

Brussels, 15th July 2003

Financial services: Commission welcomes Council's adoption of prospectuses Directive

The European Commission has welcomed the definitive adoption of the Directive on prospectuses by the EU's Council of Ministers. This Directive will make it easier and cheaper for companies to raise capital throughout the EU on the basis of approval from a regulatory authority ("home competent authority") in one Member State. It will reinforce protection for investors by guaranteeing that all prospectuses, wherever in the EU they are issued, provide them with the clear and comprehensive information they need to make investment decisions. A prospectus is a disclosure document, containing key financial and non-financial information, that a company makes available to potential investors when it is issuing securities (shares, bonds, derivative securities, etc.) to raise capital and/or when it wants its securities admitted to trading on exchanges.

Internal Market Commissioner Frits Bolkestein said "This is a very important milestone and I am delighted. First, because the Directive is a crucial part of the Financial Services Action Plan and it will be good for issuers and for investors. Second, because this has shown that when we all demonstrate the necessary willing, the Council, the Parliament and the Commission can overcome initial differences of view through a constructive spirit of compromise. We now need to complete the rest of the Action Plan by showing the same determination to reach agreement on the proposed Directives concerning takeovers, transparency requirements for listed companies and investment services. No-one can get their own way on everything, but if we work together, we can make sure, as we have done with the prospectuses Directive, that opportunities to boost Europe's economy are not sacrificed to narrow national or commercial interests "

The Directive will introduce a new "single passport for issuers" making securities available to investors either through a public offer procedure or by admitting their shares to trading. This means that once approved by the authority in one Member State, a prospectus will then have to be accepted everywhere else in the EU. In order to ensure investor protection, that approval will only be granted if prospectuses meet common EU standards for what information must be disclosed and how.

For investors, the Directive will raise the quality of information and ensure easy access to it through the centralised filing of disclosure documents.

The Directive only concerns initial disclosure requirements. Conditions for admission to listing remain subject to existing European and national requirements.

The Commission's original proposal was adopted in May 2001 (see [IP/01/759](#)). Following Parliament's opinion in March 2002, the Commission adopted a modified proposal on 9th August 2002 (see [IP/02/1209](#) and [MEMO/02/180](#)).

The Council then reached a political agreement in November of that year, followed by the formal adoption of a Common Position, which the Parliament amended earlier this month (see [IP/03/933](#)) in a form acceptable to the Council

The Directive on prospectuses is a centrepiece of the EU's Financial Services Action Plan (see [IP/02/796](#)), and of the drive to create an integrated European securities market by 2003.

The full text will be made available at:

http://www.europa.eu.int/comm/internal_market/en/finances/mobil/prospectus_en.htm