

# ESMA Q&As clarify prospectus and transparency rules in case of no-deal Brexit

The Q&As clarify the application of certain provisions in these Directives in case the UK withdraws from the European Union (EU) on 29 March 2019 with no withdrawal agreement in place (no-deal Brexit). These Q&As will only apply in case of a no-deal Brexit.

The Q&As provide the following clarifications in the event of a no-deal Brexit:

- When issuers of equity securities and non-equity securities below 1,000 EUR who currently have the UK as their PD home Member State choose a new home Member State, they should choose between the EU27 Member States / EEA EFTA States in which they have activities after 29 March 2019 (either offers/admissions made after the withdrawal or admissions made before the withdrawal which continue after the withdrawal).
- Issuers admitted to trading on a regulated market within EU27 / EEA EFTA who currently have the UK as their TD home Member State should choose and disclose their new home Member State without delay following 29 March 2019.
- As the UK will be a third country, prospectuses and supplements approved by the UK FCA before 29 March 2019 cannot be used in EU27 / EEA EFTA after a no-deal Brexit.

The purpose of the Q&As is to promote common supervisory approaches and practices in the application of the PD and TD in case of a no-deal Brexit.

## **Background**

The PD harmonises requirements for the drafting, approval, and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market in the EU / EEA EFTA.

The TD aims to ensure transparency of information about issuers whose securities are admitted to trading on a regulated market through a regular flow of disclosure of periodic and on-going information and the dissemination of such information to the public.