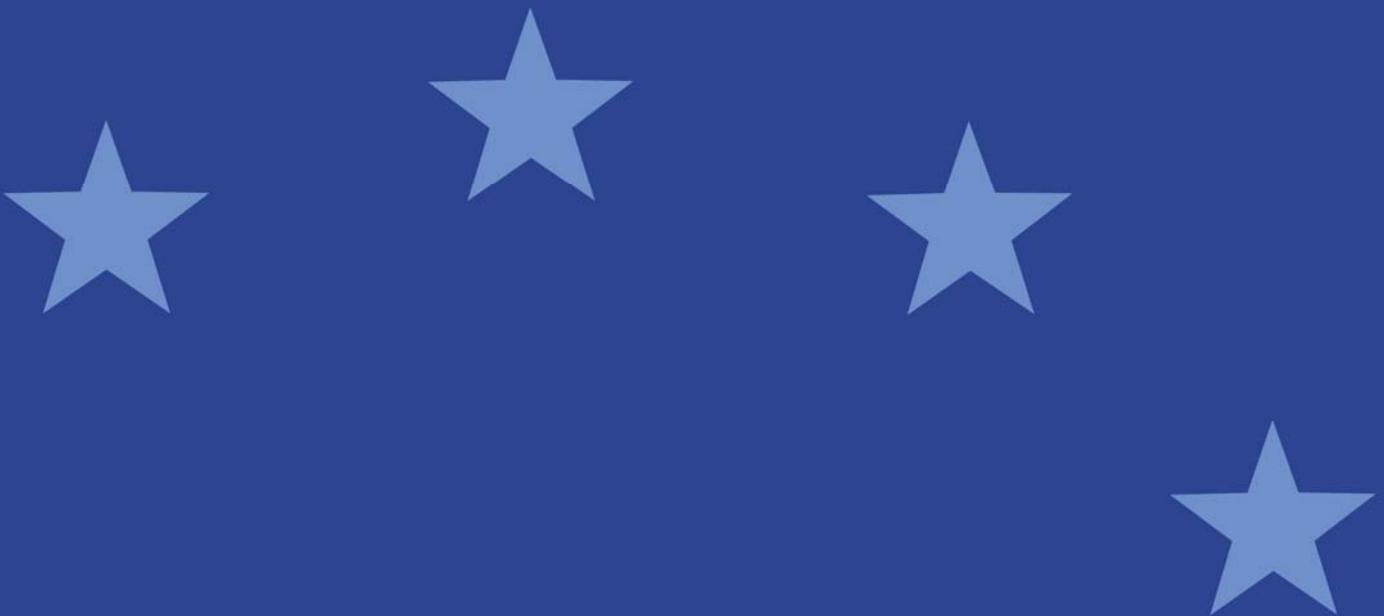




European Securities and
Markets Authority

Response form for the Consultation Paper on draft RTS under the new Prospectus Regulation



Responding to this paper

ESMA invites responses to the questions set out throughout its Consultation Paper on draft RTS under the new Prospectus Regulation (ESMA31-62-802). Responses are most helpful if they:

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

ESMA will consider all responses received by 9 March 2018.

Instructions

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

- Insert your responses to the questions in the Consultation Paper in the present response form.
- Please do not remove tags of the type <ESMA_QUESTION_PR_1>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
- When you have drafted your response, name your response form according to the following convention: ESMA_PR_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA_PR_ABCD_RESPONSEFORM.
- Upload the form containing your responses, **in Word format**, to ESMA’s website (www.esma.europa.eu under the heading “Your input – Open consultations” → “Consultation on draft RTS under the new Prospectus Regulation”).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. **Please clearly indicate by ticking the appropriate checkbox on the website submission page if you do not wish your contribution to be publicly disclosed.** A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.



Data protection

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

Who should read the Consultation Paper

The Consultation Paper may be of particular interest to investors, issuers, offerors or persons asking for admission to trading on a regulated market as well as to any market participant who is affected by the new Prospectus Regulation (Regulation (EU) 2017/1129).



General information about respondent

| | |
|--------------------------------------|---|
| Name of the company / organisation | The Irish Stock Exchange plc |
| Activity | Regulated markets/Exchanges/Trading Systems |
| Are you representing an association? | <input type="checkbox"/> |
| Country/Region | Ireland |

Introduction

Please make your introductory comments below, if any:

<ESMA_COMMENT_PR_1>

The Irish Stock Exchange (ISE) welcomes the opportunity to respond to ESMA's Consultation Paper on the draft regulatory technical standards under the new Prospectus Regulation.

The ISE operates the regulated market (Main Securities Market) in Ireland on which equity securities, government bonds, collective investment undertakings and debt securities are admitted. The ISE also operates three multilateral trading facilities, the Enterprise Securities Market, the Atlantic Securities Market and the Global Exchange Market. At the end of February 2018, the ISE had 51 equity securities, 5,297 classes of investment funds and 31,412 non-equity securities listed on its markets.

We have answered many of the questions posed by ESMA. We would like to highlight, in particular, our response to Q17 as we would be very concerned if ESMA's intention is to apply any additional data requirements to final terms. We consider it vitally important that the issuance of securities by way of final terms remains an attractive funding option for issuers and, in our view, any possibility of additional layers of administration would negatively impact a section of the non-equity market that functions very effectively in the EU at present. <ESMA_COMMENT_PR_1>



Key financial information in the summary

Q1: Do you agree that the KFI extracted from the issuer's historical financial information should be sign-posted?

<ESMA_QUESTION_PR_1>
Yes, we agree. |
<ESMA_QUESTION_PR_1>

Q2: Would you suggest the inclusion of specific templates for other types of issuer? Please specify and explain your reasoning.

<ESMA_QUESTION_PR_2>
For retail non-equity securities, we suggest that the KFI for a guarantor should be included where financial statements for that guarantor have been included in the prospectus, and financial statements and KFI is not required or available for the issuer itself |
<ESMA_QUESTION_PR_2>

Q3: Do you agree that cash flow from operations is the most useful measure of cash flow for non-financial entities issuing equity and that cash flow from financing activities and cash flow from investing activities are not so relevant for investors in equity securities?

<ESMA_QUESTION_PR_3>
TYPE YOUR TEXT HERE |
<ESMA_QUESTION_PR_3>

Q4: Given the page limit for the summary please provide your views on which items of historical financial information would be most useful for retail investors.

<ESMA_QUESTION_PR_4>
TYPE YOUR TEXT HERE |
<ESMA_QUESTION_PR_4>

Q5: Do you agree with the proposal to allow the use of footnotes to describe APMs or could this result in lengthy footnotes and complicated explanations?

<ESMA_QUESTION_PR_5>
We consider that it would be appropriate to include a cross reference in the summary to where the APMs are explained in the prospectus, otherwise there is a risk of lengthy footnotes or complicated explanations. |
<ESMA_QUESTION_PR_5>

Q6: Do you agree that issuers should be given flexibility to present pro forma financial information as additional columns to the relevant tables or as a separate table? If not, should a format be mandated, bearing in mind the page limit for the summary as well as the requirement for the summary to be comprehensible?

<ESMA_QUESTION_PR_6>

We consider that such flexibility should be provided to issuers that include pro-forma financial information in the summary.

<ESMA_QUESTION_PR_6>

Q7: Do you agree that complex financial information in the summary should be presented according to its presentation in the prospectus? If not, please specify and provide alternative ways of presentation.

<ESMA_QUESTION_PR_7>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PR_7>

Q8: Which financial measures are most useful for retail investors to determine the health of a credit institution? Do you consider that the CET1 is comprehensible for retail investors? Please specify.

<ESMA_QUESTION_PR_8>

We consider it important that issuers have flexibility to determine the most appropriate way to disclose summary key financial information in the context of their own businesses and the particular securities they are issuing. This may involve disclosure of ratios such as CET1 in the summary, but it may not, depending on the issuer's business.

Q9: Do you agree that it should be mandatory for credit institutions to disclose SREP information in relation to Common Tier One Equity, the minimum prudential capital requirements, the Total Capital Ratio and the Leverage Ratio in the summary?

<ESMA_QUESTION_PR_9>

No. We consider that issuers should have flexibility to determine the most appropriate way to disclose summary key financial information in the context of their own businesses and the securities they are issuing. This may involve disclosure of regulatory capital ratios and associated SREP information in the summary, depending on the issuer's particular business.

Q10 : Do you agree with the choice of measures for insurance companies?

<ESMA_QUESTION_PR_10>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_PR_10>

Q11 : Do you think it would be useful for retail investors to include a measure of historical performance for closed end funds in the summary?

<ESMA_QUESTION_PR_11>

Yes, we believe it would be very useful for retail investors to include a measure of historical performance for closed ended funds in the summary. The proposed tables set out in Annex VI should not be onerous to prepare and will provide an additional layer of transparency for retail investors. |

<ESMA_QUESTION_PR_11>

Q12 : Do you think that investment companies which are subject to capital requirements should be required to include regulated capital ratios in their summary?

<ESMA_QUESTION_PR_12>

|TYPE YOUR TEXT HERE |

<ESMA_QUESTION_PR_12>

Q13 : Would the issuer, offeror or person asking for admission to trading incur costs if the proposed provisions are adopted? If so, please specify the nature of such costs, including quantifying them.

<ESMA_QUESTION_PR_13>

Issuers are likely to incur additional legal costs in adjusting to the new, prescriptive regime for disclosure of key financial information in the summary, because issuers and their legal advisors will need to consider how best to meet the general obligation to provide key information in the summary pursuant to Prospectus Regulation Article 7 in a way that aligns with the prescriptive requirements for the summary. |

<ESMA_QUESTION_PR_13>

Data and machine readability

Q14 : Do you believe that the data related to the amount raised should be made mandatory? Please explain your reasons.

<ESMA_QUESTION_PR_14>

We consider that data related to the amount raised should not be made mandatory, particularly as this can increase over time as the up-to amount in a base prospectus is approached. |

<ESMA_QUESTION_PR_14>

Q15 : Do you agree with the data items that have been identified as necessary for the purpose of classification as well as to allow for the compilation of the annual report under Article 47 of the Prospectus Regulation? Would you like to propose any additional items or suggest items that should in your view be deleted? Please explain your reasons.

<ESMA_QUESTION_PR_15>

We consider that there needs to be a clear distinction between prospectus related data that is necessary for the national competent authorities to carry out their scrutiny and approval functions (and report to ESMA) and 'nice to have' data relating to an issuer and its securities which would seem to be less important for prospectus scrutiny purposes, i.e. we recommend deleting all of the new data items on pages 43 and 44 of the consultation paper. If such data items are deemed necessary, then as a practical suggestion, we recommend that ESMA populates as much of the 'new' data as possible from the FIRDS database, e.g. CFI, FISN, denomination per unit. We struggle to see how the display of the proposed additional data fields on the prospectus register would be of significant benefit to investors.

<ESMA_QUESTION_PR_15>

Q16 : Do you agree with the ESMA proposal to maintain the current system in place whereby NCAs submit data to ESMA in XML format as the practical arrangement to ensure that such data is machine readable? Do you agree that, by keeping the data submission system unchanged, adaptation costs are minimised for the market at large?

<ESMA_QUESTION_PR_16>

Yes, we strongly recommend that no measures are taken by EMSA which lead to increased administration or costs for issuers, which would be counter to the objectives of the revised Prospectus Regulation and the CMU.

<ESMA_QUESTION_PR_16>

Q17 : Do you agree that the proposed amendment to the technical advice on prospectus approval could contribute to provide clarity on the way data referred to in Annex VII are collected by NCAs?

<ESMA_QUESTION_PR_17>

In addition to our above comments, we are very concerned that any additional data requirements could apply in respect of final terms. We consider it vitally important that the issuance of securities by way of final terms remains an attractive funding option for issuers and there is no possibility of additional layers of administration which could negatively impact a section of the non-equity market that functions very effectively in the EU at present. If national competent authorities seek to obtain additional data through revised issuer application forms, then this could negatively impact the currently effective prospectus approval and issuance process, especially for final terms.

<ESMA_QUESTION_PR_17>

Q18 : Do you have suggestions in relation to how the efficiency, accuracy and timeliness of the data compilation and submission process can be further improved? In your experience, is there any specific reporting format or standard that you would deem most appropriate in this context?



<ESMA_QUESTION_PR_18>

Our recommendation is for the national competent authorities to only obtain such data as is necessary to perform their prospectus scrutiny and approval functions. There are other mechanisms, such as the newly established FIRDS database, for investors to obtain information on securities admitted to EU trading venues.

<ESMA_QUESTION_PR_18>

Advertisements

Q19 : Do you consider that an advertisement should contain at least a hyperlink to the website where it is published and where available and technically feasible additional information that would facilitate tracing the prospectus? Please provide examples of the additional information that you think would be helpful to include in the advertisement.

<ESMA_QUESTION_PR_19>

|TYPE YOUR TEXT HERE |

<ESMA_QUESTION_PR_19>

Q20 : Do you consider that the definition for complex securities set out in para 140 provides clarity to issuers and would be helpful in deciding when the comprehension alert referred to in Article 8(3)(b) of the PRIIPs Regulation should be included in an advertisement?

<ESMA_QUESTION_PR_20>

|TYPE YOUR TEXT HERE |

<ESMA_QUESTION_PR_20>

Q21 : Do you agree with the requirements suggested for Article 11 of the RTS? If not, please provide your reasoning.

<ESMA_QUESTION_PR_21>

|TYPE YOUR TEXT HERE |

<ESMA_QUESTION_PR_21>

Q22 : In particular, do you agree with the requirement to include warnings in advertisements? Do you consider that the suggested warnings are fit for purpose in terms of investor protection?

<ESMA_QUESTION_PR_22>

|TYPE YOUR TEXT HERE |

<ESMA_QUESTION_PR_22>



Q23 : Would the issuer, offeror or person asking for admission to trading incur costs if the aforementioned provisions are adopted? If so, please specify the nature of such costs, including whether they are one-off or ongoing and, quantify them.

<ESMA_QUESTION_PR_23>
|TYPE YOUR TEXT HERE |
<ESMA_QUESTION_PR_23>

Supplements

Q24 : Do you agree that Article 2 of the First Commission Delegated Regulation should be carried over, in its entirety, to Level 2 under the new regime?

<ESMA_QUESTION_PR_24>
|Yes, we agree. |
<ESMA_QUESTION_PR_24>

Q25 : Do you agree that the additional requirements identified from ESMA's draft technical advice should also be included.

<ESMA_QUESTION_PR_25>
|Yes, we agree. |
<ESMA_QUESTION_PR_25>

Q26 : Do you agree that the publication of audited financial statements by an issuer of retail debt or retail derivative securities should not trigger the requirement to publish a supplementary prospectus?

<ESMA_QUESTION_PR_26>
|Yes, we agree. |
<ESMA_QUESTION_PR_26>

Q27 : Would the issuer, offeror or person asking for admission to trading incur costs if the aforementioned provisions are adopted? If so, please specify the nature of such costs, including quantifying them.

<ESMA_QUESTION_PR_27>
|TYPE YOUR TEXT HERE |
<ESMA_QUESTION_PR_27>



Publication

Q28 : Do you agree that only Article 6(1)(c) and 6(3) of the Second Commission Delegated Regulation need to be carried over to Level 2 under the new regime?

<ESMA_QUESTION_PR_28>
Yes, we agree. |
<ESMA_QUESTION_PR_28>

Q29 : Do you agree that no other publication provisions of the new Prospectus Regulation need to be specified by way of RTS? If not, please identify the provisions which should be specified.

<ESMA_QUESTION_PR_29>
Yes, we agree. |
<ESMA_QUESTION_PR_29>

Q30 : Do you believe that the proposed publication provisions will impose additional costs on issuers, offerors or persons asking for admission to trading? If yes, please specify the type and nature of such costs, including whether they are one-off or on-going, and quantify them.

<ESMA_QUESTION_PR_30>
TYPE YOUR TEXT HERE |
<ESMA_QUESTION_PR_30>