Anlage 1

Comments

on the Consultation Document Review of the Prospectus Directive

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The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent approximately 1,700 banks.

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Questions:

(1) Is the principle, whereby a prospectus is required whenever securities are admitted to trading on a regulated market or offered to the public, still valid? In principle, should a prospectus be necessary for:

- **admission to trading on a regulated market**
- **an offer of securities to the public?**

Should a different treatment should be granted to the two purposes (i.e. different types of prospectus for an admission to trading and an offer to the public). If yes, please give details.

Prior to answering specific questions, we would like to take this opportunity to make some general comments on the Consultation and the current legal regime governing prospectuses.

General Remarks

The Consultation Document on the Review of the Prospectus Directive was published as part of the Green Paper on Building a Capital Markets Union. Thus, the review of the Prospectus Directive should be taken as an opportunity to put the entire system currently regulating information provided to investors to the test. At present, the situation can be described as follows:

The disclosure regime in the European Union is framed by five set of rules which are not synchronised, and which are the source of significant burdens and inefficiencies:

a) Companies with liability limited by their shares must disclose their annual reports in a public register (Directive 68/151/EEC (First Directive on Corporate Law), now superseded by Directive 2009/101/EC). This applies as a result of their legal form and size, regardless of whether or not they are listed. The purpose is to protect third party creditors.

b) Access to the public capital markets (by a public offer of securities or admission to trading of securities on a regulated market) requires filing and publication of a securities prospectus under the Prospectus Directive (2003/71/EC, PD). This includes the annual report that has already been published under a).

c) Having securities outstanding that are admitted to trading on a regulated market subjects the issuer to ongoing reporting requirements according to the Transparency Directive (2001/34/EC, superseded by Directive 2013/50/EU; TD). For issuers launching another offering or applying for the admission of new securities to trading on a regulated market, these reports give no leeway for their obligations under b), even if the securities offered or admitted are of the same class that has already been offered or is already admitted to trading. Until the final closing of a public offer or, if later, the beginning of trading on a regulated market every significant new factor has to be published in a supplement to the prospectus, following its prior approval by the relevant national competent authority (NCA).

d) Under the Regulation on key information documents for investment products of 24 November 2014 (Regulation (EU) No 1286/2014; PRIIPs) issuers ("manufacturers") will also have to prepare a key information document (KID), if the issuance targets retail investors (Article 5) and any seller shall provide the investor(s) with such document (Article 12). This poses the question as to

which purpose a securities prospectus under b) will serve going forward, and which relevance it will have.

e) The Market Abuse Directive (Directive 2003/6/EC; MAD) and as from mid-2016 the Market Abuse Regulation (Regulation (EU) No 596/2014; MAR) obliges issuers of financial instruments admitted to trading on a regulated market to inform the public as soon as possible of inside information which directly concerns the said issuers.

Therefore, the envisaged Capital Markets Union (CMU) is a perfect opportunity to synchronize these different rules and to develop a disclosure regime where all these elements seamlessly tie into one another without duplication or overlaps.

Examples for such a desirable alignment are:

- No financial information should be required under PD/PR that does not have to be prepared for an issuer of securities admitted to a regulated market under the TD.

- The disclosures required in the management report according to the TD, and in the operating and financial review (OFR) under the PR, should be aligned (i.e. merged) so that the management report can simply be incorporated by reference in order to fulfil the OFR requirement under the PR.

- The disclosure of inside information (Article 6 MAD) and the requirement to publish a prospectus supplement should be aligned. As a result, no supplement should be necessary (and no approval of the same) if the information requiring such supplement has already been published according to Article 6 MAD (and a notice that such information is incorporated by reference into the prospectus has been published).

Re question no. 1:

We suggest to reconsider the requirement for a prospectus as a prerequisite for a public offer and the admission of securities to trading on a regulated market. Since the Prospectus Directive came into effect in 2005, it has been considerably amended and adjusted several times, along with other European legislation (Market Abuse Directive (MAD), Transparency Directive (TD), Markets in Financial Instruments Directive (MiFID)). In addition, new legislation was introduced (such as the PRIIPs Regulation). These raise the question as to whether prospectuses are required – in their existing form – as a central information document regarding the securities on offer. We suggest taking a differentiated view as to the products for which a prospectus should still be required, and where this requirement should be reconsidered, given existing or developing new legislation.

For instance, a prospectus still seems appropriate to us as an integrated disclosure document, and the basis for an informed investment decision, for companies accessing the capital markets for the first time, or for equity issues – irrespective whether this involves a public offering, or an admission to trading on a regulated market. Therefore, we consider different types of prospectuses for an admission to trading and an offer to the public as being unnecessarily complex.

Where structured non-equity instruments (such as debt securities) are concerned, however, for issuers subject to the Transparency Directive, the KID required in accordance with the PRIIPs Regulation (as part of issuer reporting duties) might be one of the key point-of-sale documents (also refer to question no. 28), and be used as a basis for investment decisions. From a practical view, the securities description

(which is losing importance as a result) would no longer be strictly necessary in the prospectus. If investors have a further need for information, this might be covered by making the detailed issue terms and conditions free of charge available. At least for capital market-oriented companies which are subject to financial reporting requirements according to the Transparency Directive, the issuer description in the prospectus could be replaced by financial reporting which is already easily accessible to the general public at present. Furthermore, in addition to existing financial reporting requirements, issuers are subject to ad-hoc disclosure duties: together, these provide sufficient information about the issuer.

In any case, issuers should be free to prepare a prospectus on a voluntary basis.

On a general note, we believe it is vital to improve the interaction of existing rules. For instance, referring to the definition of a public offering, we recommend finding a more precise wording, based on a specific offer to retail investors (as defined by MiFID) for subscription or purchase. Moreover, the continuous reporting requirements stipulated in the MAD/MAR and the Transparency Directive applicable to issuers listed on a regulated market upon admission to trading should be better integrated into the prospectus regime.
The following key elements should be considered, from our perspective:

- The objective must be to remove double reporting requirements and inconsistencies.
- The inclusion of financial information into the prospectus which is not already part of the regular reporting requirements according to TD or IFRS – and which is thus of no relevance to secondary market investors – should be avoided. The cost-intensive fulfilment of such additional requirements represents another burden for issuers, and considerably limits their access to the capital market.
- The regular reporting requirement to disclose management reports should be aligned with the prospectus law MD&A/OFR obligations.
- If additional securities pertaining to a listed class of securities are to be admitted to trading, the prospectus requirement is dispensable from our perspective, and should be lifted.

(2) In order to better understand the costs implied by the prospectus regime for issuers:

a) Please estimate the cost of producing the following prospectus

- **equity prospectus**
- **non-equity prospectus**
- **base prospectus**
- **initial public offer (IPO) prospectus**

b) What is the share, in per cent, of the following in the total costs of a prospectus:

- **Issuer's internal costs: [enter figure]%**
- **Audit costs: [enter figure]%**
- **Legal fees: [enter figure]%**
- **Competent authorities' fees: [enter figure]%**
- **Other costs (please specify which): [enter figure]%**

c) What fraction of the costs indicated above would be incurred by an issuer anyway, when offering securities to the public or having them admitted to trading on a regulated market, even if there were no prospectus requirements, under both EU and national law?

a) Prospectus-related costs can only be roughly estimated for a variety of reasons. Firstly, they vary greatly depending on the type of securities, offer structure and complexity of the respective issuer. Also, the various types of costs are incurred by different parties (though typically born by the issuer); in addition, a significant share thereof results from internal costs of the issuer. As the costs incurred by the issuer are usually not transparent for financial institutions acting as underwriters, only a rough guess is possible. That said, based on a non-representative empirical study for German and Austrian equity offerings, we estimate the costs for different kinds of prospectuses as follows:

- Equity prospectus (rights issue, non-proportionate):
  EUR 2 million to EUR 4 million

(It should be noted that reference transactions related to "blue chip" companies being the parent entity of international groups are primarily in the financial sector and, hence, rather complex).

- Initial public offer (IPO) prospectus:
  EUR 1.8 million to EUR 2.5 million

- Listing prospectus of an already listed issuer:
  EUR 800,000 to EUR 1 million

- Non-equity (standalone) prospectus:
  EUR 160,000 to EUR 1,600,000

- Base prospectus:
  EUR 120,000 to EUR 600,000 (incl. programme establishment and updates)

b) An approximate breakdown of costs is provided below:

aa) Equity prospectuses:
- Issuer's internal costs: 25%
- Audit costs: 40% (including insurance premium)
- Legal fees: 30%
- Competent authorities' fees 2%
- Other costs (please specify which): 3% (e.g. printer, publication of notices etc.)

bb) [Debt] prospectuses:
- 40% internal,
- 15% audit costs,
- 20% legal fees,
- 10 to 15% competent authorities, notifications, filing of EBs,
- 10 to 15% other – including listing fees and fees for the Listing/Paying Agent or Arranger, publications.

(3) Bearing in mind that the prospectus, once approved by the home competent authority, enables an issuer to raise financing across all EU capital markets simultaneously, are the additional costs of preparing a prospectus in conformity with EU rules and getting it approved by the competent authority are outweighed by the benefit of the passport attached to it?

After the implementation of the PD there are hardly any national prospectus regimes left so that a comparison between EU prospectuses vs. non-EU prospectuses is hard to make. That said, it should be emphasized that in practice a prospectus in conformity with EU rules in itself does not enable the issuer to sell across all EU capital markets simultaneously. Rather, there are still additional requirements to be fulfilled to actually effect the passporting; notably the translation of the summary, requirements regarding publications, as well as additional requirements imposed by the host member state NCA (such as local law tax disclosure or specific compliance statements) as well as separate local law requirements for the sale to retail investors (such as the product information sheet ("PIB") under German law, or reports on the issuing calendar in Austria). These additional requirements also lead to additional costs and cause detrimental effects for issuers active on more than one market.

(4) The exemption thresholds in Articles 1(2)(h) and (j), 3(2)(b), (c) and (d), respectively, were initially designed to strike an appropriate balance between investor protection and alleviating the administrative burden on small issuers and small offers. Should these thresholds be adjusted again so that a larger number of offers can be carried out without a prospectus? If yes, to which levels? Please provide reasoning for your answer.

a) the EUR 5 000 000 threshold of Article 1(2)(h):
- **Yes, from EUR 5 000 000 to EUR 10 000 000**
- **No**
- **Don't know/no opinion**

b) the EUR 75 000 000 threshold of Article 1(2)(j):
- **Yes, from EUR 75 000 000 to EUR 150 000 000**
- **No**
- **Don't know/no opinion**

c) the 150 persons threshold of Article 3(2)(b)
- **Yes, from 150 persons to [enter figure] persons**
- **No.**

- **Don't know/no opinion**

d) the EUR 100 000 threshold of Article 3(2)(c) & (d)
- **Yes, from EUR 100 000 to EUR [enter monetary figure]**
- **No**
- **Don't know/no opinion**

An increase of the thresholds given in Article 1 (2) (h) and (j) of the PD should be considered. From our point of view, the threshold for smaller issues according to Article 1 (2) (h) of the PD should be lifted to at

least EUR 10 million, in order to support the European Commission's target of providing SMEs with a cost-effective access to the capital market. The exemption according to Article 1 (2) (j) of the PD is a special form of the privileged status for smaller-sized companies. We recommend raising this threshold as well (from EUR 75 million to EUR 150 million), in order to enable SMEs to access the capital market in times of low interest rates and increased regulatory requirements, in particular regarding capital ratios. In this context, it should be mentioned that smaller credit institutions play a key role in avoiding and solving severe crises in the financial system.

However, the threshold values provided in Article 3 (2) (b), (c) and (d) of the PD should be kept unchanged, as they have proven appropriate in practice. The first threshold listed above represents an important exemption from the prospectus requirement for cases where the issue addresses a limited circle of potential investors and defines a clear criterion for the existence/non-existence of a prospectus requirement. This criterion is particularly important because it provides for private placements with no prospectus requirements. Such placements play an important role in short-term capital raising. However, as part of the revision of the Prospectus Directive, a clarification might be added that the threshold value specified in Article 3 (2) c) PD refers to the aggregate nominal amount of the securities offered. At present, the legislation requires that investors have to acquire securities with a "minimum amount" of EUR 100,000, with the actual purchase price considered as that "minimum amount" in some jurisdictions (including Germany). For example, to be able to avail of this exemption for a bond sold at 99% of the nominal amount (with a minimum denomination of EUR 1,000), the issuer would need to sell bonds with an aggregate nominal amount of at least EUR 102,000. Therefore, in practice this "minimum amount" parameter regularly leads to calculation and monitoring problems; as a consequence, this exemption is hardly usable at least in some jurisdictions (such as Germany).

(5) Would more harmonisation be beneficial in areas currently left to Member States discretion, such as the flexibility given to Member States to require a prospectus for offers of securities with a total consideration below EUR 5 000 000?

Yes

No

Other areas:

Don't know/no opinion

We are in favour of a level playing field in Europe. Gold plating by single member states should be avoided.

(6) Do you see a need for including a wider range of securities in the scope of the Directive than transferable securities as defined in Article 2(1)(a)? Please state your reasons.

Yes

No

Don't know/no opinion

(7) Can you identify any other area where the scope of the Directive should be revised and if so how? Could other types of offers and admissions to trading be carried out without a prospectus without reducing consumer protection?
Yes [text box]
No
Other areas:
Don't know/no opinion

Yes, we believe such possibilities exist. For example, up to 2008 banks in Germany that issued debt securities in a continuous or repeated manner were exempt from preparing a prospectus (section 3 no. 2 of the German Prospectus Act (previous wording); section 38 of the German Stock Exchange Admission Regulation). The purpose of this exemption was to avoid burdening banks and financial services providers with having to repeatedly prepare sales prospectus with largely identical content. However, investor protection aspects have to be considered in this context; please refer to our comments regarding question no. 1. In our view, the fact that there are numerous European legislation (including MiFID I, PRIIPs), providing investors with a variety of information needs to be taken into account. A prospectus is thus no longer the sole document providing information to investors. We suggest to once again consider such an exemption for banks and financial services providers acting as permanent capital markets participants. From an investor protection point of view, we consider limiting such an exemption to debt securities issued for the primary funding of banks and financial services providers.

The option to use the base prospectus regime should in any case be maintained for exempted issues.

(8) Do you agree that while an initial public offer of securities requires a full-blown prospectus, the obligation to draw up a prospectus could be mitigated or lifted for any subsequent secondary issuances of the same securities, providing relevant information updates are made available by the issuer?
Yes
No
Don't know/no opinion

We understand the question in a sense that the need for a prospectus is scrutinised if securities are offered to the public which belong to a class of securities (ISIN) that has already been admitted to trading on a regulated market. That is typically the case if the shares of an issuer have been offered in an initial public offering and subsequently admitted. In that case, the issuer has already published a prospectus in conformity with PD/PR in connection with the IPO. As a result of the offered shares also being admitted to trading on a regulated market, the issuer is subject to the ongoing reporting requirements under the Transparency Directive as well as obliged to disclose to the public any inside information directly concerning that issuer according to the Market Abuse Directive or the Market Abuse Regulation, respectively.

Given that these ongoing disclosure requirements are designed to ensure that the information required to take an informed investment decision is disclosed to the public on an ongoing basis, we see no need for a new prospectus. The initial prospectus plus the subsequent publications under the Transparency Directive as well as the Market Abuse Directive/Market Abuse Regulation provide for the full picture of the securities offered or to be admitted as required under Article 5 PD.

Accordingly, the issuer should be allowed to offer to the public and seek the admission of new shares without the need to publish a new prospectus, provided that

- in connection with the first offer and admission of shares of that class a full-blown PD/PR prospectus was published; and
- the issuer has subsequently complied with its disclosure obligations under the Transparency Directive and the Market Abuse Directive/Market Abuse Regulation, which count as the "relevant updates".

If the question is understood in a wider way and bonds should be considered as well, we would propose the following:
Irrespective of the fact that there is either another issuance of additional bonds of an already previously offered class ("reopening" or "tap"), or there is a new issuance of bonds of another class, the issuer is subject to the disclosure obligations under the Transparency Directive and the Market Abuse Directive/Market Abuse Regulation (with respect to this or another class of securities). If the issuer complies with these requirements, the same principle should apply as set out above for shares.

In any way, we propose the following simplifications, for listed as well as non-listed issuers:

1. No obligation to publish a prospectus for rights issues if the new shares are only offered to existing shareholders – such an offering does not constitute an offer to the public.
2. No obligation to publish a prospectus for a mere listing of securities if securities of the same class (ISIN) are already admitted to a regulated market – in this case investors are sufficiently protected by the disclosure obligations under the Transparency Directive and the Market Abuse Directive/Market Abuse Regulation.
3. The Prospectus Regulation should not require financial information that goes beyond what is required in the course of the ongoing disclosure obligations under the Transparency Directive.
4. The requirements for a management report to be published under the Transparency Directive should be aligned with those for the prospectus section "Operating and Financial Review" so that the management report can simply be incorporated by reference as "Operating and Financial Review" in the future (as it is the case in the U.S. where the same requirements apply for a so-called MD&A (Management's Discussion and Analysis in an interim or annual financial report as in a prospectus).

(9) How should Article 4(2)(a) be amended in order to achieve this objective ? Please state your reasons.
The 10% threshold should be raised to [enter figure]%
The exemption should apply to all secondary issuances of fungible securities, regardless of their proportion with respect to those already issued
No amendment
Don't know/no opinion

The exemption should generally apply to all issuances of securities belonging to a class of securities already approved for trading (option 2). A volume threshold would not be justified from our perspective.

(10) If the exemption for secondary issuances were to be made conditional to a full- blown prospectus having been approved within a certain period of time, which timeframe would be appropriate?
[ ] years
There should be no timeframe (i.e. the exemption should still apply if a prospectus was approved ten years ago)
Don't know/no opinion

We consider the preparation of a prospectus to be necessary only for a first-time public offer. Where securities continue to be offered following their first-time placement, no renewed preparation of a prospectus is required for the purposes of investor protection. The prospectus prepared for the initial offer allows investors to take a sound investment decision. Moreover, security-specific information that does not change over time is available to investors via other documents, such as terms and conditions provided by the issuer, or the KID.
Issuer-related information is available to investors due to the fact that issuers of securities admitted to trading on a regulated market must comply with ad-hoc disclosure obligations under the MAR, as well as with regular disclosures pursuant to the TD.
Thus, we consider it unnecessary to establish additional prospectus requirements aimed at secondary market activities. Such requirements would only increase the issuer's efforts in terms of costs and time, with no additional benefit for investors. With this understanding, the age of the prospectus would be irrelevant for subsequent sales activities.

This question should also be considered in the context of a fundamental and comprehensive review of the entire information system, including a reasonable coordination of primary and secondary market information.

(11) Do you think that a prospectus should be required when securities are admitted to trading on an MTF? Please state your reasons.
Yes, on all MTFs
Yes, but only on those MTFs registered as SME growth markets
No
Don't know/no opinion

MTFs represent trading venues, which facilitate capital market access to companies, subject to applicable legislation. From our perspective, there is no sufficient reason to generally require prospectuses for securities traded on MTFs. Such a requirement would clearly increase the costs for access to capital markets, create a sizeable access barrier for SMEs, and would ultimately restrict companies' options for action. From an investor protection point of view, a prospectus requirement is not necessary either. Information concerning the differences in trading on a regulated market vs. an MTF is adequately provided to small investors.

(12) Were the scope of the Directive extended to the admission of securities to trading on MTFs, do you think that the proportionate disclosure regime (either amended or unamended) should apply? Please state your reasons.
Yes, the amended regime should apply to all MTFs Yes, the unamended regime should apply to all MTFs
Yes, the amended regime should apply but not to those MTFs registered as SME growth markets
Yes, the unamended regime should apply but not to those MTFs registered as SME growth markets
Yes, the amended regime should apply but only to those MTFs registered as SME growth markets
Yes, the unamended regime should apply but only to those MTFs registered as SME growth markets
No
Don't know/no opinion

Please refer to question no. 11: in our opinion, there should be no requirement to publish a prospectus for trading on a MTF.

(13) Should future European long term investment funds (ELTIF), as well as certain European social entrepreneurship funds (EuSEF)4 and European venture capital funds (EuVECA)5of the closed-ended type and marketed to non-professional investors, be exempted from the obligation to prepare a prospectus under the Directive, while remaining subject to the bespoke disclosure requirements under their sectorial legislation and to the PRIIPS key information document? Please state your reasoning, if necessary by drawing comparisons between the different sets of disclosure requirements which cumulate for these funds.
Yes, such an exemption would not affect investor/consumer protection in a significant way
No, such an exemption would affect investor/consumer protection
Don't know/no opinion

Yes, we agree. Preparing a prospectus for the above-mentioned products should not be mandatory in cases where the level of disclosure is comparable due to other legislation. We would therefore like to refer to our response to question no. 1, where we have outlined why preparing a prospectus is not necessary in certain circumstances.

(14) Is there a need to extend the scope of the exemption provided to employee shares schemes in Article 4(1)(e) to non-EU, private companies ? Please explain and provide supporting evidence.
Yes
No
Don't know/no opinion

(15) Do you consider that the system of exemptions granted to issuers of debt securities above a denomination per unit of EUR 100 000 under the Prospectus and Transparency Directives may be detrimental to liquidity in corporate bond markets? If so, what targeted changes could be made to address this without reducing investor protection?
Yes
No
Don't know/no opinion

We do not see any immediate impact upon liquidity on the corporate bond markets as a result of the EUR 100,000 threshold. On the one hand, the denomination is driven by the issuer's objectives, whose focus is primarily on the ability to place the issue on the primary market, and to reduce the cost of issuance. On the other hand, liquidity is influenced decisively by investor requirements: if there is sufficient demand for issues with a smaller denomination, issuers with a funding need will satisfy this demand. Demand may be stimulated by corresponding measures, such as the promotion of a broad product range as well as adequate advisory services for retail investors.

Regarding the specific classification into liquid and illiquid non-equity issues, we also refer to our comments regarding systematic internalisers, in our response to question no. 23 of the parallel consultation concerning the Green Paper on Capital Markets Union.

If you have answered yes, do you think that:
(a) the EUR100 000 threshold should be lowered?
Yes, to EUR [enter monetary figure]
No
Don't know/no opinion

(b) some or all of the favourable treatments granted to the above issuers should be removed?
Yes, please indicate to what extent : [ ]
No
Don't know/no opinion

(c) the EUR 100 000 threshold should be removed altogether and the current exemptions should be granted to all debt issuers, regardless of the denomination per unit of their debt securities?
Yes
No
Don't know/no opinion

The threshold of EUR 100,000 has proven appropriate in practice (cf. our response to question no. 4).

(16) In your view, has the proportionate disclosure regime (Article 7(2)(e) and (g)) met its original purpose to improve efficiency and to take account of the size of issuers? If not, why?
Yes
No
Don't know/no opinion

The Proportionate Disclosure regime covered only details. It does not provide substantial efficiency improvements. The main issue, i.e. a lack of harmonisation between the different disclosure regimes regarding prospectus, standard and ad-hoc disclosures, remains unchanged. We believe that the necessary adjustments to regulatory regimes should now be addressed.

(17) Is the proportionate disclosure regime used in practice, and if not what are the reasons? Please specify your answers according to the type of disclosure regime.

a) Proportionate regime for rights issues
Yes
No
Don't know/no opinion

The Amending Directive 2010/73/EU, which came into effect in 2012, introduced the Proportionate Disclosure regime with the aim to reduce the administrative burden and costs for companies seeking to raise capital. However, the Proportionate Disclosure regime is hardly used in practice – due to the fact that its disadvantages are not compensated by its benefits. For example: the Proportionate Disclosure regime for rights issues does not appear to generate significant cost savings whereas it leads to significant placement restrictions. Hence, it does not appear attractive to issuers, also as it may result in less transaction security.

b) Proportionate regime for small and medium-sized enterprises and companies with reduced market capitalisation
- **Yes**
- **No**
- **Don't know/no opinion**

c) Proportionate regime for issues by credit institutions referred to in Article 1(2)(j) of Directive 2003/71/EC
- **Yes**
- **No**
- **Don't know/no opinion**

(18) Should the proportionate disclosure regime be modified to improve its efficiency, and how? Please specify your answers according to the type of disclosure regime.
a) Proportionate regime for rights issues Textbox: [ ]
b) Proportionate regime for small and medium-sized enterprises and companies with reduced market capitalization

c) Proportionate regime for issues by credit institutions referred to in Article 1(2)(j) of Directive 2003/71/EC

(19) If the proportionate disclosure regime were to be extended, to whom should it be extended?
To types of issuers or issues not yet covered? Please specify: [text box]
To admissions of securities to trading on an MTF, supposing those are brought into the scope of the Directive? Please specify: [text box]
Other Please specify: [text box]
Don't know/no opinion

As stated in question no. 17 the Proportionate Disclosure regime has not yielded the expected results. Therefore, we opt for a different approach: in lieu of the Proportionate Disclosure regime, the different disclosure regimes regarding prospectus, standard and ad-hoc disclosures should be harmonised, while their usability should be optimised by allowing cross-references.

(20) Should the definition of "company with reduced market capitalisation" (Article 2(1)(t)) be aligned with the definition of SME under Article 4(1)(13) of Directive 2014/65/EU by raising the capitalisation limit to EUR 200 000 000?
Yes
No
Don't know/no opinion

(21) Would you support the creation of a simplified prospectus for SMEs and companies with reduced market capitalisation admitted to trading on an SME growth market, in order to facilitate their access to capital market financing?
Yes
No, the higher risk profile of SMEs and companies with reduced market capitalisation justifies disclosure standards that are as high as for issuers listed on regulated markets.
Don't know/no opinion

Referring to simplified rules for SMEs, it should be taken into account that SME financing generally implies higher risks for investors, which – from our point of view – gives rise to a critical stance on lower transparency requirements in this segment in particular.

(22) Please describe the minimum elements needed of the simplified prospectus for SMEs and companies with reduced market capitalisation admitted to trading on an SME growth market.

With regard to the financing of small and medium-sized enterprises in all European regions, we would like to point out that the regulatory costs, a lack of expertise, and the effort required for capital market financings are clearly market entry barriers for many SMEs.

Regarding reporting requirements at Group level, SMEs eligible for an exchange listing which look for raising finance on the capital markets could profit from a gradual approach, for instance through simplified disclosure requirements under International Financial Reporting Standards (IFRSs) (cf. size of undertakings in the EU Accounting Directive). This would help to considerably reduce market entry barriers and reduce the effort required on the side of SMEs to provide financial information in the course of the production of a prospectus.

Please refer to our answer to question no. 21.

(23) Should the provision of Article 11 (incorporation by reference) be recalibrated in order to achieve more flexibility? If yes, please indicate how this could be achieved (in particular, indicate which documents should be allowed to be incorporated by reference)?
Yes
No
Don't know/no opinion

Yes, all mandatory issuer publications, as well as any documents published on a voluntary basis – such as quarterly reports and foreign-language documents (English translations of quarterly, half-yearly and annual financial statements) – should be allowed for incorporation into the prospectus by reference. The restrictions on the information incorporated by reference results in a non-appropriate duplicity of the respective data, eventually leading to an enormous extension of the length of the prospectus. Hence, the prospectus does not fulfil its actual purpose, in particular for small investors, i.e. expanding the basis of decision. Repeating information that has already been filed in the prospectus does not support investor protection, because it does not enhance transparency. Rather, incorporation by reference allows investors to access all the relevant information and base their decision on it. Moreover, for the reasons provided in question no. 1, no additional financial reporting requirements should be in place for prospectuses.

Such a procedure would allow a) for a reduction in the efforts on the part of the issuer, and b) an enormous reduction in the length of the prospectus (in particular regarding financial reporting) and c) a reduction in the scope of the audit carried out by the NCA in the approval process.

In this context, we would like to refer to the single integrated all electronic EU filing system (as referred to in question no. 44), which we explicitly support. Such a system might also be used as a centralised information repository, where all documents included by reference are stored. With such a new system, reporting to national NCAs should be revoked in order to avoid duplication.

(24) (a) Should documents which were already published/filed under the Transparency Directive no longer need to be subject to incorporation by reference in the prospectus (i.e. neither a substantial repetition of substance nor a reference to the document would need to be included in the prospectus as it would be assumed that potential investors have anyhow access and thus knowledge of the content of these documents)? Please provide reasons.
Yes
No
Don't know/No opinion

The question at hand deals with the core aspect of how documents already published are related to the prospectus. From our perspective, the question if documents published/filed under the Transparency Directive should at least be subject to incorporation by reference needs to be answered based on a thorough general assessment of the overall concept regarding issuer related information as required by the different relevant Directives. In any case, including documents already published by reference should always be an option available to entities preparing a prospectus. In particular, this might provide relief concerning the duty to provide supplements, provided that the issuer is subject to ad-hoc disclosure duties as well as regular disclosure obligations.

It might even be feasible to consider integrating dynamic incorporation of future publications (or of the respective upcoming quarterly or annual reports) into the prospectus, which would then be accessible via the centralised single, integrated all electronic EU filing system (cf. question no. 44).

(b) Do you see any other possibilities to better streamline the disclosure requirements of the Prospectus Directive and the Transparency Directive?
Yes
No
Don't know/No opinion

The prospectuses duplicate too much information within the document as well as that taken from published documents, especially the financial information. A very high percentage of the issuer information is taken from the Financial Information. So the issuer description is a summary of the Financial Information and has to be summarised itself for the summary of the base prospectus. One summary should be enough.

It would be very helpful to have all issuer information in one part of the document and to have all security information in a separate part thereof. In consequence, the issuer and issuers risk information should be together in one part of the summary and the description and risk description of the securities should be together in a second part. In addition, no prospectus supplement should be required if the relevant information has already been published under MAR.

(25) Article 6(1) Market Abuse Directive obliges issuers of financial instruments to inform the public as soon as possible of inside information which directly concerns the said issuers; the inside information has to be made public by the issuer in a manner which enables fast access and complete, correct and timely assessment of the information by the public. Could this obligation substitute the requirement in the Prospectus Directive to publish a supplement according to Article 17 without jeopardising investor protection in order to streamline the disclosure requirements between Market Abuse Directive and Prospectus Directive?

Yes

No

Don't know/No opinion

We consider information already disclosed according to Article 6(1) Market Abuse Directive / Article 17 Regulation (EU) No 596/2014 on market abuse (MAR) should not have to be published separately in a supplement to the prospectus according to Article 16 Prospectus Directive 2003/EC/71. The information is already publically available and investors have the possibility to consider it in respect to their investment decision. We truly see no need for an additional publication (cf. our general remarks, question no. 16, 19, 23).

(26) Do you see any other possibility to better streamline the disclosure requirements of the Market Abuse Directive and the Prospectus Directive?

Yes

No

Don't know/No opinion

(27) Is there a need to reassess the rules regarding the summary of the prospectus? (Please provide suggestions in each of the fields you find relevant)

a) Yes, regarding the concept of key information and its usefulness for retail investors

b) Yes, regarding the comparability of the summaries of similar securities

c) Yes, regarding the interaction with final terms in base prospectuses

d) No.

e) Don't know/no opinion

We support the Commission’s assessment that the summary regime has not fully achieved its objectives of being short, simple, clear and easy to understand for investors. Regarding the concept of key information and its usefulness for retail investors (a) we clearly see a need for reassessment. In particular, the rules concerning the summary of the prospectus should be strongly evaluated against the PRIIPs Regulation. Any security related information in a summary of a prospectus is in our view redundant, since it should already be included in the KID, which will be drawn-up in the local language. As a consequence, the GBIC strongly supports the consideration to eliminate the prospectus summary, where a KID is produced in accordance with the PRIIPs Regulation.

Furthermore we consider a reassessment of the rules regarding the summary of the prospectus in respect of the interaction with the final terms in the base prospectus necessary (alternative c)). In our opinion, using Final Terms should be more flexible. It should be up to the issuer if he wants to use a "tick-box" system or issues full Terms and Conditions. This would facilitate the preparation of the prospectus and

facilitate the checking that the Terms and Conditions in the Final Terms (in the "tick boxes") do not differ from what has to be sent to the clearing systems. It could simply be copied.

In addition, the information provided in the summary for retail investors is too sophisticated, too long, and too complicated. Moreover, since the summary is not sufficient for investors (or should not be, because otherwise drafting a prospectus would not make sense), cross-references should be allowed. In this way, investors would be allowed to have a look at the whole prospectus (if they so wish), which will enable them to carry out a proper, in-depth assessment.

(28) For those securities falling under the scope of both the packaged retail and insurance-based investment products (PRIIPS) Regulation8, how should the overlap of information required to be disclosed in the key investor document (KID) and in the prospectus summary, be addressed?

- **a) By providing that information already featured in the KID need not be duplicated in the prospectus summary. Please indicate which redundant information would be concerned : [textbox]**
- **b) By eliminating the prospectus summary for those securities.**
- **c) By aligning the format and content of the prospectus summary with those of the KID required under the PRIIPS Regulation, in order to minimise costs and promote comparability of products**
- **d) Other: [textbox]**
- **e) Don't know/no opinion**

We believe that option a) is not practical, given that the information provided in the respective documents is not identical. Based on the different needs for information, the preparation of data may be adjusted. Moreover, it would be difficult to decide what data was to be excluded or incorporated by reference, etc.

Option b) generally provides for a reduction of the required efforts and increases data consistency (no duplicity/inconsistencies). The key investor document (KID) can be identified more easily as a reference document by retail investors, and may be applied on different basic conditions (different handling for issuances of securities in a continuous manner): it is applicable both for product-specific programs (PRIIPs relevance is unambiguous) as well as for programs including PRIIPs-relevant and other plain-vanilla products. (Product summaries included in programs are currently already different according to product class.) The objective should be to avoid duplication. For instance, the sections of the prospectus summaries describing the securities could be replaced by the KID. However, the KID needs to be restricted to information the issuer is able to provide. Information clearly attributable to the distribution (such as costs incurred by the investor) should be requested from the sales agent alone, and not included in the prospectus.

(29) Would you support introducing a maximum length to the prospectus? If so, how should such a limit be defined?
Yes, it should be defined by a maximum number of pages and the maximum should be [figure] pages
Yes, it should be defined using other criteria, for instance: [textbox]
No
Don't know/no opinion

We see the introduction of a length limit concerning the entire prospectus critically, especially in respect to the description of risks. The length of the prospectus depends on the type of issuer, and the issuer's economic situation, as well as on the type and characteristics of the securities to be issued. This is necessary for investor protection reasons, but also for liability reasons. The key aspect of a prospectus is that it needs to be comprehensible. Hence, there should be no pre-set restriction on the number of pages for a prospectus.

(30) Alternatively, are there specific sections of the prospectus which could be made subject to rules limiting excessive lengths? How should such limitations be spelled out?

No, see question no. 29.

(31) Do you believe the liability and sanctions regimes the Directive provides for are adequate? If not, how could they be improved?

	Yes	No	No opinion
• the overall civil liability regime of Article 6			
• the specific civil liability regimefor prospectus summaries of Article 6(2)			
• the sanctions regime of Article 25			

(32) Have you identified problems relating to multi-jurisdiction (cross-border) liability with regards to the Directive? If yes, please give details.
Yes
No
Don't know/no opinion

Yes: since there were no uniform liability rules for prospectuses, uncertainties regarding liability in individual EU member states form entrance barriers to such markets. We therefore advocate a further, EU-wide harmonisation of fundamental rules governing prospectus liability. For instance, it might be worth considering to further harmonise the group of liable entities or persons, as well as the distribution of the burden of proof. In any event, it should be clear and transparent which liability regime applies. We strongly support the law of the country where the issuer or the guarantor has its registered office (issuer`s or guarantor`s home member state). This is essential information for any investment decision.

(33) Are you aware of material differences in the way national competent authorities assess the completeness, consistency and comprehensibility of the draft prospectuses that are submitted to them for approval? Please provide examples/evidence.
Yes
No
Don't know/no opinion

(34) Do you see a need for further streamlining of the scrutiny and approval procedures of prospectuses by NCAs? If yes, please specify in which regard.
Yes
No
Don't know/no opinion

Prospectus approval processes take a lot of time and are extremely cost-extensive. It would be very helpful if all national competent authorities (NCAs) could return clear comments in writing to the issuer of the prospectus as part of the approval process to make the entire process more efficient. It would also avoid non-approval – if the NCAs could refer in their comments to the relevant provisions of prospectus law that they believe have not been complied with, and could provide the reasons for their decision. This would also help to find solutions for problem areas more quickly and streamline the prospectus review process.

(35) Should the scrutiny and approval procedure be made more transparent to the public? If yes, please indicate how this should be achieved.
Yes
No
Don't know/no opinion

We consider the cooperation between the issuer and the authority responsible for the approval to be more important. In this respect, more transparency would be very useful (cf. question no. 34). More transparency towards the public concerning the approval process however, does not create any added value. By contrast, it would rather distract the public's attention from the final prospectus and may create uncertainties with regard to deviations between earlier drafts and the final version.

(36) Would it be conceivable to allow marketing activities by the issuer in the period between the first submission of a draft prospectus and the approval of its final version, under the premise that no legally binding purchase or subscription would take place until the prospectus is approved? If yes, please provide details on how this could be achieved.
Yes
No
Don't know/no opinion

As long as the threshold for the public offer of a security has not been exceeded, and there is not yet a possibility to subscribe for the product, there are no objections to general marketing activities during the phase prior to approval of the prospectus by the national competent authority. This is a permissible (and

common) practice, according to which potential investors are informed, in a general manner, about a future securities offer.

(37) What should be the involvement of NCAs in relation to prospectuses? Should NCAs:

- **a) review all prospectuses ex ante (i.e. before the offer or the admission to trading takes place)**
- **b) review only a sample of prospectuses ex ante (risk-based approach)**
- **c) review all prospectuses ex post (i.e. after the offer or the admission to trading has commenced)**
- **d) review only a sample of prospectuses ex post (risk-based approach)**
- **e) Sonstige**
- **f) Don't know/no opinion**

Please describe the possible consequences of your favoured approach, in particular in terms of market efficiency and invest protection.

We believe that only variants a) or b) are viable. A review or approval of the prospectus following publication and the beginning of the public offer would not satisfy investor protection needs.
Generally, the ex ante assessment appears useful to protect investors from misleading prospectuses and to enhance the quality of disclosure. It could be considered to allow frequent issuers that are already listed to simply file prospectuses, instead of requiring an approval of each and every prospectus, similar to the streamlined process for WKSIs (well-known seasoned issuers) in the US (alternative b). In any case, issuers should have the choice to decide as to whether they submit all prospectuses to the national supervisory authorities for approval, or only a selection.

(38) Should the decision to admit securities to trading on a regulated market (including, where applicable, to the official listing as currently provided under the Listing Directive), be more closely aligned with the approval of the prospectus and the right to passport? Please explain your reasoning, and the benefits (if any) this could bring to issuers.

Yes
No
Don't know/no opinion

To avoid a duplicate assessment process by several authorities it appears useful to either combine the decision to admit securities to trading on a regulated market (resp. the official listing) with the prospectus approval or to limit the decision relating to the admission to merely technical issues unrelated to the prospectus.

(39) (a) Is the EU passporting mechanism of prospectuses functioning in an efficient way? What improvements could be made?
Yes
No
Don't know/no opinion

While the introduction of the passporting system constitutes a significant improvement to the status quo ante pre PD, it still requires improvements in terms of consistency. More specifically, NCAs should clearly be prohibited from requiring additional disclosures and further documentation just to make the passporting of an already approved prospectus effective. In this respect, please also see our answer to question no. 3.

(b) Could the notification procedure set out in Article 18, between NCAs of home and host Member States be simplified (e.g. limited to the issuer merely stipulating in which Member States the offer should be valid, without any involvement from NCAs), without compromising investor protection?
Yes
No
Don't know/no opinion

For instance, the notification process might be streamlined by the national competent authority of the issuer's home member state notifying the European Securities and Markets Authority (ESMA) of its approval of a prospectus through which products are offered in other member states as well. Such notification would clearly indicate which other member states are involved; ESMA would then be able to contact such other member states, informing them of the approval.

(40) Please indicate if you would support the following changes or clarifications to the base prospectus facility. Please explain your reasoning and provide supporting arguments:

	I support	I do not support	Justify
a) The use of the base prospectus facility should be allowed for all types of issuers and issues and the limitations of Article 5(4)(a) and (b) should be removed	**[x]**	**[☐]**	**[textbox]**
b) The validity of the base prospectus should be extended beyond one year	**[x] Please indicate the appropriate validity length: [☐]**	**[☐☐]**	**[textbox]**
c) The Directive should clarify that issuers are allowed to draw up a base prospectus as separate documents (i.e. as a tripartite prospectus), in cases where a registration document has already been filed and approved by the NCA	**[x]**	**[☐☐]**	**[textbox]**

d) Assuming that a base prospectus may be drawn up as separate documents (i.e. as a tripartite prospectus), it should be possible for its components to be approved by different NCAs	**[x]**	**[☐☐] [textbox]**
e) The base prospectus facility should remain unchanged	**[☐☐]**	**[☐☐] [textbox]**
f) Other (please specify)	**[textbox]**	

b) Yes, the validity of the base prospectus should be extended beyond twelve months. This would provide relief in terms of updates – which can be very cost-intensive (for details, see question no. 2) – as well as a reduction in personnel resources, both on the side of the issuer and the NCAs.

One tried-and-tested approach would be a "rolling" validity in accordance with section 9 (2) sentence 2 of the current version of the German Securities Trading Act (Wertpapierhandelsgesetz – "WpHG"). The section reads as follows: "if the final terms of the offer are submitted during the validity period of a basis prospectus, the validity of the basis prospectus for this public offer shall be extended until the expiry of the offer, however, no more than twelve months following the submission of the final terms at the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin")." This legislation would introduce the flexibility necessary for a better coordination between issuing activities and the disclosure of (financial) information implying supplementary reporting duties (such as annual reports), without having to interrupt issuing activities.

With regards to investor protection there is no reason why the prospectus should not remain valid as long as it is supplemented and the requirements of the TD and MAD are fulfilled. In any case, the issuer should be allowed to publish consolidated versions of such a prospectus.

c) Yes, the Directive should clarify once again that base prospectuses may be drawn up as tripartite prospectuses, as well. Base prospectuses are simply prospectuses where the securities description is split up into two parts for efficiency reasons. The description of the issuer in base prospectuses is the same as for stand-alone prospectuses. There is, therefore, no apparent reason why a separately approved registration document should not be used as in other prospectuses to complete a tripartite base prospectus. This concept was successfully applied in Germany in several instances, until ESMA prohibited its use. The tripartite prospectus is a particularly efficient and helpful tool for frequent issuers, who in turn are heavy users of base prospectuses. Only the combination of both concepts, base prospectus and registration document, allows to realise the full potential for efficiency for issuers with multiple issuance platforms.

d) Yes, the components of a tripartite base prospectus should be allowed to be approved by different NCAs. It is very important for issuers to maintain a uniform issuer description in all their prospectuses. Naturally, this proves difficult to achieve, where the issuer description of different prospectuses is approved by different NCAs. A crossborder use of the same registration document to assemble different tripartite base prospectuses solves this problem.

e) The existing base prospectus facility should be extended (s. answers a) – f)). Nevertheless the prevailing base prospectus technique should remain an option for issuers.

f) A similar result as described under c) and d) above could be achieved, if the Directive allowed to dynamically incorporate by reference a previously approved registration document, i.e. to incorporate it and

all future supplements to it without having to supplement the base prospectus with each supplement to the registration document. Each base prospectus of a frequent issuer would point to the same registration document and every investor would always find the most current information. This element of investor protection would be supported by a comprehensive, all-electronic EU filing system. To completely mirror the effect of a tripartite base prospectus, NCAs would need to refrain from commenting on the issuer description, where an already approved registration document is incorporated in a new prospectus.

(41) How is the "tripartite regime" (Articles 5 (3) and 12) used in practice and how could it be improved to offer more flexibility to issuers?

Please also see the answers to questions 40 c), d) and f) above on its use in practice, current limitations and corresponding possible improvements.

The introduction of the possibility to prepare a base prospectus as a tripartite document comprising the registration document (describing the issuer of the securities), the securities note (describing the securities) and the summary was very much welcomed. However, since the European Securities and Markets Authority (ESMA) established its opinion in 2013 that the overall prospectus regime does not provide for the necessary legal framework for the tripartite prospectus, and that a base prospectus could not be drawn-up as a tripartite document, this concept is hardly used in practice. We do not agree with ESMA's opinion: the possibility for a tripartite document was created to ensure that issuers who expect the repeated offering of securities – but want to maintain flexibility as to the peculiarities of those securities – have the possibility of the highest levels of efficiency in their prospectus obligations. We therefore strongly support the concept of a tripartite prospectus, and recommend clarifying that a base prospectus may also be prepared as a tripartite document.

A central limitation to the efficiency of tripartite prospectuses, in particular tripartite base prospectuses, is that a supplement to the registration document regularly triggers a corresponding change to the issuer description in the summary, necessitating another supplement to the prospectus part that contains the summary, i.e. the summary note or the document combining the securities note and the summary note. A possible solution would be to create a bipartite prospectus regime, where the summary is split up into a securities summary and an issuer summary, with these parts added to the securities note and the registration document, respectively. The risk factor section is already separated in this manner. For notification purposes the two summary parts would be reunited in one translation. Nevertheless the prevailing base prospectus technique should remain an option for issuers.

(42) Should the dual regime for the determination of the home Member State for non- equity securities featured in Article 2(1)(m)(ii) be amended? If so, how?

a) No, status quo should be maintained.

b) Yes, issuers should be allowed to choose their home Member State even for non-equity securities with a denomination per unit below EUR 1 000.

c) Yes, the freedom to choose the home Member State for non-equity securities with a denomination per unit above EUR 1 000 (and for certain non-equity hybrid securities) should be revoked.

The dual regime for the determination of the home Member State for non-equity securities is very helpful for issuers. It is a clear benefit to choose the most experienced competent authority by choosing the relevant home Member State accordingly. Since investor protection may not be mitigated, we even argue in favour of allowing to choose the home Member State in case of non-equity securities with a denomination per unit below EUR 1,000 (alternative b)).

(43) Should the options to publish a prospectus in a printed form and by insertion in a newspaper be suppressed (deletion of Article 14(2)(a) and (b), while retaining Article 14(7), i.e. a paper version could still be obtained upon request and free of charge)?

Yes

No

Don't know/no opinion

(44) Should a single, integrated EU filing system for all prospectuses produced in the EU be created? Please give your views on the main benefits (added value for issuers and investors) and drawbacks (costs)?

Yes

No

Don't know/no opinion

We support the idea of a comprehensive, all-electronic system, which would facilitate the access to all documents incorporated by reference, enhance access to disclosure of investor documents, and operate as a unique entry point for issuers and investors. We consider this idea very beneficial and central to the protection of investors by way of disclosure. With such a new system, reporting to national NCAs should be revoked in order to avoid duplication.

(45) What should be the essential features of such a filing system to ensure its success?

(46) Would you support the creation of an equivalence regime in the Union for third country prospectus regimes? Please describe on which essential principles it should be based.

Yes

No

Don't know/no opinion

The prospectuses of third-country issuers should be equivalent to prospectuses issued under the Prospectus Directive.

(47) Assuming the prospectus regime of a third country is declared equivalent to the EU regime, how should a prospectus prepared by a third country issuer in accordance with its legislation be handled by the competent authority of the Home Member State defined in Article 2(1)(m)(iii)?

a) Such a prospectus should not need approval and the involvement of the Home Member State should be limited to the processing of notifications to host Member States under Article 18

b) Such a prospectus should be approved by the Home Member State under Article 13

c) Don't know/no opinion

Provided the equivalence also includes the approval process conducted in that third country, we opt for alternative a). Otherwise, an approval and the setting up of a prospectus in conformity with PD/PR should be required.

Final questions:

(48) Is there a need for the following terms to be (better) defined, and if so, how:

a) "offer of securities to the public"

Yes

No

Don't know/no opinion

b) "primary market" and "secondary market"?

Yes

No

Don't know/no opinion

The term "offer of securities to the public"" should be defined on a uniform, pan-European basis. This definition should include the investor's actual ability to order or subscribe for the offered securities. This would be consistent with the long-standing practice in Germany, and we believe it is a useful clarification.

The terms "primary market" and "secondary market" are currently not dealt with in the Prospectus Directive, and the potential substantive questions attached to them should be dealt with outside this Directive due to their major impact also on other legislation, e.g. MiFID II or PRIIPs.

(49) Are there other areas or concepts in the Directive that would benefit from further clarification?

No, legal certainty is ensured

Yes, the following should be clarified:

Don't know/no opinion

The description of tax legislation in a prospectus should be limited to true withholding taxes applicable at the issuer's registered office.

(50) Can you identify any modification to the Directive, apart from those addressed above, which could add flexibility to the prospectus framework and facilitate the raising of equity or debt by companies on capital markets, whilst maintaining effective investor protection? Please explain your reasoning and provide supporting arguments.

Yes

No

Don't know/no opinion

(51) Can you identify any incoherence in the current Directive's provisions which may cause the prospectus framework to insufficiently protect investors? Please explain your reasoning and provide supporting arguments.

Yes

No

Don't know/no opinion