

## PROSPECTUS REGULATION RULES (AMENDMENT) INSTRUMENT 2020

### Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of:
- (1) section 84 (prospectus rules) of the Financial Services and Markets Act 2000 (“the Act); and
  - (2) the relevant powers and related provisions referred to in schedule 4 to the General Provisions of the FCA Handbook.
- B. The rule-making provisions referred to above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

### Commencement

- C. This instrument comes into force on IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020, immediately after:
- (1) the Exiting the European Union: Glossary (Amendments) Instrument 2019 (FCA 2019/19);
  - (2) the Exiting the European Union: High Level Standards (Amendments) Instrument 2019 (FCA 2019/20);
  - (3) the Exiting the European Union: Business Standards Sourcebooks (Amendments) Instrument 2019 (FCA 2019/23);
  - (4) the Exiting the European Union: Specialists Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25);
  - (5) the Exiting the European Union: Listings, Prospectus and Disclosure Sourcebooks (Amendments) Instrument 2019 (FCA 2019/26);
  - (6) the Exiting the European Union: Regulatory Guides (Amendments) Instrument 2019 (FCA 2019/27); and
  - (7) the Exiting the European Union: Handbook (Amendments) Instrument 2020 (FCA 2020/47).

[**Note:** IP completion day is 11pm on 31 December 2020.]

### Amendments to the Handbook

- D. The Prospectus Regulation Rules sourcebook is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Prospectus Regulation Rules (Amendment) Instrument 2020.

By order of the Board  
26 November 2020

## Annex

### Amendments to the Prospectus Regulation Rules sourcebook (PRR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

## 2 Drawing up the prospectus

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### 2.2 Format of prospectus

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Base prospectus

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

Article 24

#### **Format of a prospectus**

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

...

Article 25

#### **Format of a base prospectus**

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

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### 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.

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##### 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.

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## **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.

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## 2.5 Simplified prospectus regime for secondary issuances

Simplified prospectus

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

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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:

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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*].

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## 2.6 UK Growth prospectus

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Reduced information in a UK Growth prospectus

- 2.6.2 UK Chapter IV of the *PR Regulation* specifies the reduced information to be included in a 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.

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#### 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.

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#### 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:

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- (e) the information referred to in section 1 of Annex 24 ~~or~~ and section 1 of Annex ~~25~~ 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;

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- (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 ~~section 2.2~~ 2.2 of Annex 26 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.

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Article 33

### Specific summary for the UK Growth prospectus

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- 7. The specific summary may use sub-headings to present the information referred to in sections 2, 3 and 4 of Annex ~~22~~ 23 to this Regulation.

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## 3 Approval and publication of prospectus

### 3.1 Approval of prospectus

Criteria for scrutiny and approval of prospectus

- 3.1.1 UK Chapter V of the *PR Regulation* sets out requirements regarding scrutiny and approval of the *prospectus* and review of the *universal registration document*:

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Article 42

### Submission of an application for approval of a draft prospectus or filing of a universal registration document or of amendments thereto

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2. The following information shall also be submitted to the competent authority in searchable electronic format via electronic means:

...

- (g) an appendix ~~as referred to in~~ where required by Article 26(4) of [the *Prospectus Regulation*], unless no summary is required pursuant to the second subparagraph of Article 7(1) of that Regulation;

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### 3.4 Supplementary prospectus

Supplementary prospectus

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- 3.4.2 UK Chapter V of the *Prospectus RTS Regulation* provides for further requirements applicable to *supplementary prospectuses*:

Article 18

#### **Publication of a supplement to the prospectus**

1. A supplement to the prospectus shall be published where:
- (a) new annual audited financial statements are published by any of the following:
    - (i) an issuer where a prospectus relates to ~~equity securities~~ shares or other transferable securities equivalent to shares;
    - (ii) an issuer of the underlying shares or other transferable securities equivalent to shares in case of securities referred to in Articles 19(2), ~~19(3)~~ or 20(2) of [the *PR Regulation*];

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...
  - (d) A change in control occurs in respect of any of the following:

- (i) an issuer where a prospectus relates to ~~equity securities~~ shares or other transferable securities equivalent to shares;
- (ii) an issuer of the underlying shares or other transferable securities equivalent to shares where a prospectus relates to securities referred to in Articles 19(2), ~~19(3)~~ or 20(2) of [the *PR Regulation*];
- ...
- (e) third parties make a new takeover bid as defined in paragraph 20(1) of Schedule 1C of the Companies Act 2006 or the result of any takeover bid becomes available in respect of any of the following ~~type of securities~~:
  - (i) the equity of an issuer where a prospectus relates to ~~equity securities~~ shares or other transferable securities equivalent to shares;
  - (ii) the equity of an issuer of the underlying shares or other transferable securities equivalent to shares where a prospectus relates to securities referred to in Articles 19(2), ~~19(3)~~ or 20(2) of [the *PR Regulation*];
  - ...
- (f) the working capital statement included in a prospectus becomes sufficient or insufficient for the issuer's present requirements, in relation to:
  - (i) ~~equity securities~~ shares or other transferable securities equivalent to shares;
  - (ii) securities ~~which are convertible or exchangeable~~ as referred to in Articles 19(2) and ~~19(3)~~ of [the *PR Regulation*];
  - ...
- (h) in the case of a prospectus relating to ~~equity securities or to other~~ shares or other transferable securities equivalent to shares or to the securities referred to in Articles 19(2), ~~19(3)~~ or 20(2) of [the *PR Regulation*], a new significant financial commitment is likely to give rise to a significant gross change ~~within the meaning of as defined in~~ Article 1(e) of that Delegated Regulation;
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