ESMA_QA_841

Submission Date
31/03/2021

Status: Published Answer Updated

Additional Information

Level 1 Regulation
Prospectus Regulation 2017/1129

Topic
Publication of prospectus

Subject Matter
Conversion or exchange of non-transferable securities and exemption from publishing a prospectus (Updated 09/09/2026)

Question
Does the exemption provided for in Article 1(5)(b) of the Prospectus Regulation** include cases where non-transferable securities are converted into shares? (Updated 09/09/2026)

ESMA Answer

09-09-2026

Original language

No. The exemption in Article 1(5)(b) of the Prospectus Regulation does not apply to cases of non-transferable securities converted into shares. The Prospectus Regulation only concerns “transferable securities” as defined in Article 2(a). **(Updated answer 09/09/2026)**

Footnote ** (see double asterisk in question) : According to Article 1(5)(b) of the Prospectus Regulation(EU) 2017/1129 ”the obligation to publish a prospectus shall not apply to the admission to trading on a regulated market of “shares resulting from the conversion or exchange of other securities or from the exercise of the rights conferred by other securities, where the resulting shares are of the same class as the shares already admitted to trading on the same regulated market, provided that the resulting shares represent, over a period of 12 months, less than 30 % of the number of shares of the same class already admitted to trading on the same regulated market, subject to the second subparagraph of this paragraph.”

~~31/03/2021~~

~~**Subject Matter:** Conversion or exchange of non-transferable securities and exemption from publishing a prospectus~~

~~**Question:** Does the exemption provided for in Article 1(5)(b) of the Prospectus Regulation include cases where non-transferable securities are converted into shares?~~

~~**Answer:**~~

~~[ESMA 31-62-1258 Prospectuses Q&A nr 15.4]~~

~~No. The exemption in Article 1(5)(b) of the Prospectus Regulation[1] does not apply to cases of non-transferable securities converted into shares. The Prospectus Regulation only concerns “transferable securities” as defined in Article 2(a).~~

[1] According to Article 1(5)(b) of the Prospectus Regulation(EU) 2017/1129 ”the obligation to publish a prospectus shall not apply to the admission to trading on a regulated market of “shares resulting from the conversion or exchange of other securities or from the exercise of the rights conferred by other securities, where the resulting shares are of the same class as the shares already admitted to trading on the same regulated market, provided that the resulting shares represent, over a period of 12 months, less than 20 % of the number of shares of the same class already admitted to trading on the same regulated market, subject to the second subparagraph of this paragraph“.”