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Status: Answer Published

Additional Information

Level 1 Regulation

Prospectus Regulation 2017/1129

Topic

Financial reporting

Subject Matter

Item 18.1.1 of Annex 1 Commission Delegated Regulation 2019/980: clarifying the meaning of “or such shorter period as the issuer has been in operation”

Question

What is meant by “or such shorter period as the issuer has been in operation” in item 18.1.1 of Annex 1?

ESMA Answer

Original language

[ESMA 31-61-1258 Prospectus Q&A 7.4a]

The following example provides an illustration of what is meant by “such shorter period as the issuer has been in operation”:

A company was incorporated in February 2019 and has been in operation since June 2019. The company submits a prospectus for approval at the end of January 2021.

Due to the timing of events, the company won't have audited historical financial information for a whole financial year and will therefore need to cover the “shorter period as the issuer has been in operation”.

In this example, the company should present audited financial information for the short period covering February-December 2019 or June-December 2019 and unaudited interim financial information for the first half-year of 2020^{[1],[2]}

The audited historical financial information prepared by the issuer for the period covering February-December 2019 or June-December 2019 would be considered as covering the “shorter period as the issuer has been in operation”.

^[1] Interim financial information would be provided in accordance with item 18.2.1 of Annex I.

^[2] The assumption in this example is that the company's full year financial period is from 1 January to 31 December.

Please note that this clarification provided in relation to item 18.1.1 of Annex 1 is also relevant to other annexes containing a similar requirement.