

CAPITAL MARKETS



NEWSLETTER

DECEMBER 23, 2024

The EU Listing Act – Key Changes to the Prospectus Regulation

Our Capital Markets team has put together a summary of the key changes brought by Regulation (EU) 2024/2809 (Listing Act Regulation) to Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (Prospectus Regulation / PR).

The changes aim at reinforcing the attractiveness of EU public markets, by tackling certain obstacles stemming from the length, complexity and costs of the prospectus documentation.

1. Exemptions to the obligation to publish a prospectus

Small offers exemption: Threshold increase and harmonization

The small offers exemption threshold currently set in Greece by national legislation (i.e. art. 58 of law 4706/2020) is € 5 million, while for offers with a consideration between € 500 thousand - € 5 million an information document is required, with the content set out in HCMC decision no. 1/893/16.10.2020.

The Listing Act Regulation introduces a harmonized threshold for all member states, **in the amount of € 12 million** (aggregated consideration over a period of 12 months), whereas member states have the option to decrease this threshold to € 5 million.

The above new threshold shall apply from 5 June 2026.

Secondary issuances: New exemptions introduced

New exemptions from the obligation to publish a prospectus are introduced for secondary offerings:

- (a) An offer of securities to be admitted to trading on a regulated market or an SME growth market, that are fungible with securities already admitted to trading on the same market, provided that they represent, over a period of 12 months, **less than 30%** of the number of securities already admitted to trading on the same market; and
- (b) An offer of securities, which are not issued in connection with a takeover by means of an exchange offer, a merger or a division, that are fungible with securities admitted to trading on a regulated market or an SME growth market **for at least the 18 months preceding the offer** of the new securities.

The above exemptions are conditioned on the issuer not being subject to restructuring or insolvency proceedings and filing with the competent authority of the home member state and publication of a short form disclosure document (maximum 11 A-4 pages).

Likewise, the already existing 20% threshold of the exemptions from the obligation to publish a prospectus for the listing of

securities on a regulated market is **increased to 30%** and a new exemption, matching the abovementioned one, under (b), is also added.

The rationale for these changes is that companies whose securities are admitted to trading on a regulated market or on an SME growth market are subject to periodic and ongoing disclosure requirements under Regulation (EU) 596/2014 (MAR) and Directive 2004/109/EC (Transparency Directive) - or, for those listed on SME growth markets, Regulation (EU) 2017/565 (MiFID II Delegated Regulation) - so much of the information included in a prospectus is already available to the public.

The amendments to the PR described above are applicable from 4 December 2024.

Offers of non-equity securities by credit institutions: Threshold increase

The exemption threshold from the obligation to publish a prospectus in case of an offer to the public and/or listing on a regulated market of non-equity securities for credit institutions has been increased from € 75 million to **€ 150 million** aggregated consideration over a period of 12 months (as was in the past during the application of the Capital Markets Recovery Package).

The amendments to the PR described above are applicable from 4 December 2024.

2. Prospectus format standardization and length limitations

Introduction of Prospectus standardized format and sequence

A standardised prospectus format and sequence of information disclosure has been introduced, in an attempt to make the prospectus documentation less complex and improve its readability for investors across the EU, irrespective of the jurisdiction where securities are offered to the public or admitted to trading on a regulated market. These provisions do not apply to universal registration documents.

The **standardized format and sequence** as well as the specific information to be included in a prospectus shall be specified by delegated acts, to be adopted by the Commission by 5 June 2026. Moreover, the European Securities and Markets Authority (ESMA) shall develop and submit to the Commission by 5 December 2025 draft implementing technical standards to specify the template and layout of prospectuses, including the font size and style requirements, depending on the type of prospectus and the type of investors targeted in order to achieve convergence across the EU on the format of prospectuses.

In case of a simultaneous offer or private placement with investors in a third country under an offering document other than a prospectus, the standardized format and sequence shall

not apply to the latter. This exemption intends to facilitate combined offerings, where part of the securities is placed with international private investors on the basis of an international offering document.

Introduction of page limitation of prospectuses relating to shares

A **maximum 300 A4 page limit** has been introduced for prospectuses relating to shares. This maximum page limit does not include the summary, information incorporated by reference, information included in a universal registration document, information to be provided where the issuer has a complex financial history or has made a significant financial commitment or in the case of a significant gross change.

As with the standardized format and sequence, the above maximum page limitation does not apply in cases of a simultaneous offer or private placement with investors in a third country, under an offering document, other than a prospectus.

Prospectus summary format

The Listing Act Regulation has introduced the possibility of including information in the prospectus summary in the form of **charts, graphs or tables** in order to make the prospectus summary more easily readable and comprehensible, especially for retail investors.

While the page limit of the summary does not change, in cases of guarantees attached to the securities, the maximum length of the prospectus summary is extended by as many pages as the number of guarantors.

As with the prospectus per se, ESMA shall also develop and submit to the Commission by 5 December 2025 draft implementing technical standards to specify the template and layout of the prospectus summary, including the font size and style requirements in order to ensure uniform conditions of application of the requirements regarding the prospectus summary.

All amendments to the PR, described above, relating to format standardization and length limitations, shall apply from 5 June 2026.

3. The “EU Follow-on Prospectus”

The simplified disclosure regime for secondary issuances is replaced by the “**EU Follow-on Prospectus**”, a new prospectus form, which, when it is drawn up in relation to shares, it shall **not be longer than 50 A4 pages**.

The EU Follow-on Prospectus will be available to the following persons in case of an offer of securities to the public or an admission to trading of securities on a regulated market:

- (a) issuers whose securities have been admitted to trading on a regulated market continuously for at least 18

months preceding the offer or the admission to trading of the new securities;

- (b) issuers whose securities have been admitted to trading on an SME growth market continuously for at least 18 months preceding the offer;
- (c) issuers seeking to make a transition from an SME growth market to a regulated market, provided that their securities have been admitted to trading on an SME growth market continuously for at least 18 months preceding the admission on the regulated market; and
- (d) offerors of securities admitted to trading on either a regulated market or an SME growth market continuously for at least 18 months before the offer.

Issuers who have only debt securities admitted to trading on a regulated market or an SME growth market are not eligible to draw up an EU Follow-on prospectus for the admission of equity securities to trading on a regulated market.

In an attempt to expedite the process for the approval of the EU Follow-on Prospectus by the competent authority, the time limit for its approval is reduced from 10 to **7 working days**.

The EU Follow-on Prospectus has been introduced in an attempt to further simplify and reduce the cost of the disclosure regime for secondary issuances, while safeguarding investor protection.

The above amendments to the Prospectus Regulation shall apply from 5 March 2026.

4. The EU Growth Issuance Prospectus

The EU Growth Prospectus is amended in order to become lighter in terms of disclosure requirements and further facilitate access of SMEs to public markets. More specifically, the new “EU Growth Issuance Prospectus”, when drawn up in relation to shares, it shall **not be longer than 75 A4 pages**. It will be available to the following persons in case of an offer of securities to the public, provided that they have no securities admitted to trading on a regulated market:

- (a) SMEs;
- (b) Issuers, other than SMEs, whose securities are admitted or are to be admitted to trading on an SME growth market;
- (c) small unlisted companies whose total consideration for the securities offered to the public is less than €50 million over a period of 12 months, provided that they have no securities traded on an MTF, and occupy less than 500 employees; and
- (d) offerors of securities that have been issued by SMEs or issuers, other than SMEs, whose securities are admitted or are to be admitted to trading on an SME growth

market.

The above amendments to the Prospectus Regulation shall apply from 5 March 2026.

5. Other changes

ESG Disclosure: New disclosure requirements

ESG-related disclosure requirements for prospectuses have been introduced through several provisions of the Listing Act Regulation, in line with the respective EU legal framework.

Inter alia, with effect from 5 June 2026, **sustainability reporting** from management and consolidated management reports, as mandated by Directive 2013/34/EU (CSRD), shall be included in the prospectus or incorporated by reference, covering the periods covered by the historical financial information. In addition, issuers that have identified **environmental issues as a material risk factor**, shall include a relevant statement in the prospectus summary.

The Commission shall specify the ESG disclosure requirements through delegated acts, to be issued by 5 June 2026.

Minimum IPO reading period: Reduced from 6 to 3 working days

The minimum period of availability of a prospectus in initial public offerings has been shortened **from 6 working days to 3 working days before the end of the offer period**. This change, which is effective from 4 December 2024, incentivizes the inclusion of retail investors in swift book-building processes and allows for better market risk management.

Supplement provisions: Increase of withdrawal right period & changes to financial intermediaries' requirements

The withdrawal right period has been **increased from 2 working days to 3**, with effect from 4 December 2024. In parallel, the financial intermediaries' obligations towards investors in the event of a supplement being published become less burdensome, through the introduction of electronic means for relevant communication to investors.

Prospectus language: Introduction of language customary in the sphere of international finance for domestic issuances

Unless member states opt-out, where an offer of securities to the public or admission to trading on a regulated market is sought only in the home member state, a prospectus may be drawn up in a **language customary in the sphere of international finance**, instead of a language accepted by the competent authority of the home member state, at the choice of the issuer/offeror. However, member states may opt out from this alternative and require that the prospectus is drafted in a language acceptable by the home member state competent authority.

The above amendments to the Prospectus Regulation shall apply from 5 June 2026.

DECEMBER 23, 2024

CAPITAL MARKETS

Authors

George Bersis, Partner, george.bersis@potamitisvekris.com

Elena Theocharakou, Senior Associate, elena.theocharakou@potamitisvekris.com

Katerina Pappa, Junior Associate, katerina.pappa@potamitisvekris.com

11 Omirou str., 10672 Athens
E info@potamitisvekris.com

T +30 210 3380000
F +30 210 3380020

www.potamitisvekris.com