|  |
| --- |
| 6 July 2017 |

|  |
| --- |
| Response form for the Consultation Paper on  format and content of the prospectus |
|  |

|  |
| --- |
| 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:

* respond to the question stated;
* contain a clear rationale; and
* 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:

* 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’).
* 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.
* 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.
* 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.
* 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 | The Irish Stock Exchange plc |
| Activity | Regulated markets/Exchanges/Trading Systems |
| Are you representing an association? |  |
| Country/Region | Ireland |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_FAC\_1>

The Irish Stock Exchange (ISE) welcomes the opportunity to respond to ESMA’s Consultation Paper on the format and the content of the prospectus.

The ISE operates the regulated market (Main Securities Market) in Ireland on which equity securities, government bonds, collective investment undertakings and debt securities are admitted. The ISE also operates three multilateral trading facilities, the Enterprise Securities Market, the Atlantic Securities Market and the Global Exchange Market. At the end of August 2017, the ISE had 53 equity securities, 5,468 classes of investment funds and 30,452 non-equity securities listed on its markets.

<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>

We question whether there is a need for a mandatory ‘cover note’ requirement. Issuers tend to include pages up-front in the prospectus of this nature in any event. If there is a mandatory cover note requirement, we consider that the length of the cover note should not be restricted to 3 pages. For some companies, 3 pages will be sufficient whereas for others 3 pages may be too short. Therefore, we suggest using 3 pages as a guide but not imposing a restriction on the maximum length of the cover note.

<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>

We consider that the base prospectus should not contain a section on ‘how to use the prospectus’. The financial intermediaries selling securities to retail investors are best placed to explain to investors how to use a base prospectus.

<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>

We consider that issuers should be free to determine the most appropriate place to position the risk factors section in the prospectus and that the exact position of the risk factors should not be set out in legislation. Although prospectuses tend to follow a broadly similar format, issuers are best placed to decide on the most appropriate position of the risk factors relative to all of the other information contained in the prospectus.

<ESMA\_QUESTION\_FAC\_3>

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

<ESMA\_QUESTION\_FAC\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_4>

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

<ESMA\_QUESTION\_FAC\_5>

Although the use of proceeds section is very important for investors, we have a slight concern that a standalone section might give it too much prominence over other important sections and disclosures in the prospectus.

<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>

TYPE YOUR TEXT HERE

<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>

TYPE YOUR TEXT HERE

<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>

As highlighted in our responses to specific questions, the requirement in a number of disclosure items for issuers to publish information on their website does not take into account that certain types of issuers, such as special purpose vehicles, typically do not have a website. Therefore, we consider that the relevant disclosure requirement should permit information to be provided on the website of a third party.

<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>

Yes, this is useful information for investors.

<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>

Yes, we agree with this proposal.

<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>

As highlighted in our responses to specific questions, the requirement in a number of disclosure items for issuers to publish information on their website does not take into account that certain types of issuers, such as special purpose vehicles, typically do not have a website. Therefore, we consider that the relevant disclosure requirement should permit information to be provided on the website of a third party.

<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>

We consider that such a disclosure item is not necessary as the information is already contained in the historical financial information.

<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>

Yes, we agree with the proposal to align to OFR requirements with the management reports required under the Accounting Directive, but would not envisage that this will result in material cost savings for issuers.

<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>

We believe that there should not be a mandatory profit forecast requirement for both equity and non-equity securities.

For equity securities only, if an issuer chooses to include a profit forecast in its prospectus, then we consider that it should be accompanied by an accountant’s report.

<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>

In our view, such a requirement should only apply to the extent that further explanation by the issuer is necessary for investors where the auditors’ report does not, in the issuer’s view, provide sufficient information.

<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>

We consider this to be a sensible disclosure requirement and would not envisage it giving rise to material additional costs to issuers.

<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>

We consider the wording of this proposed new disclosure item to be somewhat unclear. If the intention is to require disclosure of any planned/agreed material changes to the board and/or any of its committees, then we suggest that the wording be amended accordingly.

<ESMA\_QUESTION\_FAC\_17>

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

<ESMA\_QUESTION\_FAC\_18>

Yes, we agree with this proposal.

<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>

Yes, we agree with the proposal and do not believe that it would significantly affect the informative value of the prospectus for investors.

<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>

In respect of disclosure item 12.1, second bullet, we believe that the existing significant change statement works well in practice and should remain unchanged and, consequently, that the proposed new text in disclosure item 12.1 should be deleted and the proposed deletion to item 20.1 (moved from 20.9), ‘Significant change in the issuer’s financial position’, should be reversed.<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>

TYPE YOUR TEXT HERE

<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, given the nature of the business of credit institutions and insurance companies, in our view a working capital statement should not be required.

<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, if a material change arises within the 90 day period, then issuers should be required to provide an update. However, we believe that this is already captured by the disclosure item relating to ‘significant change’ (20.1 of the Share RD schedule) and, therefore does not need to be included as a standalone disclosure item.

<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>

We consider that the proposed amendments to the dilution requirements would be useful information for investors and should not give rise to significant additional costs for issuers to prepare and disclose in the prospectus.

<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, we consider this to be useful information for investors.

<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>

TYPE YOUR TEXT HERE

<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>

TYPE YOUR TEXT HERE

<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>

Yes, we agree with this proposal to delete disclosure on principal investments. We consider that the replacement requirements to provide details on the issuer’s funding structure and borrowing requirements should only apply where this information is material to the issuance of the securities.

<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>

Yes, but only to the extent that the credit rating is still relevant and, in particular, where is relates to the securities concerned.

<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>

Yes, we agree with the proposal.

<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>

We consider that there should not be a mandatory profit forecast requirement.

<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>

Yes, we agree with the proposal.

<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>

Disclosure items 5.1.4 and 17 assume that all issuers have websites. This is not the case, particularly for certain types of issuers, e.g. special purpose vehicles. Therefore, we consider that the relevant disclosure requirement should permit information to be provided on the website of a third party..

In respect of disclosure item 13.7, we believe that the existing significant change statement works well in practice and should remain unchanged and, consequently, that the proposed new text in disclosure items 8.1(b) should be deleted and the proposed deletion to item 13.7 should be reversed.

<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>

Yes, we support this approach. We do not believe that the removal of the requirement for wholesale non-equity issuers to restate their financial statements would significantly alter the informative value of the prospectus for professional investors.

<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>

Disclosure items 4.1.4 and 14 assume that all issuers have websites. This is not the case, particularly for certain types of issuers of wholesale debt, e.g. special purpose vehicles. Therefore, we consider that the relevant disclosure requirement should permit information to be provided on the website of a third party. In addition, the requirement to publish expert reports on a website could prove problematic in that it may lead to experts being reluctant to allow their reports be included in a prospectus.

We believe that the existing significant change statement works well in practice and should remain unchanged and, consequently, that the proposed new text in disclosure items 7.1(b) should be deleted and the proposed deletion to item 11.6 should be reversed.

<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>

If our comments in Q36 are addressed, then we believe that the proposed technical advice will deliver a more streamlined and cost effective prospectus preparation process for issuers without compromising investor protection.

<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>

Yes, we agree with this proposal and believe that it will deliver more meaningful information in the prospectus for investors.

<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>

We consider that this requirement should not mandate the form by which such information may be accessed by investors. In some instances, a website may be the preferred form, but issuers should have the ability to select the most appropriate form.

<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>

We consider the proposed amendment to the wording to be unclear and suggest that the new text in paragraph 3 of item 5.3.1 be removed.

<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>

Yes, we agree with this proposal, to the extent that the issue price has been determined prior to the point of approval of the prospectus.

<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>

We consider that the changes made should deliver more meaningful information for investors without giving rise to significant additional costs for issuers.

<ESMA\_QUESTION\_FAC\_45>

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

<ESMA\_QUESTION\_FAC\_46>

Yes, we agree with this proposal.

<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>

Yes, we agree with this proposal.

<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>

We agree that enhanced disclosure is of benefit to retail investors, particularly where an investor may lose all or part of their investment, but is not necessary for wholesale/institutional investors. In our view, the list of markets included in the carve out for securities admitted to a market (Item 4.2.2(ii)(d)) is too narrow and should be expanded to include MTFs as defined in MiFID. In addition, established markets which have previously been recognised by NCAs under item 2.2.11(b) of Annex 11 (old Annex VIII), should also be included.

<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>

For wholesale/institutional investors we would question applying an ABS approach to securities linked to the credit of other assets. The ABS market operates in a different manner where such information under 4.2.2 (c) or (d) would be appropriate and expected. However, for securities linked to the credit of other assets, in addition to our response to Q48, we do not believe that all such information is necessary and a more streamlined form of the wholesale registration document schedule would be more appropriate.

<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>

In our view, the layout of item 4.2.2 is confusing and difficult to follow, and may benefit from being split into a number of discrete disclosure items.

In respect of item 4.2.2(ii)(d), we consider that list of markets should be expanded to include where the issuer of the underlying security or reference obligation has securities already admitted on a multilateral trading facility as defined under MiFID. In addition, we consider that it is important to include a grandfathering provision so that where a national competent authority has previously determined a particular market, e.g. non-EU market, to be ‘equivalent’ under item 2.2.11(b) of Annex 11 (old Annex VIII), this should continue in effect until such time as ESMA makes a determination in respect of that market. We also consider it important that ESMA has a clear and transparency process for determining equivalence in this regard.

<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>

If our comments in Q44, 48 and 50 are addressed, then we believe that the proposed technical advice should be deliver more meaningful prospectuses for investors without giving rise to significant additional costs for issuers.

<ESMA\_QUESTION\_FAC\_51>

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

<ESMA\_QUESTION\_FAC\_52>

Yes, we agree with the proposed amendments.

<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>

Overall, the proposed technical advice should deliver more meaningful prospectuses for investors without giving rise to significant additional costs for issuers. In particular, the proposed amendments in item 2 to allow use of the Registration Document schedule for secondary issuances or EU Growth Registration Document schedule should reduce costs and streamline the prospectus preparation process for certain issuers.

<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>

Disclosure items 3.2 and 8 assume that all issuers have websites. This is not the case, particularly for certain specialist types of issuers. Therefore, we consider that the relevant disclosure requirement should permit information to be provided on the website of a third party.

<ESMA\_QUESTION\_FAC\_54>

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

<ESMA\_QUESTION\_FAC\_55>

Disclosure items 4.5 and 10.1 assume that all issuers have websites. This is not the case, particularly for certain types of issuers such as special purpose vehicles. Therefore, we consider that the relevant disclosure requirement should permit information to be provided on the website of a third party.

<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>

If our comments in Q55 are addressed, then we believe that the proposed technical advice should be deliver more meaningful prospectuses for investors without giving rise to significant additional costs for issuers.

<ESMA\_QUESTION\_FAC\_56>

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

<ESMA\_QUESTION\_FAC\_57>

With the exception of the issues we have identified below and in Q58, we agree with the proposed revisions to the ABS building block.

For disclosure item 2.2.11(b), it is imperative that where a NCA has previously accepted another market as being ‘equivalent’, this must continue to apply when the Prospectus Regulation comes into effect.

Disclosure item 4.1 effectively mandates post issuance reporting. We believe that the existing requirement should apply so that issuers may choose whether or not to provide post-issuance transaction reporting.

<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>

We consider that the proposal does not go far enough and disclosure items 2.2.11(b), 2.2.12 New, 2.2.13, 2.2.14 and 2.2.15 should be expanded to also allow reduced disclosure where securities are admitted to a multilateral trading facility (MTF) as defined in MiFID. In addition, we consider that it is important to include a grandfathering provision so that where a national competent authority has previously determined a particular market, e.g. non-EU market, to be ‘equivalent’, this should continue in effect until such time as ESMA makes a determination in respect of that market. We also consider it important that ESMA has a clear and transparency process for determining equivalence in this regard.

<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>

If our comments in Q57 and 58 are addressed, then we believe that the proposed technical advice should be deliver more meaningful prospectuses for investors without giving rise to significant additional costs for issuers.

<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>

Yes, we agree with the revisions made.

<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>

Yes, we support this.

<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>

*Introduction*

The clarity in the last sentence of the introductory paragraph setting out which disclosure items in Annex I are required to be disclosed in relation to the fund manager and separately which disclosure items are required to be disclosed in relation to the fund manager and the fund is welcomed.

*Item 1.1*

The alignment of paragraph 1.1 with article 23(1)(a) and (b) of AIFMD is useful.

*Item 2.2*

We would suggest amending the wording in 2.2 (i) and 2.2 (ii) to include the word “market” after the word “regulated” as it is misleading in its current form. The wording in section 193 of the consultation paper is clear – “…..admitted to trading on a regulated market, equivalent third country market or an SME Growth Market…”

Generally, the disclosure requirement in paragraph 2.2(i) is very onerous. In practice, this requirement has a negative impact on issuers coming to the market and is not appropriate for many closed ended funds which are passive in nature. We note the suggestion adding the ability to agree to a reduced level of disclosure in limited circumstances. Unless clear detailed guidance is provided to indicate when this may be permitted and what “reasonable demonstration” is, this may be of limited value. Conversely, we would suggest that paragraph 2.2(i) should only be applicable in limited circumstances such as where a collective investment undertakings of the closed ended type is seeking to take control of its underlying investments. By way of example, a venture capital fund or a private equity fund may fall into this category.

*Item 2.3*

We would make the same observations as per paragraph point 2 under paragraph 2.2 above.

*Item 2.9*

We would welcome clarity as to why this paragraph has been deleted.

**ANNEX I**

The following sections of Annex I should not be applicable to collective investment undertakings of the closed ended type:

*9.2.1* – There is sufficient information required by 9.1 in this regard. Furthermore, the information required to be disclosed in paragraph 20 should be sufficient for any type of investor to have sufficient information and to make an informed decision.

*10.4* – There is extensive disclosure already required in Annex XV with regard to the issuer’s investment objective and policy and investment restrictions.

*13* – Collective investment undertakings of the closed ended type typically do not prepare profit forecasts or estimates. In our experience since the implementation of Directive 2003/71/EU, these disclosure items are typically not applicable.

*20.2* (may be changed in revised Annex I) - Pro forma financial information is not a feature of collective investment undertakings of the closed ended type. In our experience since the implementation of Directive 2003/71/EC, these disclosure items are typically not applicable.

**ANNEX 2 (previously ANNEX III)**

The following disclosure items in Annex 2 should not be applicable to collective investment undertakings of the closed ended type. These disclosures are typically more appropriate for commercial companies and impose an unnecessary financial and administrative burden on issuer of collective investment undertakings of the closed ended type:

*3.1* Working capital statement

*3.2* Capitalisation and indebtedness

*4.12* Impact on investment in the event of a resolution under Directive 2014/59/EU

*9* Dilution

<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>

We consider that where the underlying shares are already admitted to trading on a regulated market or a multilateral trading facility as defined under MiFID, information to be included in the prospectus should be limited to that provided by item 4.2.2 of Annex XII of the Commission Regulation. In addition, we consider that it is important to include a grandfathering provision so that where a national competent authority has previously determined a particular market, e.g. non-EU market, to be ‘equivalent’, this should continue in effect until such time as ESMA makes a determination in respect of that market. We also consider it important that ESMA has a clear and transparency process for determining equivalence in this regard.

<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>

TYPE YOUR TEXT HERE

<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>

Yes, we agree with this proposal.

<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>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_71>

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

<ESMA\_QUESTION\_FAC\_72>

TYPE YOUR TEXT HERE

<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>

TYPE YOUR TEXT HERE

<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>

We believe that there is scope for further alleviation of the disclosure regime without compromising on investor protection:

Disclosure item 3 (Risk Factors) – this is an area of the prospectus that will give rise to significant cost to issuers to prepare. For secondary issuances, we consider that it would be appropriate to require disclosure of new material risks arising since the last published audited annual financial statements.

Disclosure item 15.1 (Documents Available) – this disclosure item assumes that all issuers have websites. This is not the case, particularly for certain types of issuers such as special purpose vehicles. Therefore, we consider that the relevant disclosure requirement should permit information to be provided on the website of a third party.

<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>

We do not consider it necessary for the secondary disclosure regime to be differentiated depending on whether the issuer is listed on a ‘regulated market’ or a SME Growth Market.

<ESMA\_QUESTION\_FAC\_75>

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

<ESMA\_QUESTION\_FAC\_76>

No, we do not consider that such information is necessary in a secondary issuance prospectus.

<ESMA\_QUESTION\_FAC\_76>

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

<ESMA\_QUESTION\_FAC\_77>

Yes, we consider that this disclosure item is relevant to the extent that any such material contracts have not previously been disclosed.

<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>

TYPE YOUR TEXT HERE

<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>

TYPE YOUR TEXT HERE

<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>

We consider that it would be more user friendly to have multiple securities note schedules – one for equity, one for retail non-equity and one for wholesale non-equity.

<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>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_FAC\_81>