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15 July 2011

Dear Sirs,

**ESMA – Technical advice on possible delegated acts concerning the Prospectus Directive – Consultation Paper**

***INTRODUCTION***

MiddleNext is the independent French association\* representing listed SMEs and midcaps. MiddleNext was founded in 1987 and represents companies from all different sectors that are listed on NYSE-Euronext's Euronext and Alternext.

MiddleNext chairs the Smaller Issuers Committee of EuropeanIssuers, the leading European association promoting the interests of companies listed on stock exchanges. EuropeanIssuers is present in 15 countries and represents over 9,200 listed companies with market capitalisation of some €8,500 billion.

The president of MiddleNext is Pascal Imbert (President of Solucom) and the General Manager is Caroline Weber. It is headed by a Board comprising 16 directors of listed companies. The organisation is financed by Midcap directors.

\* Not-for-profit association

***RESPONSE***

We welcome the opportunity to respond to this consultation. Our comments are limited to aspects of Part 4. and Part 5.III of the consultation paper. They follow our earlier submission dated March 3 (together with MEDEF), in response to ESMA's call for evidence.

**PART 4. Format of the summary of the prospectus and detailed content and specific form of the key information to be included in the summary (Article 5(5))**

**Q8: Do you agree with our modular approach?**

We agree on the principle of a modular approach, which could combine the advantages of comparability and flexibility since issuers will be able to construct their summary based on the annexes addressed in the main body of the prospectus.

**Q9: Do you agree with our approach of identifying the mandatory to be contained within five sections?**

We understand ESMA's logic of identifying "Points" for each of the five sections but we feel the proposed list of key information enters in too many details, which leads to two inappropriate consequences: the summary would be too long and the approach would introduce excessive rigidity.

We do not agree that all requirements of the annexes of the Prospectus Regulation is such key information. Possible contents for the summary should be selected in order to avoid overloading it, so that it remains a summary and doesn't become a mini prospectus.

Between concision and completeness, we feel ESMA overweighs the objective of completeness.

**Q10: Do you agree that we have provided sufficient flexibility for issuers and their advisers in drafting summaries – whilst ensuring that summaries are brief and provide the reader with the necessary comparability between prospectuses?**

For the reasons stated above, we do not consider that the proposed approach is flexible enough, as it prescribes the contents and the order of the sections in a very detailed way. The objective of comparability would be reached but it is not compatible with the objective to limit the length of summaries. In our view, the summary should give investors a first impression of the securities and help to quickly find out more to each topic by means of reference to information in the rest of the prospectus.

**Q11a: Do you agree that our approach adequately limits the length of summaries?**

No, we do not agree that ESMA's approach would limit the length of summary. The proposed selection of items is too long and, on this basis, too many details may be requested by National regulators.

Although the summary is not limited to 2.500 words anymore, as the new recitals dealing with the summary of the Amending Directive do not reflect recital (21) of the Prospectus Directive, the guidance for key information should enable issuers to keep it short.

**Q11b: What is "short" for a summary for: (i) an issuer; & (ii) an investor?**

**Q11c: Do you think that there should be a numeric limit on the length of summaries? If so how might that be done?**

As stated in the mandate, the summary should provide investors with key information. This should mean short summaries of some pages (maximum 10) that give guidance to investors as where to find more information on issues that are of crucial interest for them.

We consider a limit based on a percentage of the words or pages of the main body of the prospectus as a good proposal as a fixed limit does not allow for flexibility.

**Q12a: Do you agree with our proposed content and format for summaries?**

We disagree with ESMA's recommendation that a summary should be a fresh assessment of the key information in the prospectus and that no cross-references should take place. Summaries are part of the liability regime and once approved declarations on certain topics in financial market communication must not be changed in wording. The main objective is to be consistent and concise and carefully selected wordings should be kept, including for risks.

### **Part 5.III Proportionate disclosure regime regarding SMEs and issuers with reduced market capitalisation**

We support the view that the proportionate regime should strike a balance between investors' protection and administrative burden for companies.

We are very concerned by the facts that the requirements and costs of being listed do act as a disincentive for companies when compared to private placements. SMEs and Small Caps are increasingly kept away from the markets as reflected by the drastic decline of Public Offers in Western Europe in the last 10 years.

We disagree with ESMA's objections to the proportionate disclosure regime for SMEs and Small Caps, based on 1) the risk of diluting the regulatory framework 2) a perceived higher risk profile 3) the objective of enhancing investor protection.

Our position stems from the followings:

- Paragraphs 137 & 139: Current figures show there is no risk of diluting the regulatory framework in place.

The definitions of SMEs and Small Caps within the meaning of the Prospectus Directive are extremely restrictive.

It should be noted that the markets use different definitions. The Federation of European Securities Exchanges (FESE) uses the following breakdown:

Large cap (L): market cap > €1 billion

Mid cap (M): € 150mn < market cap < €1 billion

Small cap (S): € 50mn < market cap < € 150mn

The French regulator *Autorité des Marchés Financiers* (AMF) keeps the same limit of a market capitalisation < €1 billion to define Midcaps.

Most of all, investors draw the line at €3 billion according to the EFAMA fund classification for Small Cap Universes. This amount is in line with our discussions with French investors.

Even if we keep the €1 billion market cap definition, nearly 90% of all companies listed on regulated markets in Europe are of small or medium size but they are very small in terms of number of trades and turnover: according to FESE figures<sup>1</sup>, they do represent less than 15% of trades and 4% in terms of turnover.

A study by the French regulator showed that 85% of companies listed on the French regulated market are of small or medium size but they do represent 4% of market cap and 2% of trades.

This makes the Commission mandate all the more appropriate and important: a large number of companies would benefit from a proportionate approach but, according to FESE figures, 85% of trades and 96% - nearly all - of turnover would remain under the current prospectus regime.

As for French figures, 96% of market cap and 98% - nearly all - of trades would remain under the current prospectus regime.

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<sup>1</sup> Source FESE.: Mid caps represent 20% of regulated markets in terms of number but 9,8% in terms of trades and 3,4% in terms of turnover; Small caps represent 16% of regulated markets in terms of number but 2,2% in terms of trades and 0,4% in terms of turnover; Micro caps represent 50,7% of regulated markets in terms of number but 2,6% in terms of trades and 0,3% in terms of turnover.

- Paragraph 140 & 141: Recent history show that risk profile and investor protection are not at stake

SMEs and Small Caps are considered too risky but shares of companies quoted in SME markets are non complex instruments, SMEs are not financial companies and despite a very violent crisis, SMEs have been exceptionally resilient.

Moreover, most of the time SMEs and Small Caps investors are not institutional investors but smaller ones who carry deep level analysis before committing themselves. It has to be remembered that the Study on the impact of the Prospectus Regime on EU Financial Markets published in June 2008 underlined that “unlike institutional investors, small retail investors do not, on average, make uses of prospectuses for their investment decisions”.

There couldn't be any clearer indication that the current prospectus regime is not only too costly and burdensome for small and medium issuers but has also become ineffective for their investors.

- Being in favour of a proportionate regime for SMEs and Small Caps is about concentrating on significant and relevant information.

Some information may be omitted but mainly the process should be about reducing the length of the explanations required and sticking to core information. The materiality test should be taken seriously and far more radically and the Commission should give clear indications to the National regulators as to how to enforce it (e.g. length limit); quality should prevail over quantity.

Including for the sake of enhancing investors' protection, we request a proportionate regime (including for an IPO and for initial admission to a regulated market) for SMEs and Small Caps, which would concentrate on significant and relevant information, with a length limit.

The AMF specific French recommendation in force since January 2008 for small and mid-caps, in accordance with European legislation, show that the quality increase when issuers are guided toward providing only significant and relevant information.

Moreover, the Commission's mandate is about taking into account the size of the issuers. The advisory costs of producing a full prospectus are simply not worth an IPO for most SMEs and Small Caps.

**Q37: Do you agree that a full prospectus should always be required for an IPO and for initial admission to a regulated market (as described in paragraph 141 above)?**

No. For the reasons stated above, we do not agree and believe that even for an IPO on a regulated market, a proportionate regime should be available for SMEs and Small Caps.

**Q38: Do you agree with the proposal summarized in the table in paragraph 141?**

No, for the reasons stated above.

**Q39: Do you agree that there should be only one schedule for a proportionate prospectus for both unlisted and listed SMEs and Small Caps or do you believe that further consideration should be given to having a separate regime for unlisted companies, dealt with under the proposed revision to MiFID?**

Yes, we agree there should only be one schedule for both unlisted and listed SMEs and Small Caps.

**Q40: Can you provide data on the average costs for SMEs and Small Caps to draw up a prospectus? What are the most burdensome parts of a prospectus to produce?**

The average advisory costs of drawing up a first prospectus reaches €500 000 to €600 000. Total costs are closer to €1 million.

The most burdensome parts are IFRS and IFRS annexes.

**Q41: Do you consider that the three items identified in paragraph 147 (the OFR and the requirements to include a statement of changes in equity and a cash flow statement when the audited financial statements are prepared according to national accounting standards and to produce interim financial statements when the registration document is dated more than nine months after the end of the last audited financial year) could be omitted without lowering investor protection?**

Yes we do consider that these three items could be omitted without lowering investor protection (especially if the issuer includes its management reports for the period covered by the historical financial information as far as the OFR is concerned).

**Q42: Do you agree with the items ESMA proposes to delete and to redraft listed in Annex 4 and the proportionate schedule for the share registration document presented in Annex 5?**

Yes, we agree with the items ESMA proposes to delete and redraft in Annex 4 and 5 but we believe this approach should go much further for the prospectus to be proportionate in a realistic way.

**Q43: Are there any other items which could be deleted or redrafted? Please justify any suggestions, including, if possible, the costs that would be saved and the impact on investor protection.**

Please see the table below for our analysis.

Moreover, we consider that the striking cord is the state of mind of resisting to the pressure to provide always more information. As stated above, information in prospectuses is too diluted and too abundant even for investors and analysts.

We believe that ESMA should send a clear signal by undertaking a far more exhaustive review of which items could be removed and set a target on significant and relevant information, with a length limit.

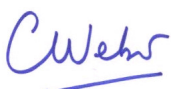
**Q44: Taking into account the items which ESMA proposes to delete or redraft as per Annex 4, do you consider the proportionate disclosure regime for SMEs/Small Caps could strike the right balance between investor protection, the amount of information already disclosed to the markets and the size of the issuers?**

No. See answer to question 43.

**Q45: Given the number and nature of the items ESMA proposes to delete and to redraft listed in Annex 4, do you consider the proposal would suppose a significant reduction of the costs to access financial markets for SMEs and Small Caps? Can you estimate the costs that the proposed proportionate prospectus will allow SMEs and Small Caps to save?**

No, based on ESMA's proposal, we do not believe that there would be a significant cost reduction for SMEs and Small Caps to access financial markets, and we urge ESMA to reconsider what further items could be removed or reduced to decrease the burden on these companies.

Yours faithfully,



Caroline Weber  
General Manager







	Minimum Disclosure Requirements	Proposal	Justification
1.	<b>PERSONS RESPONSIBLE</b>		
1.1.	All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in case of legal persons indicate the name and registered office.		
1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, a declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.		
2.	<b>STATUTORY AUDITORS</b>		
2.1.	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).		
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.		
3.	<b>RISK FACTORS</b>		
	Prominent disclosure of risk factors that are specific to the issuer or its industry in a section headed "Risk Factors"	Mention that the company carried out a review of its risks and that it does not consider there to be any other significant risks aside from those presented, and list the specific risks that the company deems to be relevant	This section is particularly important and can be difficult to comprehend for small issuers. It is therefore useful to provide them with a more specific framework.



	Minimum Disclosure Requirements	Proposal	Justification
		<p>and significant.</p> <p>The following declaration may be suggested:                      "The company carried out a review of the risks which may have a significant unfavourable effect on its business, its financial situation or its performance (or on its capacity to achieve its targets) and does not consider there to be any other significant risks aside from those presented".</p> <p>For exposure to risk of liquidity (cash), it is possible to refer to the section on working capital in the securities note (annex III art. 3.1 on EU regulation 809/2004)</p> <p>For exposure to risks of change and/or rates and/or shares, it is possible to refer to the annex of the consolidated accounts or management report (IFRS 7)</p>	
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>		
4.1	History and development of the issuer		
4.1.1.	The legal and commercial name of the issuer		
4.1.2.	The place of registration of the issuer and its registration number		
4.1.3.	The date of incorporation and the length of life of the issuer, except where indefinite		
4.1.4.	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office)		
4.1.5	The important events in the development of the issuer's business	Here the company must mention the	

	Minimum Disclosure Requirements	Proposal	Justification
		significant events in the company's recent development, such as significant changes to the scope of consolidation or assets (acquisitions, transfers, contributions, etc.) or an important commercial event or one related to their business activity (new products, new markets, etc.) The company may reuse the information disclosed in its press releases as permanent information.	
<b>4.2</b>	Investments		
4.2.1.	A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the registration document	It is suggested to consider investments to be important when they represent over: for intangible assets and goodwill, 20% of the value of assets recorded in the balance sheet, for fixed assets, 20% of the gross value of assets recorded in the balance sheet or 10% of consolidated equity, with the company retaining the highest of these two amounts.	It is useful to provide a materiality threshold to simplify the analysis
4.2.2.	A description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external)		
4.2.3.	Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments <u>and the anticipated sources of funds needed to fulfil these commitments.</u>		
<b>5.</b>	<b>BUSINESS OVERVIEW</b>		
5.1.	Principal Activities		
5.1.1.	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information; and	A description summarising the principal activities, using the breakdown of activities or geographical sectors mentioned in the sectoral information in the annex of the consolidated accounts.	

	Minimum Disclosure Requirements	Proposal	Justification
5.1.2.	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of development.		
5.2.	Principal markets A description of the principal markets in which the issuer competes, including a breakdown of total revenues by category of activity and geographic market for each financial year for the period covered by the historical financial information.		
5.3.	Where the information given pursuant to items 6.1 and 6.2 has been influenced by exceptional factors, mention that fact.	To be completed only if the information does not already appear in the risk factor section	
5.4	If material to the issuer's business or profitability, a summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.	To be completed only if the information does not already appear in the risk factor section	
5.5	The basis for any statements made by the issuer regarding its competitive position.		
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>		
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group.		
6.2	<u>If not included in the financial statements</u> , a list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held.		
<b>7.</b>	<b>PROPERTY, PLANTS AND EQUIPMENT</b>		
7.1.	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.		
<b>8.</b>	<b>OPERATING AND FINANCIAL REVIEW</b>		
8.1.	Financial condition		

	Minimum Disclosure Requirements	Proposal	Justification
	To the extent not covered elsewhere in the registration document, provide a description of the issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required, including the causes of material changes from year to year in the financial information to the extent necessary for an understanding of the issuer's business as a whole.	A company that includes their management report in the reference document does not need to provide additional information.	It is useful to specify that the information contained in the management report suffice for answering sections 8.1 and 8.2
8.2.	Operating results		
8.2.1.	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.	same	
8.2.2.	Where the financial statements disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes	same	
8.2.3.	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	Delete the section	The information should be given in the risk factor section
9.	<b>CAPITAL RESOURCES</b>		
9.1.	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows;	Delete section 9	The information should be given in the risk factor section. Referring to the company accounts is sufficient. Developments in financing policy and cash management, sources of funding and restrictions of access and covenants are only necessary in the event of significant debt, for which a link may be made to the liquidity risk mentioned in the risk factors.
9.2.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.		
10.	<b>RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES</b>		
	Where material, provide a description of the issuer's research and development policies for each financial year for the period covered by the historical financial information, including the amount spent on issuer-sponsored research and	Change requested: Where important, provide a description of research and development policies implemented by the issuer during each	Developments related to R&D costs expensed are confidential, even more so for an SME that can only be active on one sector.

	Minimum Disclosure Requirements	Proposal	Justification
	development activities.	financial year of the period covered by the historical financial information. It should be possible to refer to the attached prospectus provided for by IAS 38.	
<b>11.</b>	<b>TREND INFORMATION</b>		
11.1	The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document.	For the main trends, it is suggested only to indicate the change in turnover since the end of the last financial year, except in the event of failure of trends in terms of other elements such as stocks, costs or selling price.	
11.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	Only to be completed in the event of significant impact on the company's prospects, in particular the elements affecting the sector(s) wherein the company operates.	
<b>12.</b>	<b>PROFIT FORECASTS OR ESTIMATES</b> If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information set out in items 12.1 and 12.2:		
12.1	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.  There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.		
12.2	A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the	Delete the section	This obligation is too excessive and must be removed for all issuers, and especially for small issuers.

	Minimum Disclosure Requirements	Proposal	Justification
	profit forecast or estimate is consistent with the accounting policies of the issuer.		
12.3	The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.		
12.4	If a profit forecast in a prospectus has been published which is still outstanding, then provide a statement setting out whether or not that forecast is still correct as at the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case.		
13.	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>		

	Minimum Disclosure Requirements	Proposal	Justification
13.1.  July 2011	<p>Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside that issuer where these are significant with respect to that issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital;</p> <p>(c) founders, if the issuer has been established for fewer than five years; and</p> <p>(d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.</p> <p>The nature of any family relationship between any of those persons.</p> <p>In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:</p> <p>(a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies;</p> <p>(b) any convictions in relation to fraudulent offences for at least the previous five years;</p> <p>(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;</p> <p>(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.</p> <p>If there is no such information to be disclosed, a statement to that effect is to made.</p>	<p>If the information appears in the management report or the report on internal auditing and company governance, referring specifically to these documents is sufficient.</p> <p>Moreover, the obligation to disclose historical information on activities carried out, aside from the issuer, by those people covered in the subsection 13.1 should be limited to a description of the situation on the date of the document.</p>	



	Minimum Disclosure Requirements	Proposal	Justification
13.2.	<p>Administrative, management, and supervisory bodies' and senior management conflicts of interests</p> <p>Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 13.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p> <p>Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 13.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.</p> <p>Details of any restrictions agreed by the persons referred to in item 14.1 on the disposal within a certain period of time of their holdings in the issuer's securities.</p>		
14.	<p><b>REMUNERATION AND BENEFITS</b></p> <p>In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 13.1:</p>	If the information requested is given in the management report, referring specifically to this document is sufficient.	
14.1.	<p>The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.</p> <p>That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.</p>		
14.2.	<p>The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.</p>		
15.	<p><b>BOARD PRACTICES</b></p>		

	Minimum Disclosure Requirements	Proposal	Justification
	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of 13.1:	If the information appears in the management report or the report on internal auditing and company governance, referring specifically to these documents is sufficient.	
15.1.	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.		
15.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.		
15.3.	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.		
15.4.	A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.		
<b>16.</b>	<b>EMPLOYEES</b>		
16.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	The information relative to changes in employee numbers and the breakdown by activity type and by site should only be provided if it is significant and relevant, taking into account the company's specific activity or situation. The other information should be provided in all cases.	
16.2.	Shareholdings and stock options With respect to each person referred to in points (a) and (d) of the first subparagraph of item 13.1. provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	The company will be able to provide the information relating to stock-options in the form of summary tables included in the AMF recommendation of 22 December 2008 regarding the remuneration of social representatives.	

	Minimum Disclosure Requirements	Proposal	Justification
17.3.	Description of any arrangements for involving the employees in the capital of the issuer.		
<b>17.</b>	<b>MAJOR SHAREHOLDERS</b>		
17.1.	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.		
17.2.	Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.		
17.3.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.		
17.4.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.		

	Minimum Disclosure Requirements	Proposal	Justification
18.	<p><b>RELATED PARTY TRANSACTIONS</b></p> <p>Details of related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002), that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document, must be disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 if applicable.</p> <p>If such standards do not apply to the issuer the following information must be disclosed:</p> <p>(a) the nature and extent of any transactions which are - as a single transaction or in their entirety - material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arms length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding;</p> <p>(b) the amount or the percentage to which related party transactions form part of the turnover of the issuer.</p>	Delete the section	The information provided in the accounts as per IAS 24 is sufficient
19.	<p><b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b></p>		

	Minimum Disclosure Requirements	Proposal	Justification
19.1	<p><b>Historical financial information</b></p> <p>Audited historical financial information covering the latest three financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community.</p> <p>For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements.</p> <p>The last two years audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p> <p>If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under the Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:</p> <ul style="list-style-type: none"> <li>a) ) balance sheet;</li> <li>b) income statement;</li> <li>c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;</li> </ul>	<p>This information only concerns the consolidated accounts (unless there aren't any, in which case the social accounts will be used).</p> <p>Using IFRS standards remains a very restrictive requirement for companies, it would be useful to consider allowing small issuers to use the IFRS for SMEs should they wish to.</p>	

	Minimum Disclosure Requirements	Proposal	Justification
	The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.		
19.2	<p>Pro forma financial information</p> <p>In the case of a significant gross change, a description of how the transaction might have affected the assets and liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported..</p> <p>This requirement will normally be satisfied by the inclusion of pro forma financial information.</p> <p>This pro forma financial information is to be presented as set out in Annex II and must include the information indicated therein.</p> <p>Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.</p>	Removal of the audit report on pro forma financial information	This obligation is too excessive and expensive for small companies
19.3.	<p>Financial statements</p> <p>If the issuer prepares both own and consolidated annual financial statements, include at least the consolidated annual financial statements in the registration document.</p>		
19.4.	Auditing of historical annual financial information		
19.4.1.	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.		
19.4.2.	Indication of other information in the registration document which has been audited by the auditors.		
19.4.3.	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.		

	Minimum Disclosure Requirements	Proposal	Justification
19.5.	Age of latest financial information		
19.5.1.	<p>The last year of audited financial information may not be older than one of the following:</p> <p>a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;</p> <p>(b) 15 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.</p>		
19.6.	Interim and other financial information		
19.6.1.	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.		
19.6.2.	<p>If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.</p> <p>The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.</p>		
19.7.	<p>Dividend policy</p> <p>A description of the issuer's policy on dividend distributions and any restrictions thereon.</p>		
19.8	<p>Legal and arbitration proceedings</p> <p>Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.</p>	Delete the section	The information should be given in the risk factor section



	Minimum Disclosure Requirements	Proposal	Justification
19.9	Significant change in the issuer's financial or trading position A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.	Delete the section	The information should be given in the risk factor section
<b>20.</b>	<b>ADDITIONAL INFORMATION</b>		
20.1.	Share capital The following information as of the date of the most recent balance sheet included in the historical financial information:		
20.1.1.	The amount of issued capital, and for each class of share capital:  a) the number of shares authorised; b) the number of shares issued and fully paid and issued but not fully paid; c) the par value per share, or that the shares have no par value and d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10 % of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.		
20.1.2.	If there are shares not representing capital, state the number and main characteristics of such shares.		
20.1.3.	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.		
20.1.4.	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.		
20.1.5.	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.		
20.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.		

	Minimum Disclosure Requirements	Proposal	Justification
20.1.7.	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information..	<p>Introduce a threshold of materiality for the changes. In the absence of significant change, referral to the statement of changes in equity in the consolidated accounts should be sufficient.</p> <p>In the event of tangible change, indicate, if applicable, for the period covered by the historical financial information:</p> <ul style="list-style-type: none"> <li>- events that generate a change in issued share capital and/or in the number of share categories that constitute this, and a description of changes to voting rights related to the diverse share categories during this period,</li> <li>- information on price and significant items such as the tranches of any given issue, including details of the price if it was paid in a form other than cash (including an indication of the discount, conditions and special payments),</li> <li>- the reason for any reduction of the capital amount and the proportion by which it was reduced.</li> </ul>	
20.2.	Memorandum and Articles of Association		
20.2.1	A description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.		
20.2.2.	A summary of any provisions of the issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory		

	Minimum Disclosure Requirements	Proposal	Justification
	bodies.		
20.2.3.	A description of the rights, preferences and restrictions attaching to each class of the existing shares.	It is requested to indicate here any information relating to double or multiple voting rights or to any limitation in voting rights, especially the date of the assembly authorising them, the terms (in particular the ceiling threshold), the conditions provided for benefiting from them (shareholding conditions and duration, for example), the conditions for withdrawal or transfer, the applicable statutory measures. Furthermore, it is particularly important to indicate the information relating to dividend rights (beneficiaries, duration of requirement) and to liquidation surplus, purchasing conditions, reserves or provisions for the sinking fund and the possible obligation for the company to carry out market calls.	It is useful to give details of the information expected in this section
20.2.4.	A description of what action is necessary to change the rights of holders of the shares, indicating where the conditions are more significant than is required by law.	This information should only be necessary where the conditions differ from national rules of law	
20.2.5.	A description of the conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called including the conditions of admission.		
20.2.6.	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.		
20.2.7.	An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.		

	Minimum Disclosure Requirements	Proposal	Justification
20.2.8.	A description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.		
21.	<p><b>MATERIAL CONTRACTS</b></p> <p>A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document.</p> <p>A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.</p>	Delete the section	If this information is important, it will be included in the risk factor section. Moreover, this information is very sensitive, especially for the small issuers.
22.	<b>THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST</b>		
22.1	Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorised the contents of that part of the registration document.	To determine if an expert has an interest in the company, it is useful to take into account the issuer's securities held by this person, their previous employment or remuneration, participation in a system guiding the issuer and any links with the intermediary in terms of financial operations or listing of the issuer's securities.	
22.2	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.		

	Minimum Disclosure Requirements	Proposal	Justification
23.	<p><b>DOCUMENTS ON DISPLAY</b></p> <p>A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:</p> <p>a) the memorandum and articles of association of the issuer;</p> <p>b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;</p> <p>c) the historical financial information of the issuer or, in the case of a group, the historical financial information for the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>		
24.	<p><b>INFORMATION ON HOLDINGS</b></p> <p>Information relating to the undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.</p>	Delete the section	The information is given in the financial statement