



FINANCIAL SERVICES

The Prospectus Regulation is Fully in Force: Remaining Provisions Apply from 21 July 2019

by **David Naughton, David Williams, Trevor Dolan, Garry Wynne**

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As of Sunday, 21 July 2019, the Prospectus Regulation ((EU) 2017/1129) is now fully in force.

The provisions which apply from this date introduce a new Universal Registration Document, summary requirements, a simplified disclosure regime and a Growth Prospectus.

Key Aspects of Provisions that Apply from 21 July 2019

- Issuers can avail of the Universal Registration Document to accelerate the prospectus approval process.
- Only certain material information has to be disclosed by issuers under the new summary requirements.
- Secondary issuers that have their securities listed on a regulated market or an SME growth market for at least eighteen months can avail of a simplified prospectus regime.
- SME and qualified issuers can now issue a Growth Prospectus that only requires the disclosure of reduced and proportionate information.

Overview

The Prospectus Regulation ((EU) 2017/1129) replaces Directive (2003/71/EC) (as amended) and it is now fully in force. Broadly, it requires issuers of transferable securities to the public to obtain approval of their prospectus from the Central Bank of Ireland. It also introduces a new Universal Registration Document, summary requirements, a simplified disclosure regime and a Growth Prospectus.

Universal Registration Document

An issuer of securities admitted to an EU regulated market or recognised multilateral trading facility can now make use of a Universal Registration Document. The Universal Registration Document forms part of the prospectus and must contain legal, business, financial, accounting and shareholding information on the issuer. Once the Central Bank of Ireland approves the Universal Registration Document for two consecutive years, a subsequent Universal Registration Document does not require further approval.

Summary Requirements

Under the new summary requirements, an issuer's prospectus must contain a concise and plain language summary of the key information pertaining to the issuer, securities and offering. It must not be any longer than seven A4 pages and cannot list more than fifteen risks. The requirement to disclose only material information provides greater flexibility to issuers than under the previous law.

Simplified Prospectus

Secondary issuers that have their securities listed on an EU regulated market or an SME Growth Market for at least eighteen months can avail of a simplified prospectus. This requires the issuer to publish a summary, a specific registration document, a specific securities note, the risk factors, information pertaining to the Market Abuse Regulations and financial information from the previous year.

Growth Prospectus

SME and other qualified issuers can issue a Growth Prospectus: a proportionate disclosure document, written in plain language that contains a summary, specific registration document and a specific securities note. The Growth Prospectus aims to make it easier for these companies to raise capital in the EU.

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