

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.