# **ESMA\_QA\_1716**

Status: Answer Published

#### **Additional Information**

### **Level 1 Regulation**

Prospectus Regulation 2017/1129

#### **Topic**

Public offer

#### **Subject Matter**

Application of Level 3 guidance to EU Recovery Prospectuses

#### Question

Does the Level 3 guidance published by ESMA apply to the EU Recovery Prospectus?

#### **ESMA Answer**

16-07-2021

## Original language

[ESMA 31-62-1258 Prospectuses Q&A 18.1]

Yes.

As is the case for other prospectuses referred to in the PR<sup>1</sup>, the Level 3 guidance published by ESMA<sup>2</sup> generally applies to EU Recovery Prospectuses<sup>2</sup>. However, where a requirement in the PR is not applicable to the EU Recovery Prospectus, the related Level 3 guidance published by ESMA would not be relevant.

For example, the Guidelines on working capital statements or pro forma financial information <sup>4</sup> should apply to the EU Recovery Prospectus in a similar fashion to how they apply in the context of a standard prospectus. This is because there is also a requirement to include a working capital statement in an EU Recovery prospectus<sup>5</sup> and pro forma financial information where relevant. Similarly, the risk factor Guidelines<sup>6</sup> would apply as risk factor disclosure is required in the EU Recovery Prospectus<sup>7</sup>.

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- 1. For example, standard, EU Growth or secondary issuance prospectuses.
- 2. ESMA's Level 3 guidance on prospectuses is generally available on the following webpage. For example, Q&As and Guideline.
- 3. The EU Recovery Prospectus as referred to in Regulation (EU) 2021/337 of the European Parliament and of the Council of February 2021 amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries and Directive 2004/109/EC as regards the use of the single electronic reporting format for annual financial reports, to support the recovery from the COVID-19 crisis.
- 4. See the Guidelines on disclosure requirements under the Prospectus Regulation.
- 5. See Annex Va (Minimum information to be included in the EU Recovery Prospectus) item XII.
- 6. See the Guidelines on Risk Factors under the Prospectus Regulation.

7. See Annex Va (Minimum information to be included in the EU Recovery Prospectus) item IV.