

## Chapter 2

# Drawing up the prospectus

## 2.4 Incorporation by reference

### Incorporation by reference

- 2.4.1** **R** (1) Information may be incorporated in the *prospectus* by reference to one or more previously or simultaneously published documents that have been approved by the competent authority of the *Home State* or filed with or notified to it in accordance with the *prospectus directive* or the *TD*. [**Note:** article 11.1 *PD*].
- (2) [deleted]
- 2.4.2** **G** Information under the *TD* that may be incorporated by reference includes, for example, annual accounts and annual reports, interim management statements, equivalent information made available to markets in the United Kingdom, half yearly reports and reports on payments to governments.
- 2.4.3** **R** Information incorporated by reference must be the most recent available to the *issuer, offeror or person* requesting admission. [**Note:** article 11.1 *PD*]
- 2.4.4** **R** The *summary* must not incorporate information by reference. [**Note:** article 11.1 *PD*]
- 2.4.5** **R** When information is incorporated by reference, a cross reference list must be provided in the *prospectus* to enable investors to identify easily specific items of information. The cross reference list must specify where the information can be accessed by investors. [**Note:** article 11.2 *PD*]
- 2.4.6** **EU** Article 28 of the *PD Regulation* provides examples of information that may be incorporated by reference:
- Arrangements for incorporation by reference
1. Information may be incorporated by reference in a prospectus or base prospectus, notably if it is contained in one of the following documents:
    - (1) annual and interim financial information;
    - (2) documents prepared on the occasion of a specific transaction such as a merger or demerger;
    - (3) audit reports and financial statements;
    - (4) memorandum and articles of association;

- (5) earlier approved and published prospectuses and/or base prospectuses;
  - (6) regulated information;
  - (7) circulars to security holders.
2. The documents containing information that may be incorporated by reference in a prospectus or base prospectus or in the documents composing it shall be drawn up following the provisions of [PR 4.1 (Use of languages)].
3. If a document which may be incorporated by reference contains information which has undergone material changes, the prospectus or base prospectus shall clearly state such a circumstance and shall give the updated information.
4. The issuer, the offeror or the person asking for admission to trading on a regulated market may incorporate information in a prospectus or base prospectus by making reference only to certain parts of a document, provided that it states that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the prospectus.
5. When incorporating information by reference, issuers, offerors or persons asking for admission to trading on a regulated market shall endeavour not to endanger investor protection in terms of comprehensibility and accessibility of the information.