

Chapter 2

Drawing up the prospectus

2.1 General contents of prospectus

General contents of prospectus

2.1.1

UK

Article 6(1) and (2) of the *Prospectus Regulation* provides for the general contents of a *prospectus*:

Article 6

The prospectus

1. Without prejudice to Article 14(2) and Article 18(1), a prospectus shall contain the necessary information which is material to an investor for making an informed assessment of:

- (a) the assets and liabilities, profits and losses, financial position and prospects of the issuer and of any guarantor;
- (b) the rights attaching to the securities; and
- (c) the reasons for the issuance and its impact on the issuer.

That information may vary depending on any of the following:

- (a) the nature of the issuer;
- (b) the type of securities;
- (c) the circumstances of the issuer;
- (d) where relevant, whether or not the non-equity securities have a denomination per unit of at least EUR 100 000 or are to be traded only on a regulated market or a specific segment thereof, to which only qualified investors can have access for the purposes of trading in the securities.

2. The information in a prospectus shall be written and presented in an easily analysable, concise and comprehensible form, taking into account the factors set out in the second subparagraph of paragraph 1.

Summary

2.1.2

UK

Article 7(1) (first sub-paragraph) and (2) of the *Prospectus Regulation* provides:

Article 7

The prospectus summary

1. The prospectus shall include a summary that provides the key information that investors need in order to understand the nature and the risks of the issuer, the guarantor and the securities that are

being offered or admitted to trading on a regulated market, and that is to be read together with the other parts of the prospectus to aid investors when considering whether to invest in such securities.

...

2.The content of the summary shall be accurate, fair and clear and shall not be misleading. It is to be read as an introduction to the prospectus and it shall be consistent with the other parts of the prospectus.

When a summary is not required

2.1.3

UK

Article 7(1) (second sub-paragraph) of the *Prospectus Regulation* provides:

Article 7

The prospectus summary

1.

...

By way of derogation from the first subparagraph, no summary shall be required where the prospectus relates to the admission to trading on a regulated market of non-equity securities provided that:

- (a) such securities are to be traded only on a regulated market, or a specific segment thereof, to which only qualified investors can have access for the purposes of trading in such securities; or
- (b) such securities have a denomination per unit of at least EUR 100 000.

Contents of summary

2.1.4

UK

Article 7(3) to (12) of the *Prospectus Regulation* provides for how the contents of the *summary* are to be determined:

Article 7

The prospectus summary

...

3.The summary shall be drawn up as a short document written in a concise manner and of a maximum length of seven sides of A4-sized paper when printed. The summary shall:

- (a) be presented and laid out in a way that is easy to read, using characters of readable size;
- (b) be written in a language and a style that facilitate the understanding of the information, in particular, in language that is clear, non-technical, concise and comprehensible for investors.

4.The summary shall be made up of the following four sections:

- (a) an introduction, containing warnings;
- (b) key information on the issuer;

(c)key information on the securities;

(d)key information on the offer of securities to the public and/or the admission to trading on a regulated market.

5.The section referred to in point (a) of paragraph 4 shall contain:

(a)the name and international securities identification number (ISIN) of the securities;

(b)the identity and contact details of the issuer, including its legal entity identifier (LEI);

(c)where applicable, the identity and contact details of the offeror, including its LEI if the offeror has legal personality, or of the person asking for admission to trading on a regulated market;

(d)the identity and contact details of the competent authority approving the prospectus and, where different, the competent authority that approved the registration document or the universal registration document;

(e)the date of approval of the prospectus;

It shall contain the following warnings:

(a)the summary should be read as an introduction to the prospectus;

(b)any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the investor;

(c)where applicable, that the investor could lose all or part of the invested capital and, where the investor's liability is not limited to the amount of the investment, a warning that the investor could lose more than the invested capital and the extent of such potential loss;

(e)civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities;

(f)where applicable, the comprehension alert required in accordance with point (b) of Article 8(3) of [the *PRIPs Regulation*].

6.The section referred to in point (b) of paragraph 4 shall contain the following information:

(a)Under a sub-section entitled 'Who is the issuer of the securities?', a brief description of the issuer of the securities, including at least the following:

(i)its domicile and legal form, its LEI, the law under which it operates and its country of incorporation;

(ii)its principal activities;

(iii)its major shareholders, including whether it is directly or indirectly owned or controlled and by whom;

(iv)the identity of its key managing directors;

(v)the identity of its statutory auditors;

(b)under a sub-section entitled ‘What is the key financial information regarding the issuer?’ a selection of historical key financial information presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year. The requirement for comparative balance sheet information shall be satisfied by presenting the year-end balance sheet information. Key financial information shall, where applicable, include:

(i)pro forma financial information;

(ii)a brief description of any qualifications in the audit report relating to the historical financial information;

(c)under a sub-section entitled ‘What are the key risks that are specific to the issuer?’ a brief description of the most material risk factors specific to the issuer contained in the prospectus, while not exceeding the total number of risk factors set out in paragraph 10.

7.The section referred to in point (c) of paragraph 4 shall contain the following information:

(a)under a sub-section entitled ‘What are the main features of the securities?’, a brief description of the securities being offered to the public and/or admitted to trading on a regulated market including at least:

(i)their type, class and ISIN;

(ii)where applicable, their currency, denomination, par value, the number of securities issued and the term of the securities;

(iii)the rights attached to the securities;

(iv) the relative seniority of the securities in the issuer’s capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under the UK law which implemented [the *RRD*];

(v)any restrictions on the free transferability of the securities;

(vi)where applicable, the dividend or payout policy;

(b)under a sub-section entitled ‘Where will the securities be traded?’, an indication as to whether the securities are or will be subject to an application for admission to trading on a regulated market or for trading on an MTF and the identity of all the markets where the securities are or are to be traded;

(c)where there is a guarantee attached to the securities, under a sub-section entitled ‘Is there a guarantee attached to the securities?’, the following information:

(i)a brief description of the nature and scope of the guarantee;

(ii)a brief description of the guarantor, including its LEI;

(iii) the relevant key financial information for the purpose of assessing the guarantor's ability to fulfil its commitments under the guarantee; and

(iv) a brief description of the most material risk factors pertaining to the guarantor contained in the prospectus in accordance with Article 16(3), while not exceeding the total number of risk factors set out in paragraph 10;

(d) under a sub-section entitled 'What are the key risks that are specific to the securities?', a brief description of the most material risk factors specific to the securities contained in the prospectus, while not exceeding the total number of risk factors set out in paragraph 10.

Where a key information document is required to be prepared under [the *PRIPs Regulation*], the issuer, the offeror or the person asking for admission to trading on a regulated market may substitute the content set out in this paragraph with the information set out in points (c) to (i) of Article 8(3) of [the *PRIPs Regulation*].

Where there is a substitution of content pursuant to the second subparagraph, the maximum length set out in paragraph 3 shall be extended by three additional sides of A4-sized paper. The content of the key information document shall be included as a distinct section of the summary. The page layout of that section shall clearly identify it as the content of the key information document as set out in points (c) to (i) of Article 8(3) of [the *PRIPs Regulation*].

Where, in accordance with the third subparagraph of Article 8(9), a single summary covers several securities which differ only in some very limited details, such as the issue price or maturity date, the maximum length set out in paragraph 3 shall be extended by two additional sides of A4-sized paper. However, in the event that a key information document is required to be prepared for those securities under [the *PRIPs Regulation*] and the issuer, the offeror or the person asking for admission to trading on a regulated market proceeds with the substitution of content referred to in the second subparagraph of this paragraph, the maximum length shall be extended by three additional sides of A4-sized paper for each additional security.

Where the summary contains the information referred to in point (c) of the first subparagraph, the maximum length set out in paragraph 3 shall be extended by one additional side of A4-sized paper.

8. The section referred to in point (d) of paragraph 4 shall contain the following information:

(a) under a sub-section entitled 'Under which conditions and timetable can I invest in this security?', where applicable, the general terms, conditions and expected timetable of the offer, the details of the admission to trading on a regulated market, the plan for distribution, the amount and percentage of immediate dilution resulting from the offer and an estimate of the total expenses of the issue and/or offer, including estimated expenses charged to the investor by the issuer or the offeror;

(b) if different from the issuer, under a sub-section entitled 'Who is the offeror and/or the person asking for admission to trading?', a brief description of the offeror of the securities and/or the person asking for admission to trading on a regulated

market, including its domicile and legal form, the law under which it operates and its country of incorporation;

(c) under a sub-section entitled 'Why is this prospectus being produced?', a brief description of the reasons for the offer or for the admission to trading on a regulated market, as well as, where applicable:

(i) the use and estimated net amount of the proceeds;

(ii) an indication of whether the offer is subject to an underwriting agreement on a firm commitment basis, stating any portion not covered;

(iii) an indication of the most material conflicts of interest pertaining to the offer or the admission to trading.

9. Under each of the sections described in paragraphs 6, 7 and 8, the issuer may add sub-headings where deemed necessary.

10. The total number of risk factors included in the sections of the summary referred to in point (c) of paragraph 6 and point (c)(iv) and point (d) of the first subparagraph of paragraph 7 shall not exceed 15.

11. The summary shall not contain cross-references to other parts of the prospectus or incorporate information by reference.

2.1.5

UK

Chapter I of the *Prospectus RTS Regulation* sets out the content and format of presentation of the key financial information referred to in Article 7(6)(b) and (7)(c)(iii) of the *Prospectus Regulation*:

Article 1

Minimum content of the key financial information in the summary of a prospectus

1. The key financial information in the summary of a prospectus shall be made up of the financial information laid down in the Annexes to [the *PR Regulation*].

2. Where any information referred to in the relevant tables set out in Annexes I to VI to this Regulation is not included in the financial statements of the issuer, the issuer shall disclose a corresponding item from its financial statements instead.

3. The issuer may include additional line items or alternative performance measures in the summary of a prospectus where these are key financial information on the issuer or on the securities being offered or admitted to trading on a regulated market. For the purposes of the first sentence, alternative performance measures shall be financial measures of historical or future financial performance, financial position or cash flows, other than financial measures defined in the applicable financial reporting framework.

4. Issuers who do not fall under any of the types of issuers identified in Articles 2 to 8 shall present the key financial information referred to in the tables that they consider correspond most closely to the type of securities issued.

5.The key financial information shall be presented for the number of years required by [the *PR Regulation*] for the type of issuance and the type of securities being issued.

Article 2

Key financial information for non-financial entities issuing equity securities

Where the issuer is a non-financial entity issuing equity securities, the summary of a prospectus shall contain the key financial information referred to in the tables set out in Annex I.

Article 3

Key financial information for non-financial entities issuing non-equity securities

Where the issuer is a non-financial entity issuing non-equity securities, the summary of a prospectus shall contain the key financial information referred to in the tables set out in Annex II.

Article 4

Key financial information for credit institutions

Where the issuer is a credit institution, the summary of a prospectus shall contain the key financial information referred to in the tables set out in Annex III.

Article 5

Key financial information for insurance companies

Where the issuer is an insurance company, the summary of a prospectus shall contain the key financial information referred to in the tables set out in Annex IV.

Article 6

Key financial information for special purpose vehicles issuing asset backed securities

Where the issuer is a special purpose vehicle issuing asset backed securities, the prospectus summary shall contain the key financial information referred to in the tables set out in Annex V.

Article 7

Key financial information for closed end funds

Where the issuer is a closed end fund, the summary of a prospectus shall contain the key financial information referred to in the tables set out in Annex VI.

Article 8

Key financial information for guarantors

Where a guarantee is attached to the securities, the key financial information on the guarantor shall be presented as if the guarantor were the issuer of the same type of security that is the subject of the guarantee using the tables set out in Annexes I to VI. Where the guarantee is given for asset-backed securities, the key financial information on the guarantor shall be presented as if the guarantor were the issuer of the underlying securities.

Article 9

Format of the key financial information in the summary of a prospectus

1.The key financial information shall be presented in tabular format in accordance with the tables of Annexes I to VI to this Regulation.

2.Any historical financial information in the summary of a prospectus, which is not extracted from the financial statements, shall be identified as such.

3.Where pro forma information to be included in the summary of a prospectus affects the key financial information referred to in the relevant table of Annexes I to VI to this Regulation, that pro forma information shall be presented in additional columns in the tables set out in Annexes I to VI to this Regulation or as a separate table. Where necessary for its understanding, the pro forma information shall be accompanied by a brief explanation of the figures presented in the additional columns or separate table.

Where in the case of a significant gross change only qualitative information is included in the prospectus, a statement to that effect shall be included in the summary of that prospectus.

4.Where the issuer has a complex financial history as set out in Article 18 of [the *PR Regulation*], the key financial information in the summary of the prospectus shall be presented in a manner consistent with the prospectus and using the relevant tables in Annexes I to VI to this Regulation.

[Note: Annexes I to VI of the *Prospectus RTS Regulation* (https://www.handbook.fca.org.uk/techstandards/PD/2019/reg_2019_979_oj/)]

2.1.6

UK

[deleted]

2.2 Format of prospectus

Format of prospectus

2.2.1

UK

Article 6(3) of the *Prospectus Regulation* provides for how a *prospectus* may be drawn up:

Article 6

The prospectus

...

3.The issuer, offeror or person asking for the admission to trading on a regulated market may draw up the prospectus as a single document or as separate documents.

Without prejudice to Article 8(8) and the second subparagraph of Article 7(1), a prospectus composed of separate documents shall divide the required information into a registration document, a securities note and a summary. The registration document shall contain the information relating to the issuer. The securities note shall contain the information concerning the securities offered to the public or to be admitted to trading on a regulated market.

Prospectuses consisting of separate documents

2.2.2

UK

Article 10 of the *Prospectus Regulation* provides for drawing up a *prospectus* consisting of separate documents:

Article 10

Prospectuses consisting of separate documents

1.An issuer that has already had a registration document approved by the competent authority shall be required to draw up only the securities note and the summary, where applicable, when securities are offered to the public or admitted to trading on a regulated market. In that case, the securities note and the summary shall be subject to a separate approval.

Where, since the approval of the registration document, there has been a significant new factor, material mistake or material inaccuracy relating to the information included in the registration document which is capable of affecting the assessment of the securities, a supplement to the registration document shall be submitted for approval, at the latest at the same time as the securities note and the summary. The right to withdraw acceptances in accordance with Article 23(2) shall not apply in that case.

The registration document and its supplement, where applicable, accompanied by the securities note and the summary shall constitute a prospectus, once approved by the competent authority.

2. Once approved, the registration document shall be made available to the public without undue delay and in accordance with the arrangements set out in Article 21.

3. An issuer that has already had a universal registration document approved by the competent authority, or that has filed a universal registration document without prior approval pursuant to the second subparagraph of Article 9(2), shall be required to draw up only the securities note and the summary when securities are offered to the public or admitted to trading on a regulated market.

Where the universal registration document has already been approved, the securities note, the summary and all amendments to the universal registration document filed since the approval of the universal registration document shall be subject to a separate approval.

Where an issuer has filed a universal registration document without prior approval, the entire documentation, including amendments to the universal registration document, shall be subject to approval, notwithstanding the fact that those documents remain separate.

The universal registration document, amended in accordance with Article 9(7) or (9), accompanied by the securities note and the summary shall constitute a prospectus, once approved by the competent authority.

Base prospectus

2.2.3

UK

Article 8 of the *Prospectus Regulation* provides for the content of the *base prospectus*:

Article 8

The base prospectus

1. For non-equity securities, including warrants in any form, the prospectus may, at the choice of the issuer, offeror or person asking for the admission to trading on a regulated market, consist of a base prospectus containing the necessary information concerning the issuer and the securities offered to the public or to be admitted to trading on a regulated market.

2. A base prospectus shall include the following information:

- (a) a template, entitled 'form of the final terms', to be filled out for each individual issue and indicating the available options with regard to the information to be determined in the final terms of the offer;
- (b) the address of the website where the final terms will be published.

3. Where a base prospectus contains options with regard to the information required by the relevant securities note, the final terms shall determine which of the options is applicable to the individual

issue by referring to the relevant sections of the base prospectus or by replicating such information.

4.The final terms shall be presented in the form of a separate document or shall be included in the base prospectus or in any supplement thereto. The final terms shall be prepared in an easily analysable and comprehensible form.

The final terms shall only contain information that relates to the securities note and shall not be used to supplement the base prospectus. Point (b) of Article 17(1) shall apply in such cases.

5.Where the final terms are neither included in the base prospectus, nor in a supplement, the issuer shall make them available to the public in accordance with the arrangements set out in Article 21 and file them with the competent authority, as soon as practicable upon offering securities to the public and, where possible, before the beginning of the offer of securities to the public or admission to trading on a regulated market.

A clear and prominent statement shall be inserted in the final terms indicating:

(a)that the final terms have been prepared for the purpose of this Regulation and must be read in conjunction with the base prospectus and any supplement thereto in order to obtain all the relevant information;

(b)where the base prospectus and any supplement thereto are published in accordance with the arrangements set out in Article 21;

(c)that a summary of the individual issue is annexed to the final terms.

6.A base prospectus may be drawn up as a single document or as separate documents.

Where the issuer, the offeror or the person asking for admission to trading on a regulated market has filed a registration document for non-equity securities, or a universal registration document in accordance with Article 9, and chooses to draw up a base prospectus, the base prospectus shall consist of the following:

(a)the information contained in the registration document, or in the universal registration document;

(b)the information which would otherwise be contained in the relevant securities note, with the exception of the final terms where the final terms are not included in the base prospectus.

7.The specific information on each of the different securities included in a base prospectus shall be clearly segregated.

8.A summary shall only be drawn up once the final terms are included in the base prospectus, or in a supplement, or are filed, and that summary shall be specific to the individual issue.

9.The summary of the individual issue shall be subject to the same requirements as the final terms, as set out in this Article, and shall be annexed to them.

The summary of the individual issue shall comply with Article 7 and shall provide the following:

- (a) the key information in the base prospectus, including the key information on the issuer;
- (b) the key information in the appropriate final terms, including the key information which was not included in the base prospectus.

Where the final terms relate to several securities which differ only in some very limited details, such as the issue price or maturity date, a single summary of the individual issue may be attached for all those securities, provided the information referring to the different securities is clearly segregated.

10. The information contained in the base prospectus shall, where necessary, be supplemented in accordance with Article 23.

11. An offer of securities to the public may continue after the expiration of the base prospectus under which it was commenced provided that a succeeding base prospectus is approved and published no later than the last day of validity of the previous base prospectus. The final terms of such an offer shall contain a prominent warning on their first page indicating the last day of validity of the previous base prospectus and where the succeeding base prospectus will be published. The succeeding base prospectus shall include or incorporate by reference the form of the final terms from the initial base prospectus and refer to the final terms that are relevant for the continuing offer.

A right of withdrawal pursuant to Article 23(2) shall also apply to investors who have agreed to purchase or subscribe for the securities during the validity period of the previous base prospectus, unless the securities have already been delivered to them.

2.2.4

G Chapter III of the *PR Regulation* provides for the format of a *prospectus*:

Article 24

Format of a prospectus

1. Where a prospectus is drawn up as a single document, it shall be composed of the following elements set out in the following order:

- (a) a table of contents;
- (b) a summary, where required by Article 7 of [the *Prospectus Regulation*];
- (c) the risk factors referred to in Article 16 of [the *Prospectus Regulation*];
- (d) any other information referred to in the Annexes to this Regulation that is to be included in that prospectus.

The issuer, offeror or person asking for admission to trading on a regulated market may decide the order in which the information referred to in the Annexes to this Regulation is set out in the prospectus.

2. Where a prospectus is drawn up as separate documents, the registration document and the securities note shall be composed of the following elements set out in the following order:

- (a) a table of contents;
- (b) the risk factors referred to in Article 16 of [the *Prospectus Regulation*];
- (c) any other information referred to in the Annexes to this Regulation that is to be included in that registration document or that securities note.

The issuer, offeror or person asking for admission to trading on a regulated market may decide the order in which the information referred to in the Annexes to this Regulation is set out in the registration document and the securities note.

3. Where the registration document is drawn up in the form of a universal registration document, the issuer may include the risks factors referred to in point (b) of paragraph 2 amongst the information referred to in point (c) of that paragraph provided that those risk factors remain identifiable as a single section.

4. Where a universal registration document is used for the purposes of Article 9(12) of [the *Prospectus Regulation*], the information referred to in that Article shall be presented in accordance with Commission Delegated Regulation (EU) 2019/815.

5. Where the order of the information referred to in point (d) of paragraph 1 and in point (c) of paragraph 2 is different from the order in which that information is presented in the Annexes to this Regulation, the competent authority may request to provide a list of cross references indicating the items of those Annexes to which that information corresponds.

The list of cross references referred to in the first subparagraph shall identify any items set out in the Annexes to this Regulation that have not been included in the draft prospectus due to the nature or type of issuer, securities, offer or admission to trading.

6. Where no list of cross-references is requested in accordance with paragraph 5 or is not voluntarily submitted by the issuer, offeror or person asking for admission to trading on a regulated market, it shall be indicated in the margin of the draft prospectus to which information in the draft prospectus the relevant information items set out in the Annexes to this Regulation correspond.

Article 25

Format of a base prospectus

1. A base prospectus drawn up as a single document shall be composed of the following elements set out in the following order:

- (a) a table of contents;
- (b) general description of the offering programme;
- (c) the risk factors referred to in Article 16 of [the *Prospectus Regulation*];

(d) any other information referred to in the Annexes to this Regulation that is to be included in that prospectus.

The issuer, offeror or person asking for admission to trading on a regulated market may decide the order in which the information referred to in the Annexes to this Regulation is set out in the base prospectus.

2. Where a base prospectus is drawn up as separate documents, the registration document and the securities note shall be composed of the following elements set out in the following order:

(a) a table of contents;

(b) in the securities note, a general description of the offering programme;

(c) the risk factors referred to in Article 16 of [the *Prospectus Regulation*];

(d) any other information referred to in the Annexes to this Regulation that is to be included in the registration document and the securities note.

The issuer, offeror or person asking for admission to trading on a regulated market may decide the order in which the information referred to in the Annexes to this Regulation is set out in the registration document and the securities note.

3. An issuer, offeror or person asking for admission to trading on a regulated market may compile in one single document two or more base prospectuses.

4. Where the registration document is drawn up in the form of a universal registration document, the issuer may include the risks factors referred to in point (c) of paragraph 2 amongst the information referred to in point (d) of that paragraph provided that those risk factors remain identifiable as a single section.

5. Where a universal registration document is used for the purposes of Article 9(12) of [the *Prospectus Regulation*], the information referred to in that Article shall be presented in accordance with Delegated Regulation (EU) 2019/815.

6. Where the order of the information referred to in point (d) of paragraphs 1 and 2 is different from the order in which that information is presented in the Annexes to this Regulation, the competent authority may request to provide a list of cross references indicating the items of those Annexes to which that information corresponds.

The list of cross references referred to in the first subparagraph shall identify any items set out in the Annexes to this Regulation that have not been included in the draft base prospectus due to the nature or type of issuer, securities, offer or admission to trading.

7. Where no list of cross-references is requested in accordance with paragraph 6 or is not voluntarily submitted by the issuer, offeror or person asking for admission to trading on a regulated market, it shall be indicated in the margin of the draft base prospectus to which

information in the draft base prospectus the relevant information items set out in the Annexes to this Regulation correspond.

Article 26

Information to be included in the base prospectus and the final terms

1.The information referred to as 'Category A' in Annexes 14 to 19 and 27 to this Regulation shall be included in the base prospectus.

2.The information referred to as 'Category B' in Annexes 14 to 19 and 27 to this Regulation shall be included in the base prospectus except for details of that information that are not known at the time of approval of that base prospectus. Such details shall be inserted in the final terms.

3.The information referred to as 'Category C' in Annexes 14 to 19 and 27 to this Regulation shall be inserted in the final terms, unless it is known at the time of approval of the base prospectus, in which case it may be inserted in that base prospectus instead.

4.In addition to the information referred to in paragraphs 2 and 3 of this Article, the final terms may only contain the information referred to in Annex 28 to this Regulation. The form of the final terms referred to in Article 8(2)(a) of [the *Prospectus Regulation*] shall indicate which of the information referred to in Annex 28 to this Regulation is to be determined in the final terms.

5.The final terms shall not contradict the information included in the base prospectus.

Article 27

Prospectus summary

1.An overview section of a prospectus shall only use the term "summary" if it complies with the requirements laid down in Article 7 of [the *Prospectus Regulation*].

2.Where the summary of a prospectus is to be supplemented in accordance with Article 23 of [the *Prospectus Regulation*], the new information shall be integrated in the summary of that prospectus in a way that enables investors to easily identify the changes. The new information shall be integrated in the summary of the prospectus either by producing a new summary or by supplementing the original summary.



2.3 Minimum information requirements

Minimum information

2.3.1

UK

Chapter II of the *PR Regulation* provides for the minimum information to be included in a *prospectus*:

Section 1

Minimum information to be included in the registration documents

Article 2

Registration document for equity securities

1. For equity securities, the registration document shall contain the information referred to in Annex 1 to this Regulation, unless it is drawn up in accordance with Articles 9, 14 or 15 of [the *Prospectus Regulation*].
2. By way of derogation from paragraph 1, the registration document for the following securities, where those securities are not shares or other transferable securities equivalent to shares, may be drawn up in accordance with Article 7 of this Regulation for retail securities or Article 8 of this Regulation for wholesale securities:
 - (a) the securities referred to in Articles 19(1) and 20(1) of this Regulation;
 - (b) the securities referred to in Article 19(2) of this Regulation, where those securities are exchangeable for or convertible into shares that are or will be issued by an entity belonging to the issuer's group and that are not admitted to trading on a regulated market; and
 - (c) the securities referred to in Article 20(2) of this Regulation, where those securities give the right to subscribe or acquire shares that are or will be issued by an entity belonging to the issuer's group and that are not admitted to trading on a regulated market.

Article 3

Universal registration document

A registration document that is drawn up in accordance with Article 9 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 2 to this Regulation.

Article 4

Registration document for secondary issuances of equity securities

1. A specific registration document for equity securities that is drawn up in accordance with Article 14 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 3 to this Regulation.

2. By way of derogation from paragraph 1, the registration document for the following securities, where those securities are not shares or other transferable securities equivalent to shares, may be drawn up in accordance with Article 9:

(a) the securities referred to in Articles 19(1) and 20(1) of this Regulation;

(b) the securities referred to in Article 19(2) of this Regulation, where those securities are exchangeable for or convertible into shares that are or will be issued by an entity belonging to the issuer's group and that are not admitted to trading on a regulated market; and

(c) the securities referred to in Article 20(2) of this Regulation, where those securities give the right to subscribe or acquire shares that are or will be issued by an entity belonging to the issuer's group and that are not admitted to trading on a regulated market.

Article 6

Registration document for depository receipts issued over shares

For depository receipts issued over shares, the registration document shall contain the information referred to in Annex 5.

Article 7

Registration document for retail non-equity securities

For non-equity securities other than those referred to in Article 8(2) of this Regulation, the registration document shall contain the information referred to in Annex 6 to this Regulation, unless it is drawn up in accordance with Articles 9, 14 or 15 of [the *Prospectus Regulation*] or contains the information referred to in Annex 1 to this Regulation.

Article 8

Registration document for wholesale non-equity securities

1. For non-equity securities as referred to in paragraph 2, the registration document shall contain the information referred to in Annex 7 to this Regulation, unless the registration document is drawn up in accordance with Articles 9, 14 or 15 of [the *Prospectus Regulation*] or contains the information referred to in Annexes 1 or 6 to this Regulation.

2. The requirement referred to in paragraph 1 shall apply to non-equity securities that comply with one of the following conditions:

(a) they are to be traded only on a regulated market, or a specific segment thereof, to which only qualified investors can have access for the purposes of trading in such securities;

(b) they have a denomination per unit of at least than EUR 100 000 or, where there is no individual denomination, can only be acquired on issue for at least EUR 100 000 per security.

Article 9

Registration document for secondary issuances of non-equity securities

A specific registration document for non-equity securities that is drawn up in accordance with Article 14 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 8 to this Regulation, unless it contains the information referred to in Annex 3 to this Regulation.

Article 10

Registration document for asset-backed securities

By way of derogation from Articles 7 and 8, a registration document that is drawn up for asset-backed securities, shall contain the information referred to in Annex 9.

Section 2

Minimum information to be included in the securities note

Article 12

Securities note for equity securities or units issued by collective investment undertakings of the closed-end type

1. For equity securities or units issued by collective investment undertakings of the closed-end type, the securities note shall contain the information referred to in Annex 11 to this Regulation, unless it is drawn up in accordance with Articles 14 or 15 of [the *Prospectus Regulation*].
2. By way of derogation from paragraph 1, the securities note for the securities referred to in paragraphs 1 and 2 of Article 19 and paragraphs 1 and 2 of Article 20 of this Regulation, where those securities are not shares or other transferable securities equivalent to shares, shall be drawn up in accordance with Article 15 of this Regulation for retail securities or Article 16 of this Regulation for wholesale securities.

Article 13

Securities note for secondary issuances of equity securities or of units issued by collective investment undertakings of the closed-end type

1. A specific securities note for equity securities or units issued by collective investment undertakings of the closed-end type that is drawn up in accordance with Article 14 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 12 to this Regulation.
2. By way of derogation from paragraph 1, the specific securities note for the securities referred to in paragraphs 1 and 2 of Article 19 and paragraphs 1 and 2 of Article 20 of this Regulation, where those securities are not shares or other transferable securities equivalent to shares, shall be drawn up in accordance with Article 17 of this Regulation.

Article 14

Securities note for depository receipts issued over shares

For depository receipts issued over shares, the securities note shall contain the information referred to in Annex 13.

Article 15

Securities note for retail non-equity securities

For non-equity securities other than those referred to in Article 8(2) of this Regulation, the securities note shall contain the information referred to in Annex 14 to this Regulation, unless a specific securities note is drawn up in accordance with Articles 14 or 15 of [the *Prospectus Regulation*].

Article 16

Securities note for wholesale non-equity securities

For non-equity securities as referred to in Article 8(2) of this Regulation, the securities note shall contain the information referred to in Annex 15 to this Regulation, unless it contains the information referred to in Annex 14 to this Regulation or unless a specific securities note is drawn up in accordance with Articles 14 or 15 of [the *Prospectus Regulation*].

Article 17

Securities note for secondary issuances of non-equity securities

A specific securities note for non-equity securities that is drawn up in accordance with Article 14 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 16 to this Regulation.

Section 3

Additional information to be included in the prospectus

Article 18

Complex financial history and significant financial commitment of issuers of equity securities

1. Where the issuer of an equity security has a complex financial history, or has made a significant financial commitment, additional information with respect to an entity other than the issuer shall be included in the prospectus, as referred to in paragraph 2.

2. With respect to an entity, other than the issuer, additional information shall be all information referred to in Annexes 1 and 20 to this Regulation that investors need to make an informed assessment as referred to in Article 6(1) and Article 14(2) of [the *Prospectus Regulation*], as if that entity were the issuer of the equity security.

Such additional information shall be preceded by a clear explanation of why that information is needed for investors to make an informed assessment and shall specify the effects of the complex financial history or of the significant financial commitment on the issuer or on the issuer's business.

3. For the purposes of paragraph 1, an issuer shall be considered as having a complex financial history where all of the following conditions are fulfilled:

- (a) at the time of drawing up the prospectus, the information referred to in the relevant Annexes does not represent the issuer's undertaking accurately;
- (b) the inaccuracy referred to in point (a) affects the ability of investors to make an informed assessment as referred to in Article 6(1) and Article 14(2) of [the *Prospectus Regulation*];
- (c) additional information relating to an entity other than the issuer is needed for investors to make an informed assessment as referred to in Article 6(1) and Article 14(2) of [the *Prospectus Regulation*].

4. For the purposes of paragraph 1, a significant financial commitment is a binding agreement to undertake a transaction that

is likely to give rise to a variation of more than 25 % relative to one or more indicators of the size of the issuer's business.

Article 19

Securities that are exchangeable for or convertible into shares

1. Where securities are exchangeable for or convertible into shares that are admitted to trading on a regulated market, the securities note shall contain as additional information the information referred to in item 2.2.2 of Annex 17.

2. Where securities are exchangeable for or convertible into shares that are or will be issued by the issuer or by an entity belonging to that issuer's group and that are not admitted to trading on a regulated market, the securities note shall also contain the following additional information:

- (a) the information referred to in items 3.1 and 3.2 of Annex 11 in respect of that issuer or of that entity belonging to the issuer's group;
- (b) the information referred to in Annex 18 in respect of the underlying share.

3. Where securities are exchangeable for or convertible into shares that are or will be issued by a third party issuer and that are not admitted to trading on a regulated market, the securities note shall contain as additional information the information referred to in Annex 18.

Article 20

Securities giving rise to payment or delivery obligations linked to an underlying asset

1. For securities other than those referred to in Article 19 that give the right to subscribe or to acquire shares that are or will be issued by the issuer or by an entity belonging to that issuer's group and that are admitted to trading on a regulated market, the securities note shall contain as additional information the information referred to in Annex 17.

2. For securities other than those referred to in Article 19 that give the right to subscribe or acquire shares that are or will be issued by the issuer or by an entity belonging to that issuer's group and that are not admitted to trading on a regulated market, the securities note shall also contain the following additional information:

- (a) the information referred to in Annex 17 except for the information referred to in item 2.2.2 of that Annex;
- (b) the information referred to in Annex 18 in respect of the underlying share.

3. For securities other than those referred to in Article 19 that are linked to an underlying other than shares referred to in paragraphs 1 and 2 of this Article, the securities note shall contain as additional information the information referred to in Annex 17.

Article 21

Asset backed securities

For asset-backed securities, the securities notes shall also contain the additional information referred to in Annex 19.

Article 22

Guarantees

For non-equity securities that include guarantees, the securities notes shall also contain the additional information referred to in Annex 21.

Article 23

Consent

Where the issuer or the person responsible for drawing up a prospectus consents to its use as referred to in the second subparagraph of Article 5(1) of [the *Prospectus Regulation*], the prospectus shall contain the following additional information:

- (a) the information referred to in items 1 and 2A of Annex 22 to this Regulation where the consent is provided to one or more specified financial intermediaries;
- (b) the information referred to in items 1 and 2B of Annex 22 to this Regulation where the consent is given to all financial intermediaries.

[**Note:** ■ PRR App 2 contains a link to the Annexes to the *PR Regulation*.]

Article 23a

Historical financial information

1. In relation to any financial year beginning on or before the day on which IP completion day falls, issuers established in the United Kingdom must present their historical financial information in accordance with—

- (a) International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- (b) if those standards are not applicable, UK accounting standards.

2. In relation to any financial year beginning on or before the day on which IP completion day falls, issuers established in an EEA State must present their historical financial information in accordance with—

- (a) International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union; or
- (b) if not applicable, national accounting standards of that EEA State.

3. In relation to any financial year beginning on or before the day on which IP completion day falls, issuers established outside the United Kingdom and the EEA States must present their historical financial information in accordance with one of the following accounting standards—

(a) International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;

(b) International Financial Reporting Standards provided that the notes to the audited financial statements that form part of the historical financial information contain an explicit and unreserved statement that these financial statements comply with International Financial Reporting Standards in accordance with IAS 1 Presentation of Financial Statements;

(c) Generally Accepted Accounting Principles of Japan;

(d) Generally Accepted Accounting Principles of the United States of America.

(e) Generally Accepted Accounting Principles of the People's Republic of China;

(f) Generally Accepted Accounting Principles of Canada;

(g) Generally Accepted Accounting Principles of the Republic of Korea.

4. In relation to a financial year beginning after the day on which IP completion day falls, issuers established in the United Kingdom, must present their historical financial information in accordance with—

(a) [UK-adopted IFRS]; or

(b) if those standards are not applicable, UK accounting standards.

5. In relation to a financial year beginning after the day on which IP completion day falls, issuers established in a country outside the United Kingdom must present their historical financial information in accordance with—

(a) [UK-adopted IFRS];

(b) one of the accounting standards referred to in Article 23a(3); or

(c) national accounting standards of a country that are equivalent to UK-adopted international accounting standards in accordance with a determination made by the Treasury in regulations under Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to [the PD] and [the *Transparency Directive*].

6. For an issuer established in a country outside the United Kingdom, if such financial information is not prepared in accordance with the required standards, the financial statements must be restated in compliance with [UK-adopted IFRS].

Final offer price and amount of securities not included in prospectus

2.3.2

UK

Article 17 of the *Prospectus Regulation* provides for where the final offer price and amount of *transferable securities* are not included in the *prospectus*:

Article 17

Final offer price and amount of securities

1. Where the final offer price and/or amount of securities to be offered to the public, whether expressed in number of securities or as an aggregate nominal amount, cannot be included in the prospectus:

(a) the acceptances of the purchase or subscription of securities may be withdrawn for not less than two working days after the final offer price and/or amount of securities to be offered to the public has been filed; or

(b) the following shall be disclosed in the prospectus:

(i) the maximum price and/or the maximum amount of securities, as far as they are available; or

(ii) the valuation methods and criteria, and/or conditions, in accordance with which the final offer price is to be determined and an explanation of any valuation methods used.

2. The final offer price and amount of securities shall be filed with the competent authority and made available to the public in accordance with the arrangements set out in Article 21(2).

Risk factors

2.3.3

UK

Article 16(1) to (3) of the *Prospectus Regulation* provides for the format and content of the risk factors to be included in a *prospectus*:

Article 16

Risk factors

1. The risk factors featured in a prospectus shall be limited to risks which are specific to the issuer and/or to the securities and which are material for taking an informed investment decision, as corroborated by the content of the registration document and the securities note.

When drawing up the prospectus, the issuer, the offeror or the person asking for admission to trading on a regulated market shall assess the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

Each risk factor shall be adequately described, explaining how it affects the issuer or the securities being offered or to be admitted to trading. The assessment of the materiality of the risk factors provided for in the second subparagraph may also be disclosed by using a qualitative scale of low, medium or high.

The risk factors shall be presented in a limited number of categories depending on their nature. In each category the most material risk factors shall be mentioned first according to the assessment provided for in the second subparagraph.

2. Risk factors shall also include those resulting from the level of subordination of a security and the impact on the expected size or timing of payments to holders of the securities in the event of

bankruptcy, or any other similar procedure, including, where relevant, the insolvency of a credit institution or its resolution or restructuring in accordance with the UK law which implemented [RRD].

3. Where there is a guarantee attached to the securities, the prospectus shall contain the specific and material risk factors pertaining to the guarantor to the extent that they are relevant to the guarantor’s ability to fulfil its commitment under the guarantee.

Hyperlinks

2.3.4

UK

Article 10(1) of the *Prospectus RTS Regulation* addresses hyperlinks within prospectuses:

Article 10

Publication of the prospectus

1. Where a prospectus, whether a single document or consisting of separate documents, contains hyperlinks to websites, it shall include a statement to the effect that the information on the websites does not form part of the prospectus and has not been scrutinised or approved by the competent authority. That requirement shall not apply to hyperlinks to information that is incorporated by reference.

2.4 Universal registration document

Universal registration document

2.4.1

UK

Article 9(1) to (13) of the *Prospectus Regulation* provides:

Article 9

The universal registration document

1.Any issuer whose securities are admitted to trading on a regulated market or an MTF may draw up every financial year a registration document in the form of a universal registration document describing the company's organisation, business, financial position, earnings and prospects, governance and shareholding structure.

2.Any issuer that chooses to draw up a universal registration document every financial year shall submit it for approval to the competent authority in accordance with the procedure set out in Article 20(2) and (4).

After the issuer has had a universal registration document approved by the competent authority for two consecutive financial years, subsequent universal registration documents may be filed with the competent authority without prior approval.

Where the issuer thereafter fails to file a universal registration document for one financial year, the benefit of filing without prior approval shall be lost and all subsequent universal registration documents shall be submitted to the competent authority for approval until the condition set out in the second subparagraph is met again.

The issuer shall indicate in its application to the competent authority whether the universal registration document is submitted for approval or filed without prior approval.

3.Issuers which, prior to 21 July 2019, have had a registration document, drawn up in accordance with Annex I to [the *PD Regulation*], approved by the competent authority for at least two consecutive financial years and have thereafter filed, in accordance with Article 12(3) of [the *PD*], or got approved such a registration document every year, shall be allowed to file a universal registration document without prior approval in accordance with the second subparagraph of paragraph 2 of this Article from 21 July 2019.

4.Once approved or filed without prior approval, the universal registration document, as well as the amendments thereto referred to in paragraphs 7 and 9 of this Article, shall be made available to

the public without undue delay, in accordance with the arrangements set out in Article 21.

6. Information may be incorporated by reference into a universal registration document under the conditions set out in Article 19.

7. Following the filing or approval of a universal registration document, the issuer may at any time update the information it contains by filing an amendment thereto with the competent authority. Subject to the first and second subparagraphs of Article 10(3), the filing of the amendment with the competent authority shall not require approval.

8. The competent authority may at any time review the content of any universal registration document which has been filed without prior approval, as well as the content of any amendments thereto.

The review by the competent authority shall consist in scrutinising the completeness, the consistency and the comprehensibility of the information given in the universal registration document and any amendments thereto.

9. Where the competent authority, in the course of the review, finds that the universal registration document does not meet the standards of completeness, comprehensibility and consistency, or that amendments or supplementary information are needed, it shall notify it to the issuer.

A request for amendment or supplementary information addressed by the competent authority to the issuer needs only be taken into account by the issuer in the next universal registration document filed for the following financial year, except where the issuer wishes to use the universal registration document as a constituent part of a prospectus submitted for approval. In that case, the issuer shall file an amendment to the universal registration document at the latest upon submission of the application referred to in Article 20(6).

By way of derogation from the second subparagraph, where the competent authority notifies the issuer that its request for amendment or supplementary information concerns a material omission or a material mistake or material inaccuracy, which is likely to mislead the public with regard to facts and circumstances essential for an informed assessment of the issuer, the issuer shall file an amendment to the universal registration document without undue delay.

The competent authority may request that the issuer produces a consolidated version of the amended universal registration document, where such a consolidated version is necessary to ensure comprehensibility of the information provided in that document. An issuer may voluntarily include a consolidated version of its amended universal registration document in an annex to the amendment.

10. Paragraphs 7 and 9 shall only apply where the universal registration document is not in use as a constituent part of a prospectus. Whenever a universal registration document is in use as a constituent part of a prospectus, only Article 23 on supplementing the prospectus shall apply between the time when the prospectus is approved and the final closing of the offer of securities to the public

or, as the case may be, the time when trading on a regulated market begins, whichever occurs later.

11. An issuer fulfilling the conditions set out in the first or second subparagraph of paragraph 2 or in paragraph 3 of this Article shall have the status of frequent issuer and shall benefit from the faster approval process in accordance with Article 20(6), provided that:

- (a) upon the filing or submission for approval of each universal registration document, the issuer provides written confirmation to the competent authority that, to the best of its knowledge, all regulated information which it was required to disclose under the UK law which implemented [the *Transparency Directive*], if applicable, and under Regulation (EU) No 596/2014 has been filed and published in accordance with those acts over the last 18 months or over the period since the obligation to disclose regulated information commenced, whichever is the shorter; and
- (b) where the competent authority has undertaken a review as referred to in paragraph 8, the issuer has amended its universal registration document in accordance with paragraph 9.

Where any of the above conditions is not fulfilled by the issuer, the status of frequent issuer shall be lost.

12. Where the universal registration document filed with or approved by the competent authority is made public at the latest four months after the end of the financial year, and contains the information required to be disclosed in the annual financial report referred to in [■ DTR 4.1], the issuer shall be deemed to have fulfilled its obligation to publish the annual financial report required under that Article.

Where the universal registration document, or an amendment thereto, is filed or approved by the competent authority and made public at the latest three months after the end of the first six months of the financial year, and contains the information required to be disclosed in the half-yearly financial report referred to in [■ DTR 4.2], the issuer shall be deemed to have fulfilled its obligation to publish the half-yearly financial report required under that Article.

In the cases referred to in the first and second subparagraph, the issuer:

- (a) shall include in the universal registration document a cross reference list identifying where each item required in the annual and half-yearly financial reports can be found in the universal registration document;
- (b) shall file the universal registration document in accordance with Article 19(1) of [the *Transparency Directive*] and make it available to the officially appointed mechanism referred to in Article 21(2) of that Directive;
- (c) shall include in the universal registration document a responsibility statement using the terms required under point (c) of Article 4(2) and point (c) of Article 5(2) of [the *Transparency Directive*].

Minimum information

2.4.2

UK

Article 3 of the *PR Regulation* provides for the minimum information to be included in a *universal registration document*. Article 3 is reproduced in ■ PRR 2.3.1UK.

2.5 Simplified prospectus regime for secondary issuances

Simplified prospectus

2.5.1

UK

Article 14(1) of the *Prospectus Regulation* provides:

Article 14

Simplified disclosure regime for secondary issuances

1. The following persons may choose to draw up a simplified prospectus under the simplified disclosure regime for secondary issuances, in the case of an offer of securities to the public or of an admission to trading of securities on a regulated market:

(a) issuers whose securities have been admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months and who issue securities fungible with existing securities which have been previously issued;

(b) without prejudice to Article 1(5), issuers whose equity securities have been admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months and who issue non-equity securities or securities giving access to equity securities fungible with the existing equity securities of the issuer already admitted to trading;

(c) offerors of securities admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months;

(d) issuers whose securities have been offered to the public and admitted to trading on an SME growth market continuously for at least two years, and who have fully complied with reporting and disclosure obligations throughout the period of being admitted to trading, and who seek admission to trading on a regulated market of securities fungible with existing securities which have been previously issued.

The simplified prospectus shall consist of a summary in accordance with Article 7, a specific registration document which may be used by persons referred to in points (a), (b) and (c) of the first subparagraph of this paragraph and a specific securities note which may be used by persons referred to in points (a) and (c) of that subparagraph.

2.5.2

UK

Article 14(2) of the *Prospectus Regulation* provides for the content of a simplified prospectus:

...

2. By way of derogation from Article 6(1), and without prejudice to Article 18(1), the simplified prospectus shall contain the relevant reduced information which is necessary to enable investors to understand:

- (a) the prospects of the issuer and the significant changes in the business and the financial position of the issuer and the guarantor that have occurred since the end of the last financial year, if any;
- (b) the rights attaching to the securities;
- (c) the reasons for the issuance and its impact on the issuer, including on its overall capital structure, and the use of the proceeds.

The information contained in the simplified prospectus shall be written and presented in an easily analysable, concise and comprehensible form and shall enable investors to make an informed investment decision.

It shall also take account the regulated information that has already been disclosed to the public pursuant to—

- (i) provisions of the law of the United Kingdom relied on at the time of the disclosure in question to implement [the *Transparency Directive*], where applicable, in relation to disclosures made before IP completion day,
- (ii) the UK law which implemented [the *Transparency Directive*], where applicable, in relation to disclosures after IP completion day, and
- (iii) Regulation (EU) No 596/2014.

Those issuers referred to in point (d) of the first subparagraph of paragraph 1 of this Article that are or are not required to prepare consolidated accounts in line with section 399 of the Companies Act 2006 after their securities' admission to trading on a regulated market shall compile the most recent financial information pursuant to point (a) of the second subparagraph of paragraph 3 of this Article, containing comparative information for the previous year included in the simplified prospectus, in accordance with Article 23a of [the *PR Regulation*].

Third country issuers whose securities have been admitted to trading on an SME growth market shall compile the most recent financial information pursuant to point (a) of the second subparagraph of paragraph 3 of this Article, containing comparative information for the previous year included in the simplified prospectus in accordance with Article 23a of [the *PR Regulation*].

Reduced information in a simplified prospectus

2.5.3

UK

Articles 4, 9, 13 and 17 of the *PR Regulation* specify the reduced information to be included in a simplified *prospectus*. These are reproduced in ■ PRR 2.3.1UK.

2.6 UK Growth prospectus

2.6.1

UK

UK Growth prospectus

Article 15(1) of the *Prospectus Regulation* provides:

Article 15

UK Growth prospectus

1. The following persons may choose to draw up a UK Growth prospectus under the proportionate disclosure regime set out in this Article in the 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 traded or are to be traded on an SME growth market, provided that those issuers had an average market capitalisation of less than EUR 500 000 000 on the basis of end-year quotes for the previous three calendar years;

(c) issuers, other than those referred to in points (a) and (b), where the offer of securities to the public is of a total consideration in the United Kingdom that does not exceed EUR 20 000 000 calculated over a period of 12 months, and provided that such issuers have no securities traded on an MTF and have an average number of employees during the previous financial year of up to 499;

(ca) issuers, other than SMEs, offering shares to the public at the same time as seeking admission of those shares to trading on an SME growth market, provided that such issuers have no shares already admitted to trading on an SME growth market and the combined value of the following two items is less than EUR 200 000 000:

(i) the final offer price, or the maximum price in the case referred to in point (b)(i) of Article 17(1);

(ii) the total number of shares outstanding immediately after the share offer to the public, calculated either on the basis of the amount of shares offered to the public or, in the case referred to in point (b)(i) of Article 17(1), on the basis of the maximum amount of shares offered to the public.

(d) offerors of securities issued by issuers referred to in points (a) and (b).

A UK Growth prospectus under the proportionate disclosure regime shall be a document of a standardised format, written in a simple

language and which is easy for issuers to complete. It shall consist of a specific summary based on Article 7, a specific registration document and a specific securities note. The information in the UK Growth prospectus shall be presented in a standardised sequence in accordance with the regulations referred to in paragraph 2.

Reduced information in an UK Growth prospectus

2.6.2

UK

Chapter IV of the *PR Regulation* specifies the reduced information to be included in an UK Growth prospectus:

Article 28

UK Growth registration document for equity securities

1. A specific registration document for equity securities that is drawn up in accordance with Article 15 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 24 to this Regulation.

2. By way of derogation from paragraph 1, the specific registration document for the following securities, where those securities are not shares or other transferable securities equivalent to shares, may be drawn up in accordance with Article 29 of this Regulation:

(a) the securities referred to in Articles 19(1) and 20(1) of this Regulation;

(b) the securities referred to in Article 19(2) of this Regulation, where those securities are exchangeable for or convertible into shares that are or will be issued by an entity belonging to the issuer's group and that are not admitted to trading on a regulated market;

(c) the securities referred to in Article 20(2) of this Regulation, where those securities give the right to subscribe or acquire shares that are or will be issued by an entity belonging to the issuer's group and that are not admitted to trading on a regulated market.

Article 29

UK Growth registration document for non-equity securities

A specific registration document for non-equity securities that is drawn up in accordance with Article 15 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 25 to this Regulation.

Article 30

UK Growth securities note for equity securities

1. A specific securities note for equity securities that is drawn up in accordance with Article 15 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 26 to this Regulation.

2. By way of derogation from paragraph 1, the specific securities note for the securities referred to in paragraphs 1 and 2 of Article 19 and paragraphs 1 and 2 of Article 20 of this Regulation, where those securities are not shares or other transferable securities equivalent to shares, shall be drawn up in accordance with Article 31 of this Regulation.

Article 31

UK Growth securities note for non-equity securities

A specific securities note for non-equity securities that is drawn up in accordance with Article 15 of [the *Prospectus Regulation*] shall contain the information referred to in Annex 27 to this Regulation.

Article 32

Format of the UK Growth prospectus

1.A UK Growth prospectus that is drawn up as a single document shall be composed of the following elements in the following order:

- (a) a table of contents;
- (b) where applicable, all information incorporated by reference in accordance with Article 19 of [the *Prospectus Regulation*];
- (c) the specific summary;
- (d) where the UK Growth prospectus is drawn up in the form of a base prospectus, a general description of the offering programme;
- (e) the information referred to in section 1 of Annex 24 and section 1 of Annex 26 to this Regulation, or the information referred to in section 1 of Annex 25 and section 1 of Annex 27 to this Regulation, depending on the type of securities;
- (f) the information referred to in section 2 of Annex 24 or section 2 of Annex 25 to this Regulation, depending on the type of securities;
- (g) for equity securities, the information referred to in item 2.1 of Annex 26 and, where equity securities are issued by an issuer with a market capitalisation above EUR 200 000 000, the information referred to in item 2.2 of Annex 26 to this Regulation;
- (h) the information referred to in section 3 of Annex 24 and section 3 of Annex 26, or the information referred to in section 3 of Annex 25 and section 2 of Annex 27, depending on the type of securities;
- (i) the information referred to in section 4 of Annex 26 or in section 3 of Annex 27 to this Regulation, depending on the type of securities;
- (j) the information referred to in section 5 of Annex 26 or in section 4 of Annex 27 to this Regulation, depending on the type of securities;
- (k) the information referred to in section 4 of Annex 24 or section 4 of Annex 25, depending on the type of securities;
- (l) the information referred to in section 5 of Annex 24 or section 5 of Annex 25 to this Regulation, depending on the type of securities;
- (m) the information referred to in section 6 of Annex 24 or section 6 of Annex 25 to this Regulation, depending on the type of securities;
- (n) where non-equity securities include guarantees, the information referred to in section 5 of Annex 27 to this Regulation;

(o) the information referred to in section 7 of Annex 24 or section 7 of Annex 25 to this Regulation, depending on the type of securities;

(p) where information on the underlying share is required pursuant to Article 19(2), point (b), Article 19(3) or Article 20(2), point (b) of this Regulation, the information referred to in section 6 of Annex 26 to this Regulation or the information referred to in section 6 of Annex 27 to this Regulation, depending on the type of securities;

(q) where the issuer or the person responsible for drawing up a prospectus consents to its use as referred to in the second subparagraph of Article 5(1) of Regulation (EU) 2017/1129, the information referred to in section 7 of Annex 26 or in section 7 of Annex 27 to this Regulation, depending on the type of securities.

2. Where a UK Growth prospectus is drawn up as separate documents, the UK Growth registration document and the UK Growth securities note shall contain the following elements in the following order:

(a) UK Growth registration document:

- (i) a table of contents;
- (ii) where applicable, all information incorporated by reference in accordance with Article 19 of [the *Prospectus Regulation*];
- (iii) any other information referred to in Annex 24 or 25 to this Regulation that, depending on the type of securities, is to be included in the UK Growth registration document following the order of the sections set out in those Annexes.

(b) UK Growth securities note:

- (i) a table of contents;
- (ii) where applicable, all information incorporated by reference in accordance with Article 19 of [the *Prospectus Regulation*];
- (iii) a general description of the programme, in the case of a base prospectus;
- (iv) any other information referred to in Annex 26 or 27 to this Regulation that, depending on the type of securities, is to be included in the UK Growth securities note following the order of the sections set out in those Annexes.

3. A UK Growth prospectus drawn up either as a single document or as separate documents may take the form of a base prospectus.

4. The SMEs, issuers and offerors referred to in Article 15(1) of [the *Prospectus Regulation*] shall follow the order of the sections of the Annexes to this Regulation. They may however deviate from the order of the information items within those sections.

Article 33

Specific summary for the UK Growth prospectus

1. The specific summary for the UK Growth prospectus shall provide the key information that investors need to understand the nature

and the risks of the issuer, of the guarantor and of the securities that are being offered.

2.The content of the specific summary shall be accurate, fair, clear and not misleading.

3.The specific summary shall be consistent with the other parts of the UK Growth prospectus.

4.The specific summary shall be drawn up as a short document written in a concise manner and shall have a maximum length of six sides of A4-sized paper when printed. The specific summary shall:

(a)be presented and laid out in a way that is easy to read, using characters of readable size;

(b)be written in a clear, non-technical and concise language that facilitates the understanding of the information and its comprehensibility by investors.

The first subparagraph shall also apply where information is presented in a tabular format.

5.The specific summary shall contain the information referred to in Annex 23 to this Regulation.

6.The specific summary shall not contain cross-references to other parts of the UK Growth prospectus or incorporate information by reference.

7.The specific summary may use sub-headings to present the information referred to in sections 2, 3 and 4 of Annex 23 to this Regulation.

8.The total number of risk factors referred to in items 2.3.1, 3.3(d) and 3.4.1 of Annex 23 to this Regulation and included in the specific summary shall not exceed 15.

9.Where securities are also subject to Regulation (EU) No 1286/2014 of the European Parliament and of the Council, the competent authority may require the SMEs, the issuers and offerors referred to in Article 15(1) of [the *Prospectus Regulation*] to substitute the information referred to in section 3 of Annex 23 to this Regulation with the information set out in points (c) to (i) of Article 8(3) of Regulation (EU) No 1286/2014.

10.Where the substitution referred to in paragraph 9 is not required by the competent authority, the SMEs, the issuers and offerors referred to in Article 15(1) of [the *Prospectus Regulation*] may substitute the information referred to in section 3 of Annex 23 to this Regulation with the information set out in points (c) to (i) of Article 8(3) of Regulation (EU) No 1286/2014.

11.Where the information referred to in paragraphs 9 and 10 is substituted, it shall be included as a distinct section of the specific summary and that section shall clearly be identified as including the information set out in points (c) to (i) of Article 8(3) of Regulation (EU) No 1286/2014.

12. The maximum length of the specific summary referred to in paragraph 4 shall be extended by:

(a) one additional side of A4-sized paper where the specific summary contains information about a guarantee attached to the securities;

(b) two additional sides of A4-sized paper where a specific summary covers several securities which differ only in very limited details such as issue price or maturity date;

(c) three additional sides of A4-sized paper where there is a substitution of information as referred to in paragraphs 9 and 10.

For the purposes of point (c), three additional sides of A4-sized paper may be used for each security where the specific summary covers several securities which differ only in very limited details such as issue price or maturity date.

Article 34

Supplements to the specific summary for the UK Growth prospectus

Where the specific summary of a UK Growth prospectus is to be supplemented in accordance with Article 23 of [the *Prospectus Regulation*], the new information shall be integrated in the specific summary of that UK Growth prospectus in a way that enables investors to easily identify the changes. The new information shall be integrated in the specific summary of the UK Growth prospectus either by producing a new specific summary or by supplementing the original specific summary.

2.7 Incorporation by reference

Incorporation by reference

2.7.1

UK

Article 19(1) to (3) of the *Prospectus Regulation* provides for how information may be incorporated by reference in a *prospectus*:

Article 19

Incorporation by reference

1. Information may be incorporated by reference in a prospectus where it has been previously or simultaneously published electronically, drawn up in a language fulfilling the requirements of Article 27 as it had effect immediately before IP completion day where the information was published before IP completion day, and where it is contained in one of the following documents:

(a) a document which has—

- (i) before IP completion day, been approved by or filed with a competent authority (as defined in this Regulation as it had effect immediately before IP completion day) in accordance with this Regulation (as it had effect immediately before IP completion day), or a competent authority (as defined in [the *PD*]) in accordance with that Directive; or
- (ii) on or after [IP completion day], been approved by or filed with the competent authority in accordance with this Regulation or the UK law implementing [the *PD*];

(b) documents referred to in points (f) to (i) of Article 1(4) and points (e) to (h) and point (j)(v) of the first subparagraph of Article 1(5);

(c) regulated information;

(d) annual and interim financial information;

(e) audit reports and financial statements;

(f) management reports as referred to in Chapter 5 of [the *Accounting Directive*];

(g) corporate governance statements as referred to in Article 20 of [the *Accounting Directive*];

(h) reports on the determination of the value of an asset or a company;

(i) remuneration reports as referred to in Article 9b of Directive 2007/36/EC of the European Parliament and of the Council;

(j)annual reports or any disclosure of information required under—

- provisions of the law of the United Kingdom relied on at the time of the disclosure in question to implement Articles 22 and 23 of [AIFMD], in relation to disclosures made before IP completion day,
- the UK law which implemented Articles 22 and 23 of [AIFMD], in relation to disclosures after IP completion day.

(k)memorandum and articles of association.

Such information shall be the most recent available to the issuer.

Where only certain parts of a document are incorporated by reference, a statement shall be included in the prospectus that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the prospectus.

[Note: “Regulated information” is defined in the *Prospectus Regulation* as information defined in point (k) of article 2(1) of the *Transparency Directive*.]

2.When incorporating information by reference, issuers, offerors or persons asking for admission to trading on a regulated market shall ensure accessibility of the information. In particular, a cross-reference list shall be provided in the prospectus in order to enable investors to identify easily specific items of information, and the prospectus shall contain hyperlinks to all documents containing information which is incorporated by reference.

3.Where possible alongside the first draft of the prospectus submitted to the competent authority, and in any case during the prospectus review process, the issuer, the offeror or the person asking for admission to trading on a regulated market shall submit in searchable electronic format any information which is incorporated by reference into the prospectus, unless such information has already been approved by or filed with the competent authority approving the prospectus.

2.8 Omission of information

Omission of information

2.8.1

UK

Article 18(1) to (3) of the *Prospectus Regulation* provides for the circumstances in which certain information may be omitted from the *prospectus*:

Article 18

Omission of information

1.The competent authority may authorise the omission from the prospectus, or constituent parts thereof, of certain information to be included therein, where it considers that any of the following conditions is met:

(a)disclosure of such information would be contrary to the public interest;

(b)disclosure of such information would be seriously detrimental to the issuer or to the guarantor, if any, provided that the omission of such information would not be likely to mislead the public with regard to facts and circumstances essential for an informed assessment of the issuer or guarantor, if any, and of the rights attached to the securities to which the prospectus relates;

(c)such information is of minor importance in relation to a specific offer or admission to trading on a regulated market and would not influence the assessment of the financial position and prospects of the issuer or guarantor, if any.

2.Subject to adequate information being provided to investors, where, exceptionally, certain information required to be included in a prospectus, or constituent parts thereof, is inappropriate to the sphere of activity or to the legal form of the issuer or of the guarantor, if any, or to the securities to which the prospectus relates, the prospectus, or constituent parts thereof, shall contain information equivalent to the required information, unless no such information exists.

3.Where securities are guaranteed by a state, an issuer, an offeror or a person asking for admission to trading on a regulated market, when drawing up a prospectus in accordance with Article 4, shall be entitled to omit information pertaining to that state.

Request to omit information

2.8.2

G

Article 42(2) of the *PR Regulation* sets out requirements regarding the submission of requests to omit information from a prospectus. The *FCA* considers that a reasoned request for this purpose would:

- (1) be in writing from the *applicant*;
- (2) identify the specific information concerned and the reasons for its omission; and
- (3) State why in the *applicant's* opinion one or more of the grounds in article 18(1) of the *Prospectus Regulation* applies.

