

Prospectus reforms are a step in the right direction, says the Quoted Companies Alliance

The Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies, welcomes the European Commission's proposals to amend the Prospectus Directive, which were published today.

Tim Ward, Chief Executive of the Quoted Companies Alliance, comments: "The European Commission's proposals to amend the Prospectus Directive are a step in the right direction in ensuring that companies throughout Europe are able to raise finance on public equity markets more efficiently. Reduced disclosure for secondary offers and SMEs, as well as allowing greater use of the incorporation of information into a prospectus by reference, will reduce the administrative burdens on companies and make raising funds more cost-effective, whilst still allowing for high quality information to be available to investors.

"In principle, we also welcome the increased €10,000,000 threshold, below which a Member State can exempt companies from the need to produce a prospectus. Nonetheless, we believe that the European Commission should go further by increasing this threshold to €20,000,000. It should also increase the number of investors an offer can go to before a prospectus needs to be produced from 150 to 500 people. This would ensure that companies are not deterred from raising equity due to the costs associated.

"Despite all these encouraging initiatives in the Prospectus Regulation, we think this will be a missed opportunity if the European Commission does not create a bespoke prospectus regime for companies on SME Growth Markets. It is difficult to see how the SME Growth Market category can evolve productively without the European Commission taking decisive action to outline its vision for this vital sector and reducing regulatory burdens for companies on these markets."

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Contact:

The Quoted Companies Alliance:
Tim Ward, Chief Executive
tim.ward@theqca.com

+44 (0)20 7600 3745

Notes to editors:

1. The Quoted Companies Alliance's response to the European Commissions' Review of the Prospectus Directive (May 2015) is available at: www.theqca.com/qca-pd2015

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2. The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. We campaign, we inform and we interact to help our members keep their businesses ahead. Through our activities, we ensure that our influence always creates impact for our members. For more information please visit www.theqca.com.