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| 6 July 2017 |

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| Response form for the Consultation Paper on  format and content of the prospectus |
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| Date: 6 July 2017 |

Responding to this paper

ESMA invites responses to the questions set out throughout this Consultation Paper. Responses are most helpful if they:

1. respond to the question stated;
2. contain a clear rationale; and
3. describe any alternatives ESMA should consider.

ESMA will consider all responses received by 28 September 2017.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the form “Response form\_Consultation Paper on format and content of the prospectus”, available on ESMA’s website alongside the present Consultation Paper ([www.esma.europa.eu](http://www.esma.europa.eu) 🡪 ‘Your input – Open consultations’ 🡪 ‘Consultation on technical advice under the new Prospectus Regulation’).
2. Please do not remove tags of the type <ESMA\_QUESTION\_FAC\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
4. When you have drafted your response, name your response form according to the following convention: ESMA\_FAC\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_FAC\_ABCD\_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input – Open consultations’ 🡪 ‘Consultation on technical advice under the new Prospectus Regulation’).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly indicate by ticking the appropriate checkbox on the website submission page if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Data protection’.

Who should read this Consultation Paper

This Consultation Paper may be of particular interest to investors, issuers, including issuers already admitted to trading on a regulated market or on a multilateral trading facility, offerors or persons asking for admission to trading on a regulated market as well as to any market participant who is affected by the new Prospectus Regulation.

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | Danske Advokater |
| Activity | Audit/Legal/Individual |
| Are you representing an association? |  |
| Country/Region | Denmark |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_FAC\_1>

TYPE YOUR TEXT HERE

<ESMA\_COMMENT\_FAC\_1>

1. : Do you agree with the proposal that cover notes be limited to 3 pages? If not, what do you consider to be an appropriate length limit for the cover note? Could you please explain your reasoning, especially in terms of the costs and benefits implied?

<ESMA\_QUESTION\_FAC\_1>

Agree

<ESMA\_QUESTION\_FAC\_1>

1. : Would a short section on “how to use the prospectus” make the base prospectus more accessible to retail investors? If so, should it be limited to base prospectuses? Would this imply any material cost for issuers? If yes, please provide an estimate of such cost.

<ESMA\_QUESTION\_FAC\_2>

Not in our opinion

<ESMA\_QUESTION\_FAC\_2>

1. : Should the location of risk factors in a prospectus be prescribed in legislation or should issuers be free to determine this? If it should be set out in legislation, what positioning would make it most meaningful?

<ESMA\_QUESTION\_FAC\_3>

In order to secure that prospectus in general is made in the same way we agree that the location of risk factors in a prospectus is prescribed in legislation. The positioning should factors should follow the summery section

<ESMA\_QUESTION\_FAC\_3>

1. : Should the URD benefit from a more flexible order of information than a prospectus?

<ESMA\_QUESTION\_FAC\_4>

yes

<ESMA\_QUESTION\_FAC\_4>

1. : Would a standalone and prominent use of proceeds section be welcome for investors?

<ESMA\_QUESTION\_FAC\_5>

yes

<ESMA\_QUESTION\_FAC\_5>

1. : Is the list of “additional information” in Article XXI of the Commission Regulation fit for purpose? What other types of additional information should be included in a replacement annex?

<ESMA\_QUESTION\_FAC\_6>

Is fit for purpose

<ESMA\_QUESTION\_FAC\_6>

1. : Are the definitions proposed to be carried over to the new regime, and new definitions proposed adequate? Should any additional definitions be added?

<ESMA\_QUESTION\_FAC\_7>

Yes

<ESMA\_QUESTION\_FAC\_7>

1. : What is the overall impact of the above technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that the proposed technical advice will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_8>

In general the overall impact of the above technical advice in terms of cost are in our opinion not material to the issuers and will have a positive effect for the investors

<ESMA\_QUESTION\_FAC\_8>

1. : Do you agree that the scope of NCA approval should be included in the cover note? If not, please provide your reasoning.

<ESMA\_QUESTION\_FAC\_9>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_9>

1. : Do you agree that the requirement for issuers of equity and retail non-equity to include selected financial information in the prospectus can be removed without significantly altering the benefits to investors?

<ESMA\_QUESTION\_FAC\_10>

It is in our opinion to the benefit of investors - in particular retail investors - to have a compiled easily reviewed presentation of an issuer's most important financial information included in the prospectus.

The benefit for the investors to have a separate selected financial information section must be assessed in light of the effect of removal of the requirement to include such section. The effect is in our opinion limited (if any) and will likely not reduce costs for the issuers and merely only result in a reduction in the length of the prospectuses by a couple of pages.

It is argued in comment no. 58 in section *"Content of the share registration document"* of the consultation paper that the reason for removal of the requirement to have a separate selected financial section is that selected financial information is also included in the summary section, OFR section and the F-pages. In continuation of this argument, it shall be noting that:

1. F-pages may be included only by reference and therefore not form part of the often seen compiled prospectus (summary, registration document and securities note combined in a single document);
2. OFR sections historically do not include a compiled presentation of an issuer's selected financial information (acknowledging that the requirements for the OFR section are proposed amended); and
3. The summary section registration document and securities note may be included in separated documents.

To the extent an easily reviewed overview of an issuer's selected financials are included in a separated sub-section of the OFR section under the new requirements, we agree to the removal of the requirement to include a separate selected financials section. In not, it is in our opinion very uncommon to include information in the summary, which has not been presented similarly in the registration document and/or securities note.

<ESMA\_QUESTION\_FAC\_10>

1. : Do you agree that issuers should be required to include their website address in the prospectus? Do you agree that issuers should be required to make documents on display electronically available? Would these requirements imply any material additional costs to issuers?

<ESMA\_QUESTION\_FAC\_11>

**First question** (the requirement for issuers to include their website address in the prospectus):

Agree and the requirement is in our opinion consistent with market practice.

**Second question** (the requirement for issuers to make documents on display electronically available):

Agree and the requirement is in our opinion consistence with market practice. Further, the requirement for an issuer to make documents on display physically available seems in our opinion outdated and has little use in practice.

However, it shall be considered clarified that documents should be made available only to recipients in countries allowing access to such documents. As an example, an issuer may in connection with an offering be required by the U.S. Securities Trading Act to ensure that no American residents other than e,g, "qualified institutional buyers" have access to offering specific documents. To ensure compliance herewith, documents related to an offering are often placed behind a "click-through" on the issuers website requesting visitors to confirm that they are non-U:S. residents. Specifically, this may be relevant both in connection with an "usual" public offering of shares in connection with an admission to trading covered by the Prospectus Regulation as well as in more complex scenarios e.g. where an issuer covered by the Prospectus Regulation seeks listing on an American market of American depositary shares with shares underlying such American Depositary shares being listed by way of a prospectus covered by the Prospectus Regulation. It is our proposal that this issue should be directly addressed in the regulation.

In addition, it shall be considered to extend the requirement to make the documents on display available on the issuer's website for a period consistent with what is required by the Market Abuse Regulation for information covered hereby, i.e. available for 5 years on the issuer's website and not only for the effective period of the prospectus. In our opinion, an investor has the same interest in being able to get access to prospectus related information covered by the Market Abuse Regulation.

**Third question** (whether these requirements imply any material additional costs to issuers):

As described above, most issuers already make the documents on display available on their website and such requirement will in our opinion not imply any material additional costs to issuers.

<ESMA\_QUESTION\_FAC\_11>

1. : Do you consider that a description of material past investments is necessary information for the purpose of the prospectus?

<ESMA\_QUESTION\_FAC\_12>

No, past investments are sufficiently covered by the requirement to include historic financial information and the OFR section. Further, if such material past investments are of specific additional relevance for the issuer, a description hereof must in our opinion in any case likely be included in the business section.

<ESMA\_QUESTION\_FAC\_12>

1. : Do you agree with the proposal to align the OFR requirement with the management reports required under the Accounting Directive? Would this materially reduce costs for issuers?

<ESMA\_QUESTION\_FAC\_13>

**First question** (the proposal to align the OFR section requirements with the requirements to the management reports):

The OFR section is in our opinion an essential section of the registration document (and combined prospectus as such) and of great importance for the investors. It is in the nature of a prospectus that it provides the investors with a more comprehensive introduction/description of the issuer's business than what would continuously be disclosed (e.g. in annual reports, company announcements, etc.) by the issuer, why a difference between the ongoing disclosure obligation an the content of a prospectus is acceptable.

The management statement required under the Accounting Directive only requires more "generic" breakdowns of the issuer's financial position and therefore decreases the value of the a prospectus for the investors. It is therefore in our opinion of great importance that alignment of the requirements to the OFR section with the requirements to the management report under the Accounting Directive is thoroughly considered in light of the effect obtained hereby, see second question below.

**Second question** (whether this would materially reduce costs for issuers): ´

Yes, in our opinion, alignment of the requirements to the OFR section with the requirements to the management report under the Accounting Directive will materially reduce costs for issuers. The benefit from the reduced costs is in our opinion sufficient argument to justify the altering effect for investors.

However, it is our expectation that the investors post-effectiveness of the amended prospectus regulation may require an OFR section in consistence with what is currently market practice. It is therefore questionable to what extent the amendment will have an actual effect on costs.

<ESMA\_QUESTION\_FAC\_13>

1. : Do you agree with ESMA’s proposal to require outstanding profit forecasts for both equity and non-equity issuance to be included? Do you agree with the deletion of the obligation to include an accountant’s or an auditor’s report for equity and retail non-equity? Please provide an estimate of the benefits for the issuers arising from the abovementioned proposals. Would these requirements significantly affect the informative value of the prospectus for investors?

<ESMA\_QUESTION\_FAC\_14>

**First question** (requirement to include outstanding profit forecasts):

Agree and is in our opinion consistent with Danish practice.

**Second question** (removal of the obligation to include an accountant’s or an auditor’s report):

In theory, the inclusion of an accountant's or an auditor's report is in the interest of the investor and may increase the trustworthiness of the profit forecast, which in Denmark is an essential part of the prospectus, and force the issuer to take additional and more comprehensive steps when preparing the prospective financial information. However, the statements are in Denmark made in accordance with ISAE 3000 which only requires the auditor to *"examined whether the consolidated prospective financial information has been properly compiled on the basis of the assumptions and accounting policies stated, including examination of the numerical consistency".* This requirement is contrary to previous requirements under IASE 3400, where the Auditors where required to assess the underlying assumptions as well. The current regime may in our opinion create a false security for investors without specific knowledge of the auditor standards. As it is costly for the issuer to obtain an auditor's report and that the actual value hereof is limited, we agree with the proposal to remove the requirement to obtain such report.

**Third question** (estimate of the benefits for the issuers arising from the abovementioned proposals):

Not able to provide exact amount, but will in our opinion reduce overall costs.

**Fourth question** (whether these requirements significantly affect the informative value of the prospectus for investors):

See discussion under second question. <ESMA\_QUESTION\_FAC\_14>

1. : Do you agree with the proposal to explain any ‘emphasis of matter’ identified in the audit report?

<ESMA\_QUESTION\_FAC\_15>

Agree.

<ESMA\_QUESTION\_FAC\_15>

1. : Should there be mandatory disclosure of the size of shareholdings pre and post issuance where a major shareholder is selling down? Would this requirement imply any material additional costs to issuers?

<ESMA\_QUESTION\_FAC\_16>

**Question one:** (requirement to disclose the size of shareholdings pre and post issuance):

Agree.

**Question two** (additional costs related hereto):

In our opinion, this would only imply little additional costs.

<ESMA\_QUESTION\_FAC\_16>

1. : Do you consider that the new requirement to disclose potential material impacts on the corporate governance would provide valuable information to investors?

<ESMA\_QUESTION\_FAC\_17>

Yes.

<ESMA\_QUESTION\_FAC\_17>

1. : Do you agree with the proposal to clarify the requirement for restated financial information?

<ESMA\_QUESTION\_FAC\_18>

Agree

<ESMA\_QUESTION\_FAC\_18>

1. : Do you agree with the lighter requirement in relation to replication of the issuer’s M&A in the prospectus? Would this significantly affect the informative value of the prospectus for investors?

<ESMA\_QUESTION\_FAC\_19>

The articles of association are often technical and lengthy. A "prosaic" less technical replication of material sections hereof is in our opinion of informative value for investors - in particular retail investors. Consequently, we disagree with the proposal to lighter requirements in relation to replication of the issuer's M&A documents, which in our opinion would only result in limited cost savings.

However, it is worth mentioning that a memorandum of association in Denmark has less actual legal value and may not always be obtained (specially with older companies). The inclusion hereof is therefore of little or no value under Danish law.

<ESMA\_QUESTION\_FAC\_19>

1. : Should any further changes be made to the share registration document? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA\_QUESTION\_FAC\_20>

No

<ESMA\_QUESTION\_FAC\_20>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_21>

The overall impact of the proposed technical advice is that it will reduce costs. It is, however, questionable whether the market/investors will expect some of the removed element continuously included in prospectuses and thereby not in reality reduce costs.

<ESMA\_QUESTION\_FAC\_21>

1. : Do you consider that the requirement for a working capital statement should be different in the case of credit institutions and insurance companies?

<ESMA\_QUESTION\_FAC\_22>

Yes – credit institution, insurance companies and other institutions subject to detailed statutory capital requirements should be able to omit the standard working capital statement and instead provide/refer to description as to their compliance with applicable statutory capital requirements.

<ESMA\_QUESTION\_FAC\_22>

1. : Do you agree that issuers should be required to update their capitalisation and indebtedness table if there are material changes within the 90 day period? Would this imply any material additional cost to issuers? If yes, please provide an estimation.

<ESMA\_QUESTION\_FAC\_23>

Yes – and where appropriate such update could be narrative rather than an update of the entire table. The guidelines on the capitalisation table should continue to provide that it is not required to calculate shareholder’s equity (i.e. only debt items, cash and registered share capital, specific (fixed) reserves need be included in the capitalisation table).As for the debt/loan categories, the issuer should be able to use those categories applied in the issuer’s annual report. The cost related to updating the capitalisation table should be fairly limited compared to the value for investors in having a clear combined presentation of the issuers present capitalisation

<ESMA\_QUESTION\_FAC\_23>

1. : Do you consider the changes to dilution requirements would be helpful to investors at the same time as being feasible to provide for issuers?

<ESMA\_QUESTION\_FAC\_24>

No – the proposed 9.1(a) is somewhat confusing in its description and seems to overlap 9.2. For rights issues, 9.1(a) would seem to provide little relevant information. As for 9.1(b), the ‘net asset value’ would rarely be representative of actual market values. The illustration of economic dilution should be based on market cap (i.e. (marketcap / total # shares pre issue) compared to ((marketcap + capital raise) / ( total # shares post issue).

<ESMA\_QUESTION\_FAC\_24>

1. : Do you agree that the information solicited by item 9.2 is important for investors?

<ESMA\_QUESTION\_FAC\_25>

Yes – it should be clarified whether both dilution in voting rights and dilution in economic value should be described

<ESMA\_QUESTION\_FAC\_25>

1. : Do you consider that any further changes be made to the equity securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA\_QUESTION\_FAC\_26>

4.10 – Propose to delete (except for ongoing take-over offers). Information on historic take-over offers would not appear relevant to investors and are public information in any event.

5.3.1 (new) – The proposed mandatory withdrawal rights are highly impractical and could give rise to disputes at critical points in time in the offering process. The proposed disclosure requirements will be sufficient to safeguard investors – if they are not happy with terms they should abstain rather than be afforded an option.

10.2 Consider clarification of scope – presumably where auditors have prepare purely internal report to support information in the prospectus, this need not be disclosed.

The above proposals would remove unnecessary information and should not involve any additional costs.

<ESMA\_QUESTION\_FAC\_26>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_27>

As a whole, the proposed advice brings positive (albeit small) benefits to the issuer. The reduced tax section will reduce cost, but as a whole, there should not be any significant changes in time, cost or resources required to prepare the securities note.

<ESMA\_QUESTION\_FAC\_27>

1. : Do you agree with the proposal to delete disclosure on principal investments and replace this with a requirement to provide details on the issuer’s funding structure and borrowing requirements? Would this significantly affect the informative value of the prospectus for investors?

<ESMA\_QUESTION\_FAC\_28>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_28>

1. : Do you agree that an issuer of retail non-equity should be required to include a credit rating previously assigned to it in the prospectus?

<ESMA\_QUESTION\_FAC\_29>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_29>

1. : Do you agree with the proposal to remove the requirement for profit forecasts and estimates to be reported on? Would this significantly affect the informative value of the prospectus for investors?

<ESMA\_QUESTION\_FAC\_30>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_30>

1. : Do you agree with the proposal that outstanding profit forecasts and estimates should be included in the registration document?

<ESMA\_QUESTION\_FAC\_31>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_31>

1. : Do you agree with the deletion of the disclosure requirement related to board practices? Would this significantly affect the informative value of the prospectus for investors?

<ESMA\_QUESTION\_FAC\_32>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_32>

1. : Do you consider that any further changes should be made to the retail debt and derivatives registration document? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA\_QUESTION\_FAC\_33>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_33>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_34>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_34>

1. : Do you agree with the removal of the requirement for wholesale non-equity issuers to restate their financial statements? Would this significantly affect the informative value of the prospectus for investors?

<ESMA\_QUESTION\_FAC\_35>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_35>

1. : Do you consider that any further changes be made to the wholesale debt and derivatives registration document? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA\_QUESTION\_FAC\_36>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_36>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_37>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_37>

1. : Do you agree with the way in which disclosure on taxation has been reduced? Would this significantly affect the informative value of the prospectus for investors?

<ESMA\_QUESTION\_FAC\_38>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_38>

1. : Do you consider there are any negative consequences of the requirement to make details on representation of security holders available electronically and free of charge? Would this imply any material additional costs to issuers? If yes, please provide an estimation.

<ESMA\_QUESTION\_FAC\_39>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_39>

1. : Do you consider that expenses charged to the purchaser should also include implicit costs i.e. those costs included in the price (item 5.3.1)?

<ESMA\_QUESTION\_FAC\_40>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_40>

1. : Do you agree with the proposal that the issue price of the securities to be included in the prospectus in the case of an admission to trading?

<ESMA\_QUESTION\_FAC\_41>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_41>

1. : Do you consider that any further changes be made to the retail debt and derivatives securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA\_QUESTION\_FAC\_42>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_42>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_43>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_43>

1. : Do you consider that any further changes be made to the wholesale debt and derivatives securities note? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA\_QUESTION\_FAC\_44>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_44>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_45>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_45>

1. : Do you agree with the proposal to make derivate disclosures a building block?

<ESMA\_QUESTION\_FAC\_46>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_46>

1. : Do you agree with the proposal to reclassify the how the return on derivatives take place from B to A? If not, please explain why.

<ESMA\_QUESTION\_FAC\_47>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_47>

1. : Do you consider agree with ESMA’s proposals to enhance the disclosure in relation to situations where investors may lose all or part of their investment?

<ESMA\_QUESTION\_FAC\_48>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_48>

1. : Do you consider that the requirements should be different where the return of the investment is linked to the credit of other assets (i.e. credit linked securities) than where the return is linked to the value of a security?

<ESMA\_QUESTION\_FAC\_49>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_49>

1. : Do you consider that any further changes be made to the derivatives securities building block? Please advise of any costs and benefits that would be incurred by the further changes you propose.

<ESMA\_QUESTION\_FAC\_50>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_50>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_51>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_51>

1. : Do you agree with the proposed amendments to the annex relating to the underlying share?

<ESMA\_QUESTION\_FAC\_52>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_52>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_53>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_53>

1. : Do you agree that the annex for third countries and their regional and local authorities should remain unchanged (with the exception of the reference to Member States)?

<ESMA\_QUESTION\_FAC\_54>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_54>

1. : Do you agree with the proposal relating to the asset backed securities registration document?

<ESMA\_QUESTION\_FAC\_55>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_55>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_56>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_56>

1. : Do you agree with the proposal relating to the asset backed securities building block?

<ESMA\_QUESTION\_FAC\_57>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_57>

1. : Do you agree with the proposal to allow reduced disclosure where the securities comprising the assets are listed on an SME Growth Market?

<ESMA\_QUESTION\_FAC\_58>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_58>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_59>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_59>

1. : Do you agree with the amendments to the pro forma building block? Should any further amendments be made to this annex? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA\_QUESTION\_FAC\_60>

**1)** We agree on the amendments.

**2)** With regard to Item 1.b, it is stated that a profit and loss account **and/or** a balance sheet must be prepared depending on the circumstances; in relation hereto it would be desirable with greater clarity as to when both a profit and loss account and a balance sheet must be prepared and when either a profit and loss account or a balance sheet must be prepared.

With regard to Item 5, it is stated that pro forma information may only be published in respect of last completed financial year **and/or** the most recent interim period; it would be desirable with greater clarity regarding when to publish information only from the last completed financial year, only the most recent interim period or both.

**3)** The costs and time spent in relation to the preparation of pro forma financial information are considerable for an issuer. As such, clarity to the requirements as stated above will likely result in a decrease in costs and make it easier for issuers to prepare for a transaction.

<ESMA\_QUESTION\_FAC\_60>

1. : Do you agree that the additional building block for guarantees does not need to change other than the minor amendments proposed by ESMA?

<ESMA\_QUESTION\_FAC\_61>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_61>

1. : Do you think that depository receipts are similar enough to equity economically to require the inclusion of a working capital statement and / or a capitalisation and indebtedness statement? Please advise of any costs and benefits that would be incurred as a result of this additional disclosures.

<ESMA\_QUESTION\_FAC\_62>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_62>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_63>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_63>

1. : Do you agree with the changes proposed by ESMA for collective investment undertakings?

<ESMA\_QUESTION\_FAC\_64>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_64>

1. : Is greater alignment with the requirements of AIFMD necessary? If so, where?

<ESMA\_QUESTION\_FAC\_65>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_65>

1. : Do you agree with the proposal to allow reduced disclosure where the securities issued by the underlying issuer/collective investment undertaking/counterparty are listed on an SME Growth Market?

<ESMA\_QUESTION\_FAC\_66>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_66>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_67>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_67>

1. : Do you consider that any changes are required to the existing regime for convertible and exchangeable securities? If so, please specify.

<ESMA\_QUESTION\_FAC\_68>

No comments

<ESMA\_QUESTION\_FAC\_68>

1. : Do you consider that any other types of specialist issuers which should be added? If so, please specify.

<ESMA\_QUESTION\_FAC\_69>

No

<ESMA\_QUESTION\_FAC\_69>

1. : Do you agree with ESMA’s proposal not to develop a schedule for securities issued by public international bodies and for debt securities guaranteed by a Member State of the OECD?

<ESMA\_QUESTION\_FAC\_70>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_70>

1. : Do you agree that the URD disclosure requirements should be based on the share registration document plus additional disclosure items?

<ESMA\_QUESTION\_FAC\_71>

Yes

<ESMA\_QUESTION\_FAC\_71>

1. : Should the URD schedule contain any further disclosure requirements?

<ESMA\_QUESTION\_FAC\_72>

We agree that only the information in the share registration document is provided, however, we question that the requirements in relation to financial information in the share registration document should be the same requirements which follow from the TD, as the purpose of the prospectus rules are to provide an investor with the information necessary to enable an investor to make an informed assessment of the issuer, etc, and of the rights attached to the securities, whereas the purpose of the rules in the TD related to financial reports have a different purpose.

<ESMA\_QUESTION\_FAC\_72>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_73>

It is our assessment that there may be a limited cost reduction for the issuers of securities, however, it may potentially have an adverse effect on the investors, as the investors may not receive certain important information.

<ESMA\_QUESTION\_FAC\_73>

1. : Do you consider that the proposed disclosure is sufficiently alleviated compared to the full regime? If not, where do you believe that additional simplification can be made? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA\_QUESTION\_FAC\_74>

Yes

<ESMA\_QUESTION\_FAC\_74>

1. : Should secondary disclosure differ depending on whether the issuer is listed on a regulated market or on an SME Growth Market?

<ESMA\_QUESTION\_FAC\_75>

No

<ESMA\_QUESTION\_FAC\_75>

1. : Do you consider that item 9.3 (information on corporate governance) is necessary?

<ESMA\_QUESTION\_FAC\_76>

No

<ESMA\_QUESTION\_FAC\_76>

1. : Do you consider that information on material contracts is necessary for secondary issuance?

<ESMA\_QUESTION\_FAC\_77>

Yes, but should be qualified to any such agreements that relate to the secondary issuance. Other material elements should be comprised by MAR disclosure.

<ESMA\_QUESTION\_FAC\_77>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_78>

Secondary regime should allow meaningful reduction in cost and resources required when compared to a full prospectus.

<ESMA\_QUESTION\_FAC\_78>

1. : Do you consider that there is further scope for alleviated disclosure in the securities note ? Please advise of any costs and benefits implied by the further changes you propose.

<ESMA\_QUESTION\_FAC\_79>

4.7 – can be deleted (information already public)

4.8 – can be deleted (information already public) – except perhaps for ongoing take-overs (would seem unlikely in practice)

5.3.1 (new) – The proposed mandatory withdrawal rights are highly impractical and could give rise to disputes at critical points in time in the offering process. The proposed disclosure requirements will be sufficient to safeguard investors – if they are not happy with terms they should abstain rather than be afforded an option.

9.1 – The proposed 9.1 is somewhat confusing in its description and seems to overlap 9.2. For rights issues, 9.1(a) would seem to provide little relevant information. As for 9.1(b), the ‘net asset value’ would rarely be representative of actual market values. The illustration of economic dilution should be based on market cap (i.e. (marketcap / total # shares pre issue) compared to ((marketcap + capital raise) / ( total # shares post issue). Same comment under Q24.

10.2 Consider clarification of scope – presumably where auditors have prepare purely internal report to support information in the prospectus, this need not be disclosed. Same comment under Q26.

<ESMA\_QUESTION\_FAC\_79>

1. : Is a single securities note, separated by security type, clear or would it be preferable to have multiple securities note schedules?

<ESMA\_QUESTION\_FAC\_80>

A single securities note will be sufficiently clear.

<ESMA\_QUESTION\_FAC\_80>

1. : What is the overall impact of the proposed technical advice, especially in terms of costs to issuers and benefits to investors? If you have indicated that it will pose additional costs for issuers, please provide an estimate and indicate their different type (e.g. extra staff costs, advisor costs, etc.) and nature (one-off vs. ongoing costs).

<ESMA\_QUESTION\_FAC\_81>

See answer to question 79.<ESMA\_QUESTION\_FAC\_81>