ESMA_QA_843

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Additional Information

Level 1 Regulation
Prospectus Regulation 2017/1129

Topic
Public offer

Subject Matter
Adjustment of the basis for the 30% calculation in Article 1(5)(a) of the Prospectus Regulation (Updated 09/09/2026)

Question
Should the basis for the 30% calculation be adjusted for legal measures affecting the number of securities admitted to trading, for example a share split 1 to 2 or a similar reversed split? (Updated 09/09/2026)

ESMA Answer

09-09-2026

Original language

Yes. For example:

An issuer has 100 shares admitted to trading in January 2026.

Later in January 2026, the issuer applies for the admission of 18 additional shares to trading on the same regulated market. In this case, the exemption applies as the new admission only represents 18% of the issuer's securities of the same class already admitted to trading on the same regulated market over a 12-month period.

In June 2026, the company splits its capital exchanging the existing 118 shares for 236 new shares (1 x 2).

In December 2026, the issuer applies for the admission of 42 new shares. These new shares plus the previous exempted 18 shares (=60) represent only 25% of the total number of shares (60/236). However, taking into consideration the split that took place in June, the previous 18 shares should be adjusted to 36 (18x2). Consequently, 78 (36 + 42) shares divided by the number of shares already admitted (236) amounts to 33% and therefore the issuer should produce a prospectus in December for the admission of the 42 new shares to trading on a regulated market.

Although the example set out above relates to shares, ESMA notes that the application of Article 1(5)(a) is the same for non-equity securities. **(Updated answer 09/09/2026)**

~~09/11/2020~~

~~**Subject Matter:** Adjustment of the basis for the 20% calculation in Article 1(5)(a) of the Prospectus Regulation~~

Question: Should the basis for the 20% calculation be adjusted for legal measures affecting the number of securities admitted to trading, for example a share split 1 to 2 or a similar reversed split?

Answer:

[ESMA 31-62-1258 Prospectuses Q&A nr 15.2]

Yes. For example:

An issuer has 100 shares admitted to trading in January 2020.

Later in January 2020, the issuer applies for the admission of 18 additional shares to trading on the same regulated market. In this case, the exemption applies as the new admission only represents 18% of the issuer's securities of the same class already admitted to trading on the same regulated market over a 12-month period.

In June 2020, the company splits its capital exchanging the existing 118 shares for 236 new shares (1 x 2).

In December 2020, the issuer applies for the admission of 12 new shares. These new shares plus the previous exempted 18 shares (=30) represent only 13% of the total number of shares (30/236). However, taking into consideration the split that took place in June, the previous 18 shares should be adjusted to 36 (18x2). Consequently, 48 (36 + 12) shares divided by the number of shares already admitted (236) amounts to 20% and therefore the issuer should produce a prospectus in December for the admission of the 12 new shares to trading on a regulated market.

Although the example set out above relates to shares, ESMA notes that the application of Article 1(5)(a) is the same for non-equity securities.