE is of the view that prospectus documentation should be made easily accessible and understood by both institutional and retail investors. In particular, issuers should not be prohibited from translating their prospectus in English and in their domestic language if they wish to do so to attract more investors, especially in the retail sphere. However, the summary of the prospectus should remain available in domestic language to be read by retail investors.

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?

☒ **Yes**

☐ No

☐ Don't know/ no opinion / not relevant

Please explain your reasoning: *[2000 character(s) maximum]*

For SMEs Growth Markets, only a synthetic summary document could be made mandatory.

221 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. neither subject 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 on essential information should be required.	
4. Other (please specify)	X
5. Don't know/ no opinion / not relevant	

Please explain your reasoning: *[2000 character(s) maximum]*

222 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?

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

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

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

23 Since the application of the [capital markets recovery package](#), have you seen the uptake in the use of the EU Recovery prospectus?

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

Please explain your reasoning: *[2000 character(s) maximum]*

- 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 / no opinion / 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)			

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

- 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?

- ☐ Yes
- ☐ No
- ☐ 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?

- ☐ Yes
- ☐ No
- ☐ 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?

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

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?

- ☐ Yes
- ☐ No
- ☐ 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?

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

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.

Please explain your reasoning: *[2000 character(s) maximum]*.

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.

	Ye s	N o	Don't know / no opinion / not relevant
Issuers listed on SME growth markets			
Issuers listed on other markets			

Please explain your reasoning: *[2000 character(s) maximum]*

(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.

	Ye s	N o	Don't know / no opinion / not relevant

Issuers listed on SME growth markets			
Issuers listed on other markets			

Please explain your reasoning: *[2000 character(s) maximum]*

- 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?

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

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

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

2.1.7. 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?

- ☐ Yes
- ☐ No
- ☐ 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)?

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

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

- ☐ Yes
- ☐ No
- ☐ 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.

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

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?

☒ **Yes**

☐ No

☐ Don't know/ no opinion / not relevant

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

Six working days before the closing of the offering to retail investors is frequently considered as a source of a very significant execution risk for many issuers. In many cases, the success of an IPO and of the book-building process stands at risk due to volatile or disruptive market conditions, even if these external shocks are completely exogenous for the issuer.

As a consequence, establishing a minimum period offer, defined as a minimum of three working days, may help cope with such difficulties while maintaining an adequate level of information and protection for retail investors.

(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?

☐ Yes

☐ No

☐ Don't know/ no opinion / not relevant

Please explain your reasoning: *[2000 character(s) maximum]*

Determination of the "Home Member State"

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?

☐ Yes

☒ **No**

☐ Don't know/ no opinion / not relevant

We see as important to maintain a relationship between the HMS (Home Member State) and the place of incorporation of an issuer, in particular regarding equity prospectuses. Such a tie

between Prospectus regulation and Transparency directive may positively contribute to faster approvals for prospectuses and a better supervision of financial reports. Conversely, with no ESMA centralized supervision, some forum shopping and a weakening of the CMU could be observed, with regulated firms having then the choice of their supervisory authorities.

(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).

Please explain your reasoning: *[2000 character(s) maximum]*

2.1.8. 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 by its 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 comprehensive registration document for equity securities	
(f) The URD language requirements are too burdensome	
(g) Other (please explain below)	X

Please explain your reasoning: *[2000 character(s) maximum]*

We consider the URD as a very useful document for investors, because it proposes a synthetic, consolidated and comprehensive approach and view of the documents released by an issuer.

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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)?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

2.1.9. 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?

- ☐ Yes
- ☐ No

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

Please explain your reasoning: *[2000 character(s) maximum]*

(b) Would you propose additional improvements?

Please explain your reasoning: *[2000 character(s) maximum]*

Equivalence regime

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

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

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

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

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

2.2. 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"):

(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]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

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?
- ☒ Yes
 - ☐ No
 - ☐ Don't know/ no opinion / not relevant

Please explain your reasoning: *[2000 character(s) maximum]*

We think that the definition of inside information needs a very clear and stable definition to be efficiently implemented. Predictability is the best way to avoid complexity, legal uncertainty and possible regulatory loopholes or misalignments for issuers.

(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):

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

Please also refer to the answer under question 46(a) above.

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

Please refer to the answers under questions 46(a) and 47(a).

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

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):

<i>Issuers that only issue plain vanilla bonds should...</i>	Yes	No	Don't know/no opinion/not relevant
(a) have the same disclosure requirements as equity issuers			
(b) disclose only information that is likely to impair their ability to repay their debt			

Please explain and illustrate your reasoning, notably in terms of costs (one-off and ongoing costs). *[4000 character(s) maximum]*

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

(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.

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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?

	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					

Please explain your reasoning: *[2000 character(s) maximum]*

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 EUR 5 000)	Number of notifications (threshold of EUR 20 000)
2019		
2020		

(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 <u>less</u> 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%				X	

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

(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:

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

(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)			

Please explain your reasoning: *[2000 character(s) maximum]*

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.

Please explain your reasoning: [2000 character(s) maximum]

Please see explanations and suggestions in the answer to question 57(b) below.

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

<i>The insider list regime should...</i>	Yes	No	Don't know -No opinion
be simplified for all issuers to ensure that only the most essential information for identification purposes is included.			
be simplified further for issuers listed on SME growth markets			
be repealed for issuers listed on SME growth markets			
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]

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?
- ☐ Yes
 - ☐ No
 - ☐ Don't know/No opinion/not relevant

Please explain your reasoning: [2000 character(s) maximum]

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

Issuers listed on SME growth markets	
Issuers listed on regulated markets	

Issuers on other markets (MTFs)	
---------------------------------	--

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

59. (a) Do you agree with the TESG proposal to extend the exemption from market sounding rules to private equity placements for all issuers?
- ☐ Yes
 - ☐ No
 - ☐ Don't know/No opinion/not relevant

Please explain and illustrate your reasoning, notably in terms of costs *[4000 character(s) maximum]*

(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?

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

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

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?
- ☐ Yes
 - ☐ No
 - ☐ Don't know/No opinion/not relevant

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

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 a low impact	No, it is rather irrelevant
Issuers listed on SME growth markets				
Issuers listed on other markets				

Please explain your reasoning: [2000 character(s) maximum]

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		

Please explain your reasoning: [2000 character(s) maximum]

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								

Please explain your reasoning: *[2000 character(s) maximum]*

(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 the national currency on 2 July 2014		
2% of the total annual turnover according to the last available accounts approved by the management body		

Please explain your reasoning: *[2000 character(s) maximum]*

(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		

Please explain your reasoning: *[2000 character(s) maximum]*

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?
- ☐ Yes
 - ☐ No
 - ☐ Don’t know/No opinion/not relevant

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

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								

Please explain your reasoning: [2000 character(s) maximum]

- (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		

Please explain your reasoning: [2000 character(s) maximum]

- (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		

Please explain your reasoning: [2000 character(s) maximum]

66. (a) Should the level of maximum administrative pecuniary sanctions with respect to natural persons be defined according to a different criterion?
- ☐ Yes
 - ☐ No

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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 SME growth markets	Issuers listed on other markets
Yes		
No		
No opinion		

Please explain your reasoning: *[2000 character(s) maximum]*

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					

Please explain your reasoning: *[2000 character(s) maximum]*

2.2.9. Liquidity contracts

69. Do you agree with the TESS 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

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

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](#)?

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

As a general remark, we continue to push for a real and comprehensive harmonization across EU countries in the concrete implementation of the MAR regulation, as it remains absolutely key for financial markets integrity and soundness, as well as for investors protection. Therefore, no change in the level 1 regulation should occur, most importantly in the definition of inside information.

2.3. 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

Please explain your reasoning: *[2000 character(s) maximum]*

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

- (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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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)?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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?

☒ Yes

☐ No

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

Please explain your reasoning: *[2000 character(s) maximum]*

Paris EUROPLACE regrets that some MiFID 2 provisions have had a negative impact on the equity research, especially for the SMEs coverage. Indeed, the number of analysts has been diminishing, while the interest of investors for listed companies has also declined. Granted, the flexibility introduced by the Recovery package has sent a positive, albeit still limited, signal for equity research analysts, as it has been a recognition of an unintended bad calibration of a MiFID2 provision. Nevertheless, much more still remains to be done to restore a sound ecosystem for the coverage of SME equity research. We thus support the development of a sponsored equity research through a reform of the inducements approach, in a way that may also face the risk of conflicts of interests.

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

Please explain your reasoning: *[2000 character(s) maximum]*

Paris EUROPLACE supports additional flexibility to be given to the MiFID2 regime to grant more latitude to equity analysts when it comes to research-related inducements. For example, the threshold defined by the Recovery package may be set at a much higher level, probably 10bnEUR, while fixed-income research may also be included in the scope of such an exemption.

On the other hand, we support a general framework where the risk of conflicts of interests may be managed as follows: in order to develop the research on SMEs securities (both equity and fixed-income products), issuers may be authorized to sponsor analysts through contracts over a certain duration, while a percentage of payments should have to be given upfront to avoid exerting a form of pressure on the analysts or to "punish" them. Also, this research should be made accessible on some various websites (the analyst's, the issuer's and on a register's one).

The principles of such issuer-sponsored research should be detailed via a code of conduct to set up good practices, notably transparency (regarding the relationships between issuers and analysts) and independence of each party within this framework. If this issuer-sponsored research is explicitly labelled and mentioned as such, we think it could be qualified as an investment research, not a marketing communication.

(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.

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

Please explain your reasoning: [2000 character(s) maximum]

(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.

- ☒ **Yes**
- ☐ No
- ☐ Don't know/ no opinion / not relevant

Please explain your reasoning: [2000 character(s) maximum]

Please refer to our response to question 76 (a).

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

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

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Venue-sponsored research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issuer-sponsored research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other (please specify)			
------------------------	--	--	--

Please explain your reasoning: [2000 character(s) maximum]

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)	X		

Please explain your reasoning: [2000 character(s) maximum]

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?

☒ Yes

☐ No

☐ Don't know/ no opinion / not relevant

Please explain your reasoning: [2000 character(s) maximum]

A code of conduct is necessary: please see our response to question 76(a).

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

Paris EUROPLACE considers it is worth considering funding SMEs research either at national, or at European levels, in a way that may associate both private actors (e.g. private equity and advisory firms) and public authorities (e.g. either the Caisse des Dépôts et Consignations or Bpifrance in France) in this reflexion.

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?

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

We advocate for a lift in the capitalization threshold used in MiFID2 to define an SME. Indeed, we suggest raising this minimum at 1 bn EUR instead of 200 M EUR: this may help SMEs access SME Growth Markets and also improve the liquidity conditions in these markets.

2.4 Other possible areas for improvement

- 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?

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

2.4.1 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?

☒ Yes

- ☐ No
- ☐ Don't know/ no opinion / not relevant

Please explain your reasoning: *[2000 character(s) maximum]*

SPACs represent innovative tools that can offer some value for some professional investors under certain circumstances. They are welcome in Paris, as a number of SPACs have been listed in France since a couple of years, providing they comply with the domestic regulatory framework (Prospectus, Transparency and Market Abuse

regulations in particular). As such, SPACs are complementary to traditional IPOs and are an opportunity to offer international investors some opportunities on trading venues.

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

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

- (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?

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

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

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

Please explain your reasoning: [2000 character(s) maximum]

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	X	
No		X
Don't know/ no opinion / not relevant		

Please explain your reasoning and list additional safeguards, if any, you may find relevant [4000 character(s) maximum].

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

242 *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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

(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	<input checked="" type="checkbox"/>
Amended as a Directive	<input type="checkbox"/>
Amended and transformed in a Regulation	<input type="checkbox"/>
Incorporated in another piece of legislation (please specify)	<input type="checkbox"/>
Don't know/ no opinion / not relevant	<input type="checkbox"/>

Please explain your reasoning: *[2000 character(s) maximum]*

2.4.2.1. Definitions

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

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

2.4.2.2. 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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

- ☐ Yes

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

Please explain your reasoning: *[2000 character(s) maximum]*

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

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

Please explain your reasoning: *[2000 character(s) maximum]*

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.

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

Please explain your reasoning: *[2000 character(s) maximum]*

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?

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

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

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

2.4.2.3. 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?

- Yes

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

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

2.4.2.4.Other

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

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

243 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?

☒ **Yes**

☐ No

☐ Don't know/ no opinion / not relevant

Please explain your reasoning and substantiate with evidence where possible:

[2000 character(s) maximum]

In July 2021, Paris EUROPLACE released two reports, one (<https://www.paris-europlace.com/en/file/3481/download?token=zquGSy5d>) highlighting the main assets of Paris as an international finance center, the second (https://www.paris-europlace.com/fr/file/3480/download?token=8iOdJq_q) proposing 40 recommendations. Among them, we advocated to reassess the opportunity to consider the value added in derogating further from the "one share, one vote" principle.

Today, many international financial centers in European countries already implement multiple voting rights. Granted, it is also possible in France through two mechanisms: double voting rights (if mentioned in the by-laws) and (since 2019 for unlisted companies only) multiple voting rights.

We hope that a harmonized approach could be defined at a European level to update the regulatory framework across international financial centers.

- 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	

Please explain your reasoning: *[2000 character(s) maximum]*

- (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?

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

Please explain your reasoning: *[2000 character(s) maximum]*

- (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	

Please explain your reasoning: *[2000 character(s) maximum]*

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?

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

Please illustrate your reasoning, namely in terms of advantages and disadvantages

[2000 character(s) maximum]

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?

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

Please illustrate your reasoning, namely in terms of advantages and disadvantages

[2000 character(s) maximum]

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

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

244 Corporate Governance standards for companies listed on SME growth markets

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?

- ☐ Yes
- ☒ **No**
- ☐ Don't know/ no opinion / not relevant

Please explain your reasoning: *[2000 character(s) maximum]*

Paris EUROPLACE considers that corporate governance has in principle to remain within the scope of domestic regulators, being defined by laws or by non-mandatory corporate governance code.

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 local conditions.	
SME growth market operators should recommend in in their own rulebook that 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 growth markets should be fully harmonised at EU level.	
Other	
Don't know / no opinion / not relevant	

Please explain your reasoning, notably on the advantages and disadvantages of the preferred option *[2000 character(s) maximum]*

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 opin ion
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 delisting of 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)						

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

(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?

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

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

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

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 not relate to existing national discretions and options in EU legislation).

o Yes

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

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

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

Additional information

Paris EUROPLACE strongly supports the inclusion of the goal to "support competitiveness" for ESMA's and national regulators' statutory objectives, as it is currently contemplated for the UK FCA.