CMS

Law.Tax

The CMS Guide to Equity Markets in Europe

Preface

We are delighted to present to you the second edition of the CMS Guide to Equity Markets in Europe drafted by our ECM experts from across our International Capital Markets Group. Our International Capital Markets Group comprises more than 100 lawyers across our offices in 29 jurisdictions with a total of 54 offices in Western Europe, Central and Eastern Europe and beyond. We regularly advise investment banks, financial institutions, corporate issuers and government bodies on equity fundraisings, debt capital markets and structured products in respect of both domestic and international transactions. We deliver top-quality service and value.

Our International Capital Markets team regularly works and trains together across our practice and sector groups. By combining our international capital markets and US securities expertise with the national market understanding of our locally based experts, we are able to work as a cohesive and efficient team. CMS has a substantial and active capital markets offering, handling transactions ranging from IPOs, secondary offerings and private placements to mergers and acquisitions of quoted companies. Our broad client base and sector expertise ensure our advice is always delivered in the appropriate commercial context.

The CMS Guide to Equity Markets in Europe was originally published in 2007 and is intended to help market participants decide which market is best suited to a particular issuer of equity securities. In this second edition, the equity markets in Budapest, Moscow, Prague, Vienna and Warsaw have been added, along with a section providing an overview of relevant US securities laws for European offerings.

Please feel free to contact us for transactional advice or ad hoc queries and we will ensure that we mobilise the right resources on your behalf from our International Capital Markets Group.

Reinout Slot and Daniel Winterfeldt

Reinout Slot
T +31 20 3016 319
E reinout.slot@cms-dsb.com

Daniel Winterfeldt
T +44 20 7367 2700
E daniel.winterfeldt@cms-cmck.com

Introduction

Deciding which European market to list on can be a complex process. Market liquidity, investor appetite, precedent set by competitors, tax, language, and familiarity are important. The criteria for admission to a market, and the continuing obligations that apply to the company and its directors while the shares continue to be traded on the market, must also be taken into account.

EEA securities markets are either "regulated" or "non-regulated" markets. In most cases, a country's main equity market is regulated, and its second or alternative markets are non-regulated. High standards of transparency and corporate governance are expected of issuers whose shares are listed on a regulated market. Because of this, their shares tend to be regarded as a safer investment and suitable for a wide range of investors. Some investment funds are permitted to invest only in securities that are listed on a regulated market. From an issuer's point of view, the main advantage of listing on a regulated market is access to a much deeper pool of capital; the main disadvantages are the higher cost of compliance and greater exposure to public scrutiny.

As the European Commission seeks to create a single, integrated market for financial services across the EEA, the eligibility criteria and continuing obligations of regulated markets are increasingly harmonised. The Market Abuse Directive and Prospectus Directive have made significant progress towards harmonising the rules on market abuse and insider dealing; disclosure by board members and senior managers of dealings in their own company's shares; when issuers must disclose price-sensitive information to the market; and when a prospectus is required and what must go into it. In addition, the Transparency Directive has to a large extent harmonised the rules on when and how significant shareholdings in a regulated market issuer should be publicly disclosed, and when and how a regulated market issuer must publish its financial results and what should be included.

Despite the increasing harmonisation of rules for regulated markets, significant differences remain between EEA markets. In particular, non-regulated markets are generally left to set their own eligibility criteria and continuing obligations, and are not required to comply with the high standards set by EU Directives. This can make them attractive to many smaller companies that may not have an established track record and that have a riskier investment profile. On the downside, though, non-regulated markets tend to be less liquid and access to equity capital is more limited.

Although Zurich is a European market, Switzerland is not a member of the EU or the EEA. Not being bound by any of the EU Directives, it is free to set its own rules on matters such as eligibility, continuing obligations, market abuse and the disclosure of price-sensitive information, and the publication of prospectuses. In practice, the eligibility criteria and continuing obligations that apply to issuers with shares admitted to the Main Standard of the SIX Swiss Exchange are similar to those specified in the Directives. The rules of the main exchanges in Moscow diverge from the Directives in some areas, but are similar in many (see paragraph 16 of Section 1).

The first Section of this Guide looks at progress made to date in harmonising EEA rules for issuers of listed equities. In order to highlight where differences remain, the second and third Sections summarise the eligibility criteria and continuing obligations applicable to issuers whose shares have, or will have, a primary listing on each of the main markets in Europe, both regulated and non-regulated.

This Guide deals with the listing of equity securities, but does not describe rules that apply only to collective investment schemes.


BORSA

1. Harmonisation across the EEA: Areas of similarity

1. Harmonisation across the EEA: Areas of similarity

1.1 Consolidated Admissions and Reporting Directive (CARD) (2001/34/EC)

In 2001 the EU introduced the Consolidated Admissions and Reporting Directive (CARD). Amongst other things, this created or restated a number of continuing obligations and eligibility criteria applicable to companies whose shares were admitted, or for which admission was being sought, to official listing in a Member State. In particular, Member States must ensure that to be eligible for official listing companies must normally:

— have a market capitalisation of at least EUR 1 million, or otherwise ensure that an adequate market will exist for the company's shares;
— have published annual accounts in accordance with national law for at least three years prior to admission;
— ensure that their shares are freely transferable; and
— distribute at least 25% of their issued share capital to the public on or shortly after admission.

The CARD also specifies certain circumstances in which these requirements can be modified or disapplied by the issuer's regulator. For example, it may be possible for a mineral or scientific research-based company to be admitted to a regulated market without having to show three years' audited accounts if it can satisfy the regulator that, taking into account the other information contained in its prospectus, investors will have sufficient information to enable them to make an informed judgement about the company and its listed shares. The ability for regulators in different Member States to derogate from certain provisions of the CARD – a discretion which has not always been exercised consistently across the EEA – can sometimes blur the distinction between regulated markets (which generally impose much higher standards for eligibility and disclosure) and non-regulated markets (which tend to have more relaxed rules). It also means that some regulated markets are accessible to certain types of companies notwithstanding that they cannot satisfy the basic requirements of the CARD.

In terms of continuing obligations, an officially listed company must:

— ensure that all shareholders in the same position are treated equally;
— inform shareholders located in at least the Member State of listing about meetings and enable them to exercise their right to vote;
— publish notices or distribute circulars relating to the payment of dividends and the issue of new shares;
— publish its annual results "as soon as possible";
— publish half-yearly results containing certain specified information within four months of the half-year end;
— inform the public as soon as possible of all price-sensitive developments and changes in the rights attaching to the various classes of shares and in the major holdings in the company; and
— inform the market within nine calendar days whenever the percentage of the company's voting rights held by a person and his associates reaches, exceeds or falls below certain thresholds (e.g. 10%, 50% and 75%). Similar rules require shareholders themselves to notify the company of dealings that reach such thresholds.

The CARD is effectively a "minimum standards" Directive. In terms of both eligibility requirements and continuing obligations, Member States are allowed to impose more stringent conditions than the minimum ones laid down in the CARD, provided that any such "super-equivalent" conditions apply generally to all issuers of the same type. As a result, except where regulators have allowed derogations from the CARD's minimum standards, the same basic eligibility criteria and continuing obligations will apply to all regulated markets, but some markets may require issuers to meet higher, "super-equivalent", standards. Issuers listed on the Premium segment of the UK's Main Market, for example, must comply with a number of continuing obligations that are super-equivalent to the CARD, including a requirement to obtain shareholder approval for transactions that are particularly large or that are made with a director, significant shareholder or other person who is connected to the issuer.

As explained below, a number of provisions of the CARD have subsequently been amended or supplemented: in particular, the Market Abuse Directive has imposed more detailed obligations on issuers, their employees and advisers in relation to the safeguarding and disclosure of price-sensitive information; the Transparency Directive has set more rigorous standards for issuers to publish their financial results and for significant shareholders to notify issuers when the percentage of their holding changes; and the Shareholder Rights Directive has enhanced the rights of shareholders to vote and participate in general meetings of EEA-incorporated issuers with shares admitted to trading on a regulated market.

1.2 Market Abuse Directive (MAD) (2003/6/EC)

The Market Abuse Directive (MAD) requires Member States to prohibit certain specified types of behaviour which amount to market abuse, and to introduce rules designed to prevent such behaviour. In particular, an issuer whose shares are admitted to trading on a regulated market must:

— inform the public as soon as possible of "inside" (unpublished price-sensitive) information that directly concerns it, subject to certain limited exceptions, and ensure that inside information is not disclosed selectively;
— ensure that inside information is disclosed only to those persons working for the issuer or its advisers who have a legitimate need to know it, and to keep lists of such persons (insider lists); and
— notify the market of all dealings in the issuer's own shares by persons discharging managerial responsibilities (PDMRs) and persons who are closely associated with them. PDMRs broadly means board-level directors and top-level managers. Related rules must require such persons to notify the company of their dealings.

As with the CARD, the MAD is a minimum standards Directive that allows Member States to impose additional super-equivalent rules – for example, to prohibit other types of behaviour and to extend the scope of the prohibition to securities admitted to trading on non-regulated markets. Some markets also require issuers to announce details of particular events – such as the appointment or removal of directors; the results of an issue of new shares; or changes in the issuer's structure. The Guide does not cover these in any detail.

Even markets that are non-regulated nearly always require issuers to disclose details of significant events which could affect the price of their shares. However, the precise scope of these rules, and the time limits for disclosing such events, may vary.

1.3 Prospectus Directive (PD) (2003/71/EC)

In order to harmonise the rules in different Member States on the circumstances when a prospectus must be published, its content, and how it must be approved and published, the European Commission drew up the Prospectus Directive (PD) and accompanying Prospectus Regulation (809/2004). Member States had to implement the PD by 1 July 2005. The Prospectus Regulation is directly applicable. In general terms, a company that is proposing to offer its securities to the public in any Member State, or which is applying for its securities to be admitted to trading on a regulated market, must publish a prospectus containing certain specified information. Before a prospectus is published it must be approved by the relevant national regulator.

The PD applies to both initial public offerings (IPOs) and secondary issues (such as placings, open offers and rights issues through which a company raises additional funds from shareholders), and at present the requirements are the same for each.

The PD itself does not impose eligibility criteria for listing. Instead, it requires issuers to disclose certain information in a prospectus, and leaves it to investors to determine whether, on the basis of this information, an issuer is suitable for listing. For example, the PD does not stipulate that a person with a criminal conviction cannot be a director of a listed company, but such information must be disclosed in the prospectus. Investors will also, of course, continue to rely on the sponsor or lead manager having satisfied itself about the integrity of the issuer and its directors.

1.3.1 Amendments to the PD (2010/73/EU)

On 31 December 2010 an amending Directive entered into force, making various changes to the PD: Member States have until 1 July 2012 to change their national laws and regulations to reflect the amended PD. The changes are designed to simplify the capital-raising process for companies in various circumstances, and to iron out a number of difficulties and uncertainties that arose under the PD in its original form. Further details are given below.

1.3.2 Exceptions to the general requirement to publish a prospectus

There are various exceptions to the general requirement to publish a prospectus, some of which are described in the box below:

- an offer which does not involve the shares being admitted to a regulated market and which is addressed solely to "qualified investors" – i.e. banks, insurance companies, pension funds, investment companies and other financial services institutions; large corporates; and individuals who have sufficient wealth and expertise and who have registered themselves with their national regulator as qualified investors;
- an offer that does not involve the shares being admitted to a regulated market and which is addressed to fewer than 100 (or, under the amending Directive, 150) natural or legal persons per Member State, other than qualified investors;
- a secondary issue by a company which is already listed on a regulated market, where the number of new shares represents less than 10% of the number of shares of the same class that are already listed and there is no offer to the public;
- conventional scrip dividends and bonus issues; and
- most offers made to existing or former directors or employees (e.g. under employee share schemes).

As a result, no prospectus is required if a company seeks admission of its shares to a non-regulated market (either in an IPO or a secondary issue) as long as there is no offer to the public because one of the exemptions applies – e.g. where all the new shares are placed with banks or financial institutions.

The box below contains details of essential information that must be included in a prospectus for an issue of equity securities.

(a) Table of contents
(b) Summary focussing on certain key information, in not more than 2,500 words
(c) Statement by those persons responsible that the document "is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import"
(d) "Prominent disclosure" of risk factors specific to the issuer or its industry
(e) Details about the issuer, its place of incorporation, legal structure and "important events in the development of its business"; its group and share capital
(f) Principal investments to date and committed for the future
(g) Description of and key factors relating to the issuer's operations and principal activities, and a breakdown of revenue from its principal markets
(h) Any licences, patents, contracts or processes on which the business is materially dependent
(i) Any existing or planned material tangible fixed assets, any major encumbrances on them and any environmental issues that may affect the issuer's ability to use them
(j) Operating and financial review of the company's financial position and any factors materially affecting its income
(k) Short- and long-term capital resources available to the issuer, and any restrictions on their use
(l) Details of the directors and senior managers, including any companies with which they were involved that have gone insolvent, and any convictions; also details of any "potential conflicts of interest" between their duties to the issuer and to any other company (e.g. where they are a director of wthat other company), and any conflict with their private interests or the interests of any appointing shareholder, customer etc.
(m) Remuneration and benefits in kind provided to each director and, on an aggregated basis, to key senior managers

(n) A statement as to whether or not the issuer complies with the corporate governance regime of its country of incorporation
(o) Any shareholders with notifiable interests under the issuer's national law, and the measures in place to ensure that any controlling shareholder does not abuse its power
(p) Any related party transactions during the last three financial years
(q) Audited historical financial information for the last three financial years prepared in accordance with IFRS, or (for EU issuers) the GAAP of their Member State or (for non-EU issuers) a set of GAAP that is recognised as equivalent to IFRS. Information for the last two years must be prepared in a form consistent with that which will be adopted for the issuer's next annual results. In some circumstances historical financial information may have to be restated in accordance with IFRS
(r) Any quarterly or half-yearly results published since the date of the last audited financial statements
(s) If the issue will cause one of the indicators of the size of the issuer's business to change by more than 25%, pro forma financial information showing how the issue would have affected the issuer's assets, liabilities and earnings at the start of the period being reported on
(t) Any material legal or arbitration proceedings that have been pending or threatened over the last 12 months
(u) A summary of certain provisions of the issuer's memorandum and articles of association or other constitutional documents
(v) A summary of every material contract entered into by a group company within the last two years, other than in the ordinary course of business
(w) A statement that the issuer has sufficient working capital for the next 12 months
(x) Details of any significant change in the financial or trading position of the group since the end of the last half yearly or annual results
(y) If the prospectus includes a profit forecast, details of the assumptions made and a report by independent accountants or auditors confirming that the forecast has been properly compiled
(z) A statement of the issuer's capitalisation and indebtedness, and of the reasons for the issue and how the proceeds will be used
(aa) The nature of the securities issued and their rights to dividends, votes, transferability, redemption, conversion etc.
(bb) The amount of dividend per share paid in respect of the last three financial years
(cc) Price, conditions, timetable and mechanics of the issue, including any underwriting, stabilisation and lock-in arrangements.

In the hope of making prospectuses shorter, and easier and cheaper to prepare, the PD allows certain previously published information relating to the issuer to be incorporated by reference.

Advertisements that are published in connection with an offer to the public or the admission of shares to trading on a regulated market are also regulated by the PD. In particular, advertisements must be clearly labelled as such, must refer readers to the prospectus, and must be consistent with the prospectus.

1.3.3 Proportionate disclosure regime for pre-emptive offers and offers by SMEs and issuers with lower market capitalisation

Under a new proportionate disclosure regime introduced by the amending Directive, less information needs to be included in a prospectus that is published in connection with a rights issue carried out by a company with shares already admitted to trading on a regulated market or certain multilateral trading facilities (MTFs) (as defined in the Markets in Financial Instruments Directive). The proportionate disclosure regime applies where the new shares are offered first to existing shareholders in proportion to their holdings, in compliance either with

the issuer's national company law rules on pre-emption rights (which are likely to reflect the 2nd Company Law Directive – see paragraph 1.11 below) or with rules that are equivalent.

Exactly which information can be omitted for a "light touch" prospectus published in connection with a pre-emptive offer will be clear only when the European Commission adopts appropriate second-tier implementing legislation. However, it is likely that the prospectus will need to include much less information about, for example, the issuer's historical financial performance, business and activities; its capital resources; its senior management and their remuneration; or a description of the key provisions of the issuer's constitution and any mandatory rules on takeover bids and squeeze-outs.

A similar proportionate disclosure regime applies if a prospectus is published by:

— A small or medium-sized enterprise (SME) – i.e. a company that satisfies two of the following three criteria: an average number of employees of less than 250; a total balance sheet not exceeding EUR 43 million; and an annual net turnover not exceeding EUR 50 million; or
— a company with securities listed on a regulated market that over the last three years has had an average market capitalisation of less than EUR 100 million.

Again, the precise scope of the information that can be omitted for a prospectus published by such an issuer will be clear only when the European Commission adopts appropriate second-tier implementing legislation.

1.3.4 Single-passport system and the home Member State

To facilitate cross-border equity fundraisings, the PD introduced a "single passport" system under which an issuer whose prospectus has been approved for use in its "home" Member State can use it for public offers or admissions to regulated markets in any other Member State ("host Member States") without having to publish further information or seek additional approval.

An EEA issuer's home Member State for the purpose of equity issues will be the state in which it has its registered office. For issuers incorporated in a country outside the EEA (known as "third country issuers"), their home Member State is usually the Member State in which they first offer shares to the public or in which their shares are first admitted to a regulated market.

Once an issuer's home Member State is determined, it is permanently fixed and cannot be changed. (In some circumstances an EEA company can move its registered office to another Member State, but these are rare.) So, for example, a Dutch company will have the Netherlands as its home state, and the **Autoriteit Financiële Markten** (AFM) as its competent authority. The AFM will be responsible for approving all prospectuses produced by that issuer even if the securities in question are to be admitted to trading on another regulated market. And, since the Transparency Directive uses a similar principle, a Dutch issuer will have to comply with the rules made by the AFM on the disclosure of financial and other non-price-sensitive information under the Transparency Directive (see paragraph 1.4 below).

1.3.5 Language requirements

To make the passporting system work, the PD also laid down complex rules on which language(s) can be used in a prospectus:

— If an offer to the public is made, or admission to a regulated market is sought, only in the issuer's home Member State, the prospectus must be in a language accepted by the competent authority of that Member State (which will be its national language(s) and often English as well).
— If an offer to the public is made, or admission to a regulated market is sought, in one or more Member States that do not include the issuer's home Member State, the prospectus must be either in (a) a language accepted by the competent authorities of those host Member States or (b) a language "customary in the sphere of international finance" (i.e. English).
For example, if an Italian issuer whose home Member State is Italy wants to have its shares admitted to trading on Eurolist by Euronext (Paris), under French rules the prospectus will need to be in French or English. But since the prospectus will need to be approved by the **Commissione Nazionale per le Società e la Borsa** (CONSOB) in Italy, and CONSOB does not accept prospectuses in French, the issuer will have to use English. If the document is published in English, the French competent authority, the **Autorité des marchés financiers** (AMF), can (and does) require only the summary to be translated into French.

— If an offer to the public is made, or admission to a regulated market is sought, in one or more Member States **including** the issuer's home Member State, the prospectus must be in a language accepted by the competent authority of the home Member State and also (if different) either in a language accepted by the competent authorities of each host Member State or in English. For example, if a German issuer whose home Member State is Germany wants to offer its shares to the public in Germany, France, the Netherlands and Spain, it is likely to draw up its prospectus in English, which is accepted by the **Bundesanstalt für Finanzdienstleistungsaufsicht** (BaFin) in Germany, the AMF in France, the AFM in the Netherlands and the **Comisión Nacional del Mercado de Valores** (CNMV) in Spain. Under the PD, the BaFin, AMF, AFM and CNMV can require only the summary to be translated into their national languages. In practice, the BaFin, AMF and CNMV do require the summary to be translated into their national languages, but the AFM does not require the summary to be translated into Dutch where the prospectus is in English.

Provided that it complies with these rules, an issuer that is offering shares to the public, or seeking admission to a regulated market, in more than one Member State may choose also to produce its prospectus in the local language(s) of each state.

Unlike the Transparency and Market Abuse Directives, the PD is a "maximum harmonisation" Directive that gives Member States very little discretion to deviate from its requirements or to impose rules relating to prospectuses that go beyond the Directive.

1.4 Transparency Directive (TD) (2004 / 109 / EC)

Member States had to introduce rules reflecting the minimum requirements of the Transparency Directive (TD) by 20 January 2007. The Directive applies to issuers whose shares are traded on a regulated market, and effectively updates and supplements those provisions of the CARD that relate to the publication of annual, half-yearly and quarterly financial information, the disclosure of major interests in shares, and the provision to shareholders of sufficient information about general meetings to enable them to exercise their voting rights. Under the TD, such issuers must:

— publish their annual results, drawn up in accordance with European Commission-approved IFRS or national law (as applicable), within four months of the end of the financial year;
— publish within two months of the end of the relevant period their half-yearly results, containing condensed financial statements and an interim management report covering important events and their impact in the past six months, the principal risks and uncertainties over the next six months, and major related party transactions;
— publish during the first and second six-month periods of the financial year an "interim management statement" (IMS), containing a narrative-based summary of the main events and transactions that have taken place and their impact on the financial position of the issuer, and a general description of the issuer's financial position and performance. The amount of detail that is required in an IMS depends on the size and complexity of the issuer and the events and transactions that have taken place during the period;
— inform the market within three trading days whenever the issuer is notified that the percentage of the company's voting rights held by a person and his associates has reached, exceeded or fallen below 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% or 95%. This is very similar to the previous requirements under the CARD, but the obligation extends to a wider range of securities and interests in securities;
— inform the market within four trading days if the issuer acquires or disposes of its own shares and reaches, exceeds or falls below 5% or 10% of the total voting rights;
— at the end of every calendar month in which the total number of voting rights increases or decreases, announce the total number of voting rights and capital in issue (sometimes known as a Total Voting Rights announcement). This figure is used by shareholders to calculate the percentage of voting rights that they hold;
— provide shareholders with sufficient information to enable them to exercise their rights. Such information can be provided electronically if certain conditions are met. Among other things, issuers must:
  • provide shareholders with details of when and where a general meeting is to be held, the total number of shares and voting rights, and the rights of shareholders to participate in the meeting, together with a form that enables a shareholder to appoint a proxy to attend and vote on its behalf at the general meeting; and

- publish notices or distribute circulars giving details of any dividend payments or any issue of new shares, including information about the arrangements for allotment, subscription, cancellation or conversion; and

— file with the competent authority of its home Member State a copy of all announcements published in accordance with the TD or with super-equivalent rules made by a Member State under it (i.e. announcements giving periodic financial information, details of major shareholdings, information about general meetings and the exercise of shareholders' rights, and about the total number of voting rights in issue), or in accordance with Article 6 of the MAD (announcements about price-sensitive developments).

An issuer whose registered office is in a non-EEA state may be exempted from one or more of these obligations if the competent authority of its home Member State formally accepts that the issuer's national laws contain equivalent obligations.

As with the MAD, the TD is a minimum standards Directive that allows home Member States to impose super-equivalent rules which go beyond (but do not conflict with) the TD – for example, to extend the major shareholdings regime to issuers on their non-regulated markets, and to require shareholders to disclose their holdings at additional thresholds.

If an issuer's shares are admitted to trading in a Member State other than its home Member State, the issuer must comply with the rules implementing the TD that are imposed by its home Member State, rather than those imposed by the host Member State, even if the latter are more onerous (this is known as the principle of home Member State regulation). For example, if a Polish issuer has shares traded on a regulated market in both Poland and the UK, all of its shareholders (including those based in the UK or who bought shares through the Main Market of the London Stock Exchange) must notify the issuer of their holdings at the thresholds specified under Polish rules (e.g. when their holding reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% or 95%) and not at the super-equivalent thresholds specified under the UK rules (which require notification at 3% and whole percentages above it).

1.4.1 Future amendments to the Transparency Directive

In January 2010 the Committee of European Securities Regulators (CESR), now known as the European Securities and Markets Authority (ESMA), published a consultation paper proposing that the major shareholding notification regime in the TD should be extended to catch instruments that create a similar economic effect to holding shares and entitlements to acquire shares (i.e. that effectively create a long economic exposure to the issuer), such as certain options, equity swaps and contracts for difference (CFDs). Some Member States have already chosen to impose such super-equivalent rules, but others have not. As yet, the TD has not been amended as ESMA proposed.

1.5 Shareholder Rights Directive (SRD) (2007/36/EC)

Member States were required to implement the Shareholder Rights Directive (SRD) by 3 August 2009. The Directive is intended to improve corporate governance by making it easier for shareholders in EEA-incorporated companies with shares traded on a regulated market to exercise their voting rights, to put resolutions and to ask questions at shareholder (general) meetings. It is particularly designed to tackle barriers to voting when shares are held by investors who are located in a different country to the issuer, and when there is a chain of intermediaries (such as fund managers, investment advisers and custodians) between the registered holder and the beneficial owner(s).

Among other things, such issuers must:

— Give shareholders at least 21 days' notice of a general meeting.
— Ensure that the notice includes certain information needed to help shareholders decide whether and how to vote, including the date and location of the meeting; items on the agenda; the record date for voting (which must be set at a time not more than 48 hours before the meeting); and a description of how shareholders can vote and participate in the meeting.
— Publish on their website the meeting notice, the full text of resolutions proposed, and certain information about, for example, the total number of shares and voting rights in issue; any documents to be submitted to the meeting; and any justification put forward by shareholders for a resolution.

— Allow shareholders to vote by electronic means, by appointing a proxy to attend and vote on their behalf, or by voting in advance of the meeting. Issuers are generally prohibited from imposing restrictions on who can be appointed as a proxy and their eligibility to vote.
— Allow shareholders, either individually or collectively, to put items on the meeting agenda and to submit draft resolutions. Member States can, however, limit this right to shareholders with a minimum holding of 5% of the company's capital.
— Allow shareholders to ask questions related to items on the meeting agenda, which the issuer must answer, subject to certain safeguards to ensure the good order of the meeting.
— Publish the results of voting at general meetings on their website no later than 15 days after the meeting.

The SRD also prohibits "share blocking" – a process used in some Member States where, on a specific date prior to a general meeting (usually several weeks before), shareholders are required to notify the company of their identity and intention to vote. After this date the shares cannot be traded, which discourages many shareholders from voting at all. Instead, the SRD mandates a record date system, under which it is those shareholders who hold shares on a date ahead of the meeting specified by the issuer (the record date) that are eligible to vote. The record date cannot be earlier than 30 days before the date of the general meeting and must be at least eight days after the meeting notice is sent out.

1.6 Accounts of individual companies and groups

In 1978 the EU adopted the 4th Company Law Directive on the content, auditing and publication of individual accounts of public and private companies incorporated in a Member State. Member States had to put in place rules that, amongst other things, required companies to:

— publish an annual balance sheet, profit and loss account, notes to accounts and directors' report, each in a prescribed format tailored to the size of the company;
— have their accounts audited by a qualified auditor (subject to certain exceptions);
— ensure that the accounts give a true and fair view of the company's assets, liabilities, financial position, and profit and loss;
— give comparative figures for the preceding year;
— state the accounting conventions and bases of valuation used to value assets; and
— use certain specified accounting rules relating to depreciation and inflation.

Five years later, the 7th Company Law Directive required Member States to adopt rules on group accounts, including:

— the financial results of all subsidiaries must (with certain exceptions) be consolidated with those of their parent company, which must publish consolidated group accounts;
— when a company is treated as another's subsidiary;
— rules similar to the 4th Company Law Directive on the content, format and auditing of group accounts; and
— the adoption by a group of consistent consolidation techniques.

In the case of both Directives, Member States were afforded some discretion to deviate from the Directives in certain areas.

1.7 Accounts Modernisation Directive: business review

The Accounts Modernisation Directive, which amends various parts of the 4th and 7th Company Law Directives, had to be implemented by Member States by 1 January 2005. Amongst other things, the Directive envisages that issuers whose shares are traded on a regulated market should include in their annual report for financial years starting on or after that date:

"A fair review of the development and performance of the company's business and of its position, together with a description of the principal risks and uncertainties that it faces. The review shall be a balanced and comprehensive analysis of the development and performance of the company's business and of its position, consistent with the size and complexity of the business.

To the extent necessary for an understanding of the company's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters."

1.8 Company Reporting Directive (2006/46/EC)

Under this Directive, Member States must require EEA-incorporated issuers with securities admitted to trading on a regulated market to include a corporate governance statement in their annual report. The statement must refer to the corporate governance code applied by the issuer and explain whether, and to what extent, the issuer complies with that code. It must also include a description of the main features of the issuer's internal control and risk-management systems in relation to the financial reporting process, describe the composition and operation of the board and its committees, and give certain details about how the company is controlled at board and shareholder levels.

1.9 Statutory Audit Directive (2006/43/EC)

As well as dealing with the regulation of auditors and requirements for the auditing of annual accounts, this Directive requires Member States to impose rules requiring EEA-incorporated issuers with transferable securities admitted to trading on a regulated market to have an audit committee, or a body performing similar functions. Each Member State must determine whether audit committees are to be composed of non-executive members of the administrative body and/or members of the supervisory body of the issuer and/or members appointed by the shareholders. At least one member of the audit committee has to be independent and competent in accounting and/or auditing.

The audit committee's main role is to:

— monitor the financial reporting process;
— monitor the effectiveness of the issuer's internal control, internal audit where applicable, and risk management systems;
— monitor the statutory audit of the issuer's individual and consolidated accounts; and
— review and monitor the independence of the statutory auditor or audit firm, and particularly the provision of additional services to the issuer and its group.

The statutory auditor or audit firm is expected to report to the audit committee on key matters arising from the statutory audit, and particularly on material weaknesses in internal controls in relation to the financial reporting process.

1.10 IFRS

For accounting periods starting on or after 1 January 2005, all companies governed by the law of an EEA state whose shares are traded on a regulated market are required by EU Regulation 1606/2002 (the IAS Regulation) to prepare their consolidated group accounts in accordance with International Financial Reporting Standards (IFRS) adopted by the European Commission. Member States also have the option to require, or permit, such companies to prepare their individual accounts under IFRS, and other companies to use IFRS for their individual and/or consolidated accounts.

The European Commission is keen to encourage as many EEA companies as possible to use IFRS for both their individual and consolidated accounts, believing that consistent accounting rules are vital to help investors compare the financial performance of different companies. As a result, the Prospectus Regulation requires a prospectus for an equity issuer to include audited historical financial information for the last three financial years prepared in accordance with IFRS, or (where the issuer is incorporated in an EEA Member State) the GAAP of its Member State or (for non-EEA issuers) a set of GAAP that is recognised as equivalent to IFRS. Information for the last two years must be prepared in a form consistent with that which will be adopted for the issuer's next annual results. If an issuer is applying to list shares on a regulated market and has not previously reported under IFRS, it will usually have to restate its results for the last two years in accordance with IFRS.

1.11 Harmonisation of company law

To date, around a dozen Directives have been adopted by the EU that relate to companies governed by the laws of any Member State. More are in the pipeline. As with the Directives described above, their general aim is to achieve greater harmonisation between the national company law rules of different Member States. Of the existing company law Directives, the most relevant is the 2nd Directive (adopted in 1977) concerning the maintenance and alteration of the share capital of public companies.

Member States must adopt rules applicable to "public companies" (a list of which is given below) under which:

— When shares are issued for non-cash consideration, in certain circumstances an independent expert must report on the assets acquired and their value;
— dividends cannot be paid if, immediately following the dividend, the company's net assets would be less than the aggregate of its share capital and non-distributable reserves;
— any interim dividend must be justified by accounts drawn up for the purpose;
— any arrangements for a company to purchase its own shares must normally be approved by shareholders in advance, and the aggregate amounts paid in consideration must be covered by the company's distributable profits. Member States can choose to impose a limit (not lower than 10% of the subscribed capital) on the proportion of shares that can be bought in. Any shares that are bought in and held by the company "in treasury" for re-issue cannot be voted;
— with certain exceptions, a company must not advance funds, make loans, or provide security in connection with the acquisition of its shares by a third party;
— whenever shares are to be issued for cash, they must first be offered on a pre-emptive basis to shareholders in proportion to their existing holdings, except to the extent that the shareholders in general meeting resolve to disapply this rule;
— shareholder approval is required for any increase or reduction in share capital;
— creditors whose claims may be jeopardised by a reduction of share capital are entitled to seek security for their debts, or other safeguards, before the reduction can take effect; and
— shares can only be redeemed out of distributable profits and with the prior approval of shareholders in general meeting.

Public companies to which the 2nd Directive applies include:

Country	Type of company	Abbreviation
Austria	Aktiengesellschaft	AG
Belgium	naamloze vennootschap / société anonyme	NV/SA
Czech Republic	Akciová společnost	AS
France	société anonyme	SA
Germany	Aktiengesellschaft	AG
Hungary	nyilvánosan működő részvénytársaság	Nyrt
Italy	società per azioni	SPA
Netherlands	naamloze venootschap	NV
Poland	spólka akcyjna	SA
Spain	sociedad anónima	SA
UK	public limited company	plc

Most, but not all, companies whose shares are admitted to trading on a market are public companies that will be subject to national laws that reflect the 2nd Directive.

To a greater or lesser extent, however, differences remain in many areas of company law and corporate governance, including:

— company structures and shareholder rights – in particular, some Member States allow listed companies to have multiple voting rights and tiered voting structures that are usually designed keep control in the hands of a founding family or state body; and
— corporate governance and employee involvement in listed company management – some Member States favour the unified board structure (in which the board is sometimes divided into executive and non-executive directors), while others prefer two-tier boards (i.e. a management and a supervisory board). In some countries employees have a statutory right to be represented on the supervisory board of certain companies.

In addition, Member States have different rules on how companies and individual shareholders are taxed.

1.12 Takeovers Directive (ToD) (2004/25/EC)

Under the Takeovers Directive (ToD), which had to be implemented in Member States by 20 May 2006, the rules on takeovers of EEA-incorporated companies whose shares

are traded on a regulated market are intended to be harmonised to a large extent. By requiring Member States to introduce certain minimum rules, the ToD aims to create more of a level playing field for cross-border takeovers and to provide a more consistent level of protection for minority shareholders.

Member States must put in place rules that:

— reflect certain general principles – e.g. all shareholders of the same class should be treated equally; before making an offer, a bidder must ensure that it has the resources to satisfy full acceptances; and target shareholders must be given sufficient time and information to enable them to reach a properly informed decision about an offer;
— oblige a person who has acquired de facto control of a target to offer to buy all the remaining shares at an equitable price (a mandatory offer). Member States have some latitude to determine the threshold at which control is deemed to be acquired;
— specify the minimum information that must be included in an offer document;
— give a bidder who has acquired around 90% of the target's shares the right to force the remaining shareholders to sell their shares (a so-called squeeze-out right);
— restrict the circumstances in which the board of a target can take steps to frustrate a bid; and
— deal with the lapsing and revision of bids, competing bids and the conditions that a bidder or target can impose.

Although the ToD represents a significant step towards harmonisation of the rules on takeovers, discrepancies remain in various areas and Member States can allow companies to retain certain protectionist measures that make it difficult for a third party to acquire control.

Section 3 of this Guide gives details of the threshold at which a mandatory offer is triggered, but other rules on takeovers are not dealt with in any detail in this Guide. More details on mandatory offers can be found in the CMS Guide to Mandatory Offers and Squeeze-outs.

1.13 Markets in Financial Instruments Directive (MiFID) (2004/39/EC)

On 1 November 2007 the Markets in Financial Instruments Directive (MiFID) replaced the 1993 Investment Services Directive (ISD). The ISD was a cornerstone of European legislation for over a decade and gave investment firms authorised in their state of incorporation (the "home state") certain rights to provide investment services on a cross-border basis or to establish branches in other EEA states ("host states") without having to become separately authorised in those host states.

However, Member States imposed on investment firms different organisational rules – concerning matters such as systems and controls, capital and compliance processes – and conduct of business rules – concerning matters such as client classification, best execution, suitable advice, client money, conflicts of interest and the promotion of investment products. In practice, this made it difficult for firms to "passport" between Member States without setting up a separate branch or subsidiary that complied with local rules.

Amongst other things, MiFID is designed to facilitate the cross-border provision of investment services by harmonising to a much greater extent these organisational and conduct of business rules. It also increases access to equity markets by recognising the emergence of a new generation of organised trading systems that have arisen alongside regulated markets – so-called Multilateral Trading Facilities (MTFs). An MTF is a facility operated by an investment firm under whose rules multiple parties can buy and sell financial instruments that may or may not be admitted to trading on a regulated market. The rules of an MTF must meet certain minimum standards designed to safeguard investors – for example, the operator must establish and maintain transparent criteria for admission to the market and transparent rules and procedures for fair and orderly trading and the efficient execution of orders; and it must also ensure that investors have access to "sufficient publicly available information to enable users to form an investment judgement, taking into account both the nature of the users and the types of instruments traded". But an MTF need not satisfy the much more stringent standards required for regulated markets. Many of the EEA's non-regulated markets are classed as MTFs.

Market operators are required to seek authorisation to operate a regulated market, and each year every Member State must provide the European Commission with a list of all of its regulated markets. The list can be found at

www.ec.europa.eu/internal_market/securities/isd/mifid_en.htm#reg_markets.

Among other things, MiFID has led to increased competition between market operators to attract issuers and investors.

1.14 Proposed Securities Law Directive

In November 2010 the European Commission published a consultation document setting out proposals to improve Member States' national laws on how rights attached to securities can be exercised when the securities are held through a "chain" of intermediaries (particularly where the intermediaries are based in different Member States) or in an electronic (dematerialised) securities account. The proposals, which are intended to facilitate cross-border securities transactions and shareholder engagement, are expected to result in a Directive (the Securities Law Directive) being finalised in 2012, which Member States will have to implement in 2013 or 2014.

In many instances, existing national legislation governing such arrangements works well for purely domestic situations but, because the rules are different in each Member State, conflicts and uncertainty can arise in cross-border situations. Among other things, the Securities Law Directive is expected to require Member States to:

— make clear in their national laws which persons can exercise the rights attached to securities that are held in a securities account, including the right to vote and to dispose of the securities;
— stipulate that certain information received from the issuer or account provider must be passed to the ultimate account holder without delay; and
— confer on ultimate account holders who are not the legal holders of the securities a right to be made a representative of the legal holder for the purpose of exercising and receiving the rights attached to the securities.

1.15 Harmonised rules that are not highlighted in Sections 2 and 3 of this Guide

Because the rules are similar for each market, Sections 2 and 3 of this Guide do not cover the following in any detail, except where the rules of a market differ significantly from the relevant Directive, or where the relevant Directive does not apply:

— The circumstances in which a prospectus is required, what must be included, and how it must be approved and published (which are all dealt with in the PD).
— The obligation to announce as soon as possible all information that could affect an issuer's share price, except in certain limited circumstances (dealt with in the CARD and the MAD).
— The requirement to publish annual and half-yearly financial results, and a quarterly interim management statement (dealt with in the TD).
— The requirement for shareholders to notify an issuer when their holding reaches one of the thresholds specified in the TD, and for the issuer in turn to notify the market.
— The requirement for directors, certain senior managers and persons closely associated with them to notify their company of all dealings in, or referenced to, the company's shares, and for the company in turn to notify the market.

Other events that require an announcement to be made, such as changes to an issuer's board or share capital, are also not covered in any detail.

1.16 Different rules applicable to foreign issuers

This Guide focuses primarily on the rules of each country's markets that apply to issuers that are subject to the company law of that country (domestic issuers). References in Sections 2 and 3 of this Guide to company law requirements are therefore to the company law of the country in which the relevant market is situated: generally such requirements only apply to domestic issuers.

When a foreign company applies for its securities to be admitted to a market, different eligibility criteria and continuing obligations may apply which take account of different requirements under the issuer's domestic company law and – when the issuer's securities are already listed on another market – of the issuer's obligations under the rules of that market. For example, in London a non-UK issuer whose shares are already listed elsewhere can apply for a "Standard" listing on the Official List: broadly this requires the company to meet the minimum standards of eligibility and continuing obligations imposed by the CARD but not the additional super-equivalent standards required of UK companies that are described in Sections 2 and 3. In addition, a non-domestic issuer will usually need to include more information in its prospectus than a domestic issuer – for example, a description of how the rights and protections for shareholders under its domestic company law differ from those under the law of the country in which

the market is situated. To attract investors, some foreign issuers may even decide to include in their constitutional documents rights and protections for shareholders that are similar to those that would be available to shareholders in a domestic issuer.

Where the rules for a non-domestic issuer are significantly different from those for a domestic issuer, this Guide provides details.

Non-domestic issuers that want to access an EEA market can also do so by listing global depositary receipts (GDRs) instead of shares. A GDR is a certificate which can be traded and settled through the relevant stock market clearing system, representing one or more underlying shares in the issuer. Although this Guide does not cover the eligibility criteria or continuing obligations of GDR issuers, in general terms the rules applicable to GDR issuers are usually much less onerous than those that apply to issuers whose shares are admitted to trading.

1.17 Russian exchanges

The table below highlights some of the key areas in which the rules applicable to issuers with shares listed on a Russian exchange differ from those applicable under the EU legislation described above.

Area	EU Requirements	Russian Requirements
ELIGIBILITY REQUIREMENTS		
Minimum market capitalisation	At least EUR 1 million (CARD).	RUB 10 billion (approximately EUR 248 million) for inclusion of ordinary shares, and RUB 3 billion (approximately EUR 74 million) for inclusion of privileged shares, in Quotation List A, 1st level. RUB 3 billion (approximately EUR 74 million) for inclusion of ordinary shares, and RUB 1 billion (approximately EUR 25 million) for inclusion of privileged shares, in Quotation List A, 2nd level.
Historical financial information	Issuer must have published annual accounts in accordance with national law for at least three years prior to admission (CARD).	No equivalent requirement.
Shares in public hands	At least 25% of the issued share capital must be distributed to the public on or shortly after admission (CARD).	For the A1 and A2 Quotation Lists, no single party (including entities affiliated with it) can hold more then 75% of the issuer's ordinary shares. For the B Quotation List, the threshold is 90%. For the V and I Quotation Lists, the minimum public float must be 10% of the issuer's ordinary shares.

CONTINUING OBLIGATIONS		
Information to shareholders	All shareholders must be informed when and where a shareholders' meeting is to be held, and of all decisions taken at a shareholders' meeting, including as to payment of any dividend and any issue of new shares (CARD and TD).	All shareholders must be informed when and where a shareholders' meeting is to be held, but an issuer can choose to inform only those shareholders who attend the relevant shareholders' meeting of a decision to pay a dividend or to issue new shares.

In many ways, however, Russian requirements are similar to those under EU legislation. For example:

- An issuer of A1 and A2 Quotation List securities must draw up annual reports and accounts in accordance with IFRS or US GAAP.
- Every quarter, an issuer must publish its financial results (although there is no requirement to publish an interim management statement).
- An issuer must inform the market if (i) an event occurs that could materially influence the value of the issuer's securities; (ii) an event causes the issuer's assets or net profit/losses to decrease or increase to a material extent; or (iii) the issuer enters into a significant transaction (whose value exceeds 10% of the issuer's assets).
- Shareholders must notify an issuer, and the issuer must inform the market within one day, if its holding exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% or 70%.
- Under a recently enacted law on insider trading, restrictions apply to dealings by shareholders, employees and advisers (including investment banks, auditors and lawyers) to a wide range of issuers.

1.18 US securities laws applicable to European equity offerings

1.18.1 Introduction

This section provides a basic overview of the framework of US securities regulation relevant to European equity offerings. The framework includes common exemptions and safe harbours from registration under the US Securities Act of 1933, as amended (Securities Act) with the US Securities and Exchange Commission (SEC) used in the international markets, as well as an overview of the liability regime in the United States.

Federal securities laws in the United States are administered by the SEC. The most important US federal securities laws for a foreign private issuer that is not an investment entity are the Securities Act; the Securities Exchange Act of 1934, as amended (Exchange Act); the Trust Indenture Act of 1939, as amended; and the Investment Company Act of 1940, as amended (Investment Company Act). In addition to the SEC and the relevant federal legislation, each of the fifty US states also imposes some securities regulations.

1.18.2 The Securities Act

The purpose of the Securities Act is to enable investors to receive full and fair disclosure in connection with securities offerings in the US capital markets. The Securities Act generally governs the offer and sale of securities (including equity shares) into the public marketplace either by the issuer itself or by certain persons who, because of their relationship with the issuer, are deemed for purposes of the Securities Act to stand in the shoes of the issuer. Thus it applies not only to the issuer when it is issuing equity shares in an exchange offer, but also to:

- any person who acquires equity shares directly from the foreign private issuer rather than in an open market transaction (a subscriber);
- any person who acquires equity shares from a subscriber in a private transaction (such as a family member to whom a subscriber transfers equity shares); and
- all directors, executive officers and principal shareholders in respect of any equity shares they have acquired or may acquire in any manner (i.e. regardless

of whether from the foreign private issuer or in an open market transaction).

The Securities Act provides, among other things, that it is unlawful for the foreign private issuer or any of the above persons to offer or sell securities unless either:

— the securities have been registered with the SEC (i.e. there is a Securities Act registration statement then in effect and a prospectus is available) with respect to that offer and sale (See **The Securities Act: registration of securities below**); or
— one of several possible exemptions or safe harbours from registration is used.

1.18.3 The Exchange Act

In broad terms, the Exchange Act governs trading of securities within (as distinguished from into) the public (or so-called "secondary") marketplace. It is designed to assure that: (a) the public marketplace has an adequate and continuing flow of current information concerning the issuer; (b) "insiders" (such as the issuer's directors, executive officers and principal shareholders) do not take unfair advantage of their positions and internal sources of information to profit from trading in equity shares, and that the SEC and the investing public is kept informed by such "insiders" as to their holdings of, transactions in, and plans and proposals with respect to, the equity shares; (c) public (i.e. "non-insider") security holders are assured of true and complete disclosure when being asked to vote or make investment decisions with regard to their securities; (d) investors are provided with true and complete disclosure when they are asked to vote or make investment decisions with regard to their securities; (e) an issuer's books and records are properly maintained; and (f) there is full and prompt disclosure of accumulations of large blocks of securities by certain purchasers.

The Exchange Act also regulates "change-in-control transactions" (such as takeovers, election contests and tender offers), securities exchange matters, the conduct of brokers and dealers and a number of other matters.

1.18.4 The Securities Act: registration of securities and exemptions

Section 5 of the Securities Act prohibits offers or sales of securities involving interstate commerce or mail unless such securities are registered with the SEC (unless otherwise exempt). However, there are certain exemptions to this requirement that are commonly used by issuers:

(I) SECTION 4(2) OF THE SECURITIES ACT

Section 4(2) of the Securities Act allows issuers to offer their securities in the United States without registration if the securities are privately placed in transactions that do not involve a public offering. Many private placements under Section 4(2) are structured to comply with one of two exemptions promulgated under that Section: Regulation D and Rule 144A.

(a) Regulation D

Regulation D provides a set of non-exclusive guidelines for conducting a private placement of securities under the Section 4(2) exemption to "accredited investors" (as defined in Regulation D). Accredited investors are investors that are considered to be more sophisticated than typical retail investors but that are not necessarily large enough to qualify as "qualified institutional buyers" (QIBs) to whom an offering can be made under Rule 144A. The general guidelines for a Regulation D private placement are as follows:

- **No general solicitation or advertising** – neither the issuer nor any person acting on its behalf (including selling agents) may offer or sell the securities by any form of general solicitation or general advertising.
- **Number of purchasers** – Regulation D does not limit the number of accredited investors who may purchase the securities, but it does limit the number of non-accredited investors to 35.
- **Information requirements** – if the securities are sold only to accredited investors, Regulation D does not require the issuer to provide investors with specific information. However, even if a private placement is limited to accredited investors, a private placement memorandum will usually be prepared and circulated to prospective purchasers both for marketing reasons and to reduce the potential liabilities of participants in the offering.
- **Notice requirements** – if the offering is made pursuant to Regulation D, the issuer must file copies of Form D with the SEC within 15 days of the first sale of securities in the offering. Form D is a relatively short, "fill in the blanks" type of form that requires basic information about the issuer and the offering.

(b) Rule 144A

Rule 144A is a re-sale exemption that allows private placements to "qualified institutional buyers" (QIBs). It has become a popular means for issuers to place unregistered securities in larger transactions such as IPOs. To qualify for an exemption under Rule 144A each of the following matters must be satisfied:

- **Sales must be made to QIBs.** Broadly, a QIB is defined as:
  - an institution that in aggregate owns and invests on a discretionary basis at least USD 100 million in securities of issuers that are not affiliated with the issuer, provided that any bank must have a net worth of at least USD 25 million; or
  - a dealer with USD 10 million or more to invest on a discretionary basis acting for its own account or the account of other QIBs.

  The seller of the securities must reasonably believe that the purchaser is a QIB and should obtain certification of the purchaser's status as a QIB.
- **Information delivery requirement.** If requested by the purchaser or prospective purchaser, the issuer must provide:
  - a brief description of the issuer's business, products and services; and
  - financial statements for the last three years or such shorter time as the issuer has been in operation.

  But the information delivery requirement is not applicable if the issuer is:
  - a reporting company under the Exchange Act;
  - exempt under Rule 12g3-2(b) of the Exchange Act; or
  - a foreign government.

  For marketing purposes, and because of concerns about liability, an offering document is usually prepared that substantially complies with SEC disclosure rules. The timetable for a Rule 144A transaction must therefore take account of the time required to prepare an offering document. The extent to which the offering document deviates from the SEC disclosure rules will depend on factors such as the participating investment banks' internal policies; the degree of assurance provided through 10b-5 disclosure letters (see **Securities regulation liability: Rule 10b-5** below); and offering documents produced for similar transactions involving similar issuers.
- **Fungibility.** The securities offered cannot be of the same class as securities of the issuer listed in a US exchange or quoted on the NASDAQ. American Depositary Receipts (ADRs) issued in the United States are not considered fungible with the underlying securities listed abroad.
- **Notice.** The seller must take reasonable steps to ensure the purchaser is aware that the seller is relying on Rule 144A.

(II) REGULATION S

Regulation S provides an exemption for offshore sales which renders them outside the reach of the registration requirements of the Securities Act. It provides issuers, affiliates and underwriters with a safe harbour from the registration requirements and also provides a safe harbour for re-sales. Regulation S is not technically an exemption from the Securities Act filing requirements; instead, it provides safe harbour guidelines for determining when an offering of securities will be deemed to have occurred outside the United States (and therefore it will not be subject to registration under the Securities Act). For Regulation S to apply each of the following is required:

- **The presence of an offshore transaction.** The buyer must be outside the US when the buy order is originated, or the transaction must be executed on the physical trading floor of a foreign securities exchange.
- **The absence of "directed selling efforts" in the United States.** "Directed selling efforts" are defined as activities undertaken for the purpose of conditioning the United States market for any of the securities offered in reliance on Regulation S. Activities that could reasonably be expected to have this conditioning effect are also considered directed selling efforts. Directed selling efforts include:
  - advertisements in any publications printed primarily for distribution in the United States or with a general circulation in the United States of more than 15,000 copies; and
  - mailing printed material to prospective investors in the United States.

  However, the following are not classified as directed selling efforts:
  - selling activities to QIBs in connection with a concurrent unregistered US offering of securities of the same class; and

– routine product advertising and corporate communications.

The question of whether US editions of international publications and research reports are "directed selling efforts" is a grey area.

Regulation S divides issuers into three categories:

- Category 1 issuer (non-US issuer).
- Category 2 issuer (non-US issuer with substantial US market interest).
- Category 3 issuer (US issuer), based on certain characteristics of the issuer.

Category 2 and Category 3 issuers have additional restrictions imposed on their securities and are subject to a 40-day and one-year distribution compliance period respectively during which the securities may not be sold to "US persons", as well as other restrictions.

It is not possible to avoid the Category 3 restrictions simply by putting a non-US company on top of an existing company. This is because a company (wherever it is incorporated) is treated as a US issuer for the purposes of Regulation S if a majority of shares in the company are held by US persons or residents **and either:**

- a majority of the directors and officers are US persons or residents;
- a majority of the group's assets are in the United States; or
- the business of the company is principally managed from the United States.

1.18.5 Securities regulation liability: Rule 10b-5

Rule 10b-5, promulgated under the Exchange Act, applies to any offer or sale of a security, whether public or private. It provides that in connection with a purchase or sale, it is unlawful to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

Claims under Rule 10b-5 can be brought by private investors (including class-action suits brought by multiple investors) against an issuer and financial institutions involved in the offer or sale. Financial institutions can protect themselves against liability by:

— carrying out appropriate due diligence on the issuer and its securities;
— obtaining confirmation from lawyers acting for the issuer that they have undertaken certain due diligence procedures and that, on the basis of such procedures, they have no reason to believe that the offering document contains any untrue statement of a material fact or omits any material fact (known as a Rule 10b-5 disclosure letter); and
— obtaining confirmation from the issuer's auditors that they have undertaken certain due diligence procedures to verify the financial information in the offering document and that, on the basis of such procedures, they have no reason to believe that any material modification needs to be made to that financial information (sometimes known as a SAS-72 letter, as it is issued in accordance with the US accounting profession's Statement on Auditing Standards no. 72 **"Letters for Underwriters and Certain Other Requesting Parties"**).

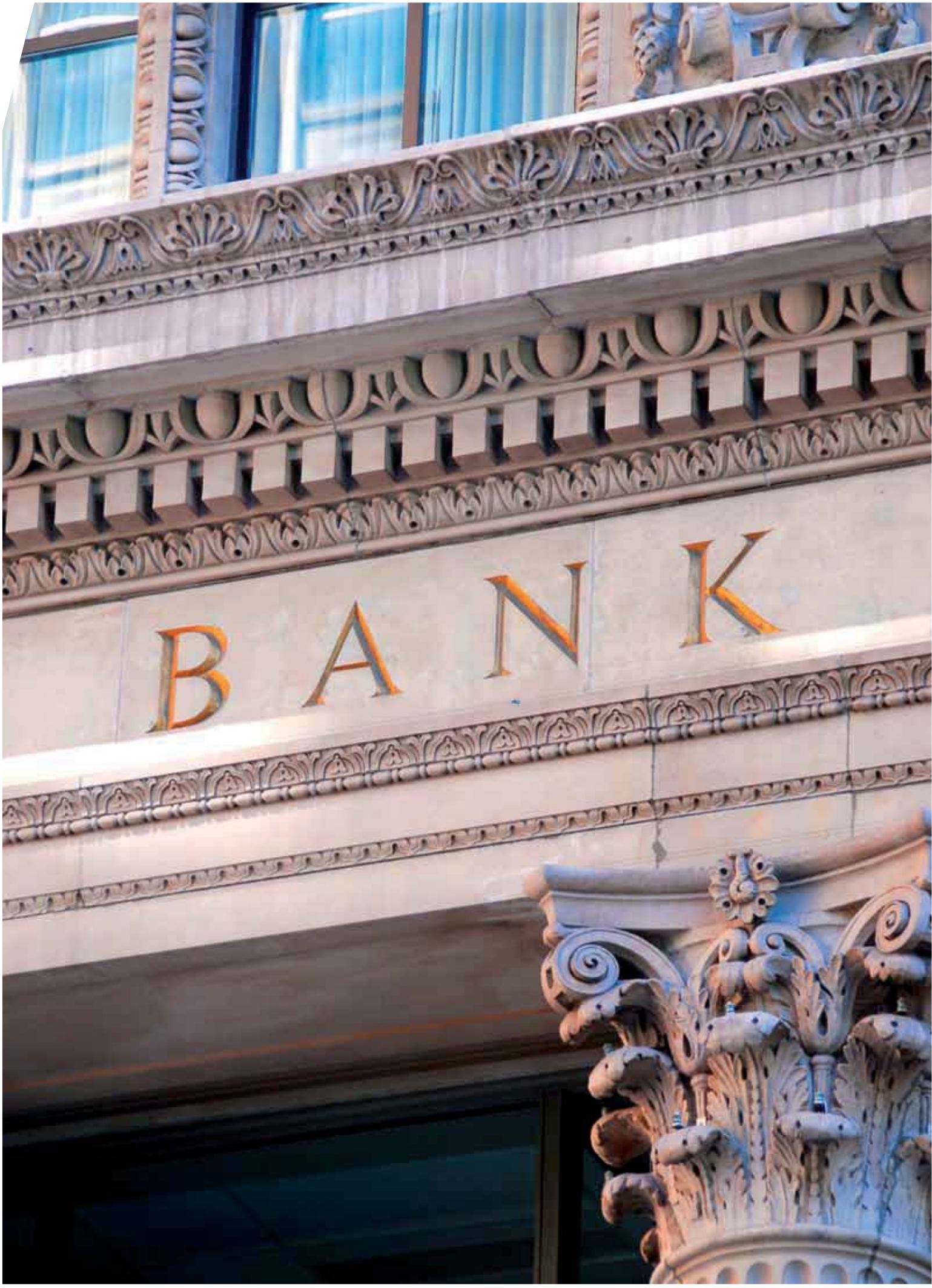
As a result, US offerings with a higher risk profile are often accompanied by the above procedures for each offer and sale of securities. The risk profile is often determined by looking at a variety of criteria, including the size of overall offering; the proportion of the offering being sold into the United States; whether there was active marketing in the United States (e.g. a roadshow); the number of US investors; the relationship of US investors to the issuer and the financial institution involved in the offer or sale; and market interest in the United States.

1.18.6 The Investment Company Act

The Investment Company Act and related SEC regulations are designed to regulate investment companies such as mutual funds. The Investment Company Act prohibits an investment company from publicly offering securities in the United States unless it is registered under the Investment Company Act or an exemption from registration applies. Registration subjects the company to far-reaching disclosure requirements, including the company's investment objectives, types of investments, record-keeping and its overall structure and operation. Under the Investment Company Act, the definition of "investment company" is broad and, in addition to covering traditional mutual fund-type investment companies, it can include entities with investment securities comprising more than 40% of their total assets, including operating companies that have substantial minority interests in other companies.

Section 3(c)(7) provides an exemption from registration under the Investment Company Act for funds that place securities with highly sophisticated investors who meet the definition of "qualified purchasers" (QPs) under the Investment Company Act. QPs are investors that are considered sophisticated enough to evaluate such investments and the related financial risks, so that they do not require the same level of protection as retail investors. Section 3(c)(7) does not limit the number of investors to whom an issuer can sell its securities as long as such investors are all QPs. Because of this, many issuers prefer the Section 3(c)(7) exemption over the other major Investment Company Act exemption, Section 3(c)(1), which imposes a limit of 100 investors.

Where possible, issuers and their finance subsidiaries should seek to avoid registration under the Investment Company Act as the Act embodies a broad regulatory scheme intended primarily for mutual funds, unit investment trusts and closed-end investment companies. It contains requirements that are not consistent with conducting normal commercial operations.


BANK

2. Eligibility criteria

Amsterdam

NYSE Euronext Amsterdam

Type	Euronext Amsterdam, part of NYSE Euronext – previously known as the Official Market (Officiële Markt) – is a regulated market as defined by MiFID. It is operated by NYSE Euronext and regulated by the AFM, the Dutch regulatory authority. Note that NYSE Euronext also operates markets in Brussels, Lisbon and Paris, but that the rules applicable to those markets have not yet been fully harmonised.
Types of company whose shares can be admitted	Naamloze Vennootschap (NV). Any foreign company that has been duly incorporated in its place of incorporation or establishment that has freely transferable shares and which is permitted under such law to have its shares listed.
Minimum assets, equity and / or working capital	None (other than the minimum value of the public float mentioned below).
Minimum public float	At the time of admission to listing a sufficient number of securities must be distributed to the public. This will occur either when at least 25% of the securities end up in the hands of the public or when a sufficiently large number of securities is distributed to a sufficiently wide range of investors to enable the market to function efficiently. The free float may not be lower than 5% and must represent a value of at least EUR 5 million calculated on the basis of the offering price.
Track record	None required (other than the requirements relating to the filing of financial statements noted below).
Financial information	The issuer must have published or filed audited annual financial statements or pro forma accounts, consolidated where applicable, for the preceding three financial years, drawn up in accordance with IFRS or an equivalent GAAP. If the financial year ended more than nine months before the date of the admission to listing, the issuer must have published or filed audited half-yearly accounts.
Restrictions on shareholdings	The shares must be freely transferable and negotiable. An application for admission to listing must cover all of the issuer's securities of the same class issued (or proposed to be issued) at the time of application.
Independence from controlling shareholders	No specific requirement in the listing rules, but major shareholders and their influence must be disclosed in the prospectus.
Lock-in requirements	Generally not required. But in situations where Euronext Amsterdam grants a dispensation from the requirements regarding the availability of financial information it may subject the admission for listing to various special conditions, including lock-in requirements.
Sponsor or other financial adviser	Upon its first application to listing and any subsequent listing of securities, the issuer must appoint a listing agent (also referred to as the sponsor) authorised by Euronext to assist with the preparation of information documents, guide and counsel the issuer through the listing process and during a period of at least six months thereafter, and sign the application for securities to be admitted to listing.

Market-maker or broker	Euronext Amsterdam members can act as a broker, trading exclusively for third parties (including other members), or as a dealer, trading for their own account, including in order to enhance the market liquidity of an admitted financial instrument. There is, however, no obligation to retain the services of a liquidity provider.
Publicity restrictions	Advertisements, presentations to potential investors and other means of promoting an IPO or secondary issue are generally permitted, subject to certain restrictions. Pursuant to the PD, advertisements must be clearly labelled as such, must refer readers to the prospectus, and must not be inaccurate, misleading or inconsistent with the prospectus. Communications by any entity other than the issuer that invite or encourage any person to buy or subscribe for securities, or otherwise deal in any investment, can only be made by a properly authorised investment firm or if a specific exemption applies.
Typical timing of listing process	Depending on the size and complexity of the company and its state of preparedness, the process normally takes three to four months. Euronext Amsterdam must take a decision on whether or not to admit securities to listing in respect of an application for admission to listing within a maximum period of 90 days in the case of a first admission to listing and 30 days in all other cases.
Requirements for secondary offerings	Existing shareholders of ordinary shares (other than in an investment company with variable capital) have statutory pre-emption rights. The shareholders can limit or exclude such pre-emption rights or may delegate the power to do so to another constituent body. Any resolution to limit or exclude pre-emption rights requires a two-thirds majority of the votes cast if less than half of the issued capital is represented. Pre-emption rights do not apply when new shares are issued for non-cash consideration unless the articles of the company provide otherwise. They also do not apply when shares are issued to employees of the company or one of its group companies. Unless otherwise stipulated in the articles of the company, holders of preference shares have no pre-emption rights and the holders of ordinary shares have no pre-emption rights with respect to preference shares. When additional securities of the same class as securities already admitted to listing are issued, the application for listing of additional securities must be made either as soon as they are issued (if they are issued to the public) and no later than 90 days after their issue in other cases.
Different rules for non-domestic issuers	Issuers currently listed on NYSE and seeking a secondary listing of their shares on the regulated market of Euronext Amsterdam may use a non-EU prospectus in order to obtain a listing if the non-EU prospectus meets certain equivalency standards. This fast-track procedure is open to non-EU companies that qualify as "foreign issuers" as defined by the SEC. For other non-domestic issuers, however, the normal eligibility criteria as set out in this section apply without modification.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) Dutch and English. (b) The summary must be translated into Dutch or English.
Relevant links	**AFM: www.afm.nl** **Euronext: www.euronext.com**

Amsterdam

NYSE Alternext Amsterdam

Type	Alternext is a market with a lighter regulatory regime operated and regulated by NYSE Euronext through a body of rules applicable to intermediaries and listed companies. It is not a regulated market but a multilateral trading facility under MiFID. Note that NYSE Euronext also operates markets in Brussels and Paris under the Alternext name, but that the rules applicable to these markets have not yet been fully harmonised.
Types of company whose shares can be admitted	Naamloze Vennootschap (NV). Any foreign company that has been duly incorporated in its place of incorporation or establishment that has freely transferable shares and which is permitted under such law to have its shares listed.
Minimum assets, equity and / or working capital	None (other than the minimum value of the public float mentioned below).
Minimum public float	Issuers making a public offer must have a minimum free float of at least EUR 2.5 million. There is no minimum float requirement for issuers wishing to list without a public offer, but the issuer must have done a private placement of at least EUR 5 million in the two preceding years to five or more qualified shareholders.
Track record	No track record is required, but the issuer must have filed its accounts for the two years preceding the application.
Financial information	Issuers must have filed individual annual accounts and consolidated accounts, if any, for the two years preceding the application prepared in accordance with either IFRS or equivalent GAAP. Issuers incorporated in a third country must use either IFRS, an equivalent GAAP or local GAAP with a reconciliation table for a private placement, and standards set out in the PD for public offerings. The financial statements for the most recent year must have been certified by the issuer's auditors. If the most recent financial year ended more than nine months prior to the application, half-yearly statements must be submitted.
Restrictions on shareholdings	The securities must be freely negotiable and transferable, and capable of being deposited with a central securities depositary that can issue depositary receipts or similar in respect of the securities.
Independence from controlling shareholders	No specific rules apply regarding independence from controlling shareholders, but if a prospectus is required it will have to contain information about such relationships.
Lock-in requirements	No lock-in requirements apply.
Sponsor or other financial adviser	Issuers must appoint and retain an Alternext accredited listing sponsor (approved by Euronext Amsterdam) to guide them through the listing process and confirm to Euronext Amsterdam that all of the relevant requirements have been met. Listing sponsors also guide and counsel the issuer following the listing, acting as an intermediary between the issuer and Euronext Amsterdam for the purpose of ensuring the issuer's compliance with the Alternext rules.

Market-maker or broker

A public offer must be carried out through a duly authorised investment service provider (which can be the same firm as the listing sponsor).

Trading members must have been admitted as members of the regulated markets managed by Euronext Amsterdam and must comply with Euronext Rule Book 1. They can declare themselves to be market-makers in the securities they have selected.

Publicity restrictions

Companies can be listed or traded on Alternext either through a public offering simultaneous to the listing or a direct listing after a private placement.

Companies wishing to make a public offer need to produce a prospectus approved by the regulator (AFM) in line with the PD. Advertisements, presentations to potential investors and other means of promoting an IPO are generally permitted, subject to certain restrictions. Pursuant to the PD advertisements must be clearly labelled as such, must refer readers to the prospectus, and must not be inaccurate, misleading or inconsistent with the prospectus.

Companies applying for listing after a private placement will need to produce an information memorandum that is not subject to approval by the regulator. The information memorandum must contain all information that is necessary to enable investors to make an informed assessment of the financial position and general prospects of the issuer, in English, French, German or Dutch with an English abstract.

Communications by any entity other than the issuer that invite or encourage any person to buy or subscribe for securities, or otherwise deal in any investment, can only be made by a properly authorised investment firm or if a specific exemption applies.

Typical timing of listing process

The listing process as such takes little time. The issuer is required to send an application to Euronext Amsterdam as soon as the prospectus has been filed with the regulator and this must be at least 20 business days before the planned listing date. For listing after a private placement, the information memorandum must be posted on the Alternext website ten business days before the planned listing date.

For public offerings, depending on the size and complexity of the company and its state of preparedness, the entire process – from the start of preparations until final approval of the prospectus by the AFM – can be expected to take approximately three to four months.

Requirements for secondary offerings

Existing shareholders of ordinary shares (other than in an investment company with variable capital) have statutory pre-emption rights. The shareholders are entitled to limit or exclude such pre-emption rights or may delegate the power to do so to another constituent body. Any resolution to limit or exclude pre-emption rights requires a two-thirds majority of the votes cast if less than half of the issued capital is represented. Pre-emption rights do not apply when new shares are issued for non-cash consideration unless the articles of the company provide otherwise. They also do not apply when shares are issued to employees of the company or one of its group companies. Unless otherwise stipulated in the articles of association of the company, holders of preference shares have no pre-emption rights and the holders of ordinary shares have no pre-emption rights with respect to preference shares.

Euronext Amsterdam must be informed of any changes in the number of issued securities and will adjust the number of securities listed accordingly.

Different rules for non-domestic issuers	There is a fast-track admission route for issuers listed on designated markets, such as any EU-regulated market, NASDAQ, NYSE and AIM. For other non-domestic issuers, however, the normal eligibility criteria as set out in this section apply without modification.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) Dutch and English. (b) The summary must be translated into Dutch or English.
Relevant links	**Alternext: www.alternext.com**

Brussels

NYSE Euronext Brussels

Type	Euronext Brussels operates the Euronext Brussels Market. This is a regulated market. Euronext Brussels is the competent authority, meaning it is responsible for the admission, suspension and de-listing of financial instruments on its markets. Euronext Brussels operates under the supervision of the **Commission Bancaire, Financière et des Assurances / Commissie voor het Bank-, Financie- en Assurantiewezen (CBFA).** Euronext is the first fully integrated cross-border market in equities and derivatives with operational markets in Brussels, Amsterdam, Lisbon and Paris. This means that companies traded on Euronext are listed on their home markets, but their securities are traded on a single platform spanning all of the above countries. Listing requirements have been harmonised, and efforts are now under way to harmonise secondary trading platforms.
Types of company whose shares can be admitted	**Naamloze vennootschap / société anonyme.** **Commanditaire vennootschap / société en commandite par actions.** Any duly incorporated Belgian or foreign company which is permitted under its national laws to have its securities listed.
Minimum assets, equity and / or working capital	None (other than the minimum value of the public float noted below).
Minimum public float	At the time of admission to listing, a sufficient number of securities must be distributed to the public. This will have occurred either when 25% of the securities end up in the hands of the public, or when there is a large number of securities of the same class and their distribution to the public is wide enough that the market will function with a lower percentage. The free float may not be lower than 5% and must consist of shares with a value of at least EUR 5 million calculated by reference to the offering price.
Track record	None required (other than the requirements relating to the filing of financial statements noted below).
Financial information	The issuer must have published or filed audited annual financial statements or pro forma accounts, consolidated where applicable, for the preceding three years, drawn up in accordance with IFRS. If the financial year ended more than nine months before the date of admission to listing, the issuer must have published or filed half-yearly accounts. An exemption may be granted by the CBFA (i) if this is in the interest of the issuer or investors or, in case of depository receipts, the issuer of the securities; and (ii) if the issuer has made available sufficient information to enable an investor to make an informed judgement on the company, its financial situation and business or, in the case of depository receipts, those of the issuer of the securities.

Restrictions on shareholdings	The securities admitted for listing must be validly issued in accordance with the applicable laws and regulations governing those securities, the issuer's articles of association and other constitutional documents. All securities must be freely transferable and negotiable. An application for admission to listing must cover all of the issuer's securities of the same class issued at the time of the application or proposed to be issued. Euronext Brussels may allow certain restrictions on transfer if their use does not disturb the market.
Independence from controlling shareholders	No specific requirement in the listing rules. Major shareholders, however, must disclose their shareholdings in the prospectus.
Lock-in requirements	Not required by the listing rules but contractual lock-in arrangements can be required in order to secure an orderly market.
Sponsor or other financial adviser	Upon its first application to listing and any subsequent listing of securities, the issuer must appoint a listing agent (also referred to as the sponsor) authorised by Euronext to assist with the preparation of information documents, to guide and advise the issuer during the listing process and throughout a period of at least six months thereafter, and to sign the application for securities to be admitted to listing.
Market-maker or broker	Euronext members can act in the capacity of broker, trading exclusively for third parties (including other members), or in the capacity of dealer, trading for their own account, including in order to enhance market liquidity of an admitted financial instrument. There is, however, no obligation to retain the services of a liquidity provider.
Publicity restrictions	Advertisements, presentations to potential investors and other means of promoting IPOs or secondary offerings are generally permitted, subject to certain restrictions. Advertisements must be clearly labelled as such, must refer readers to the prospectus, and must be consistent with the prospectus. Communications by any entity other than the issuer that invite or encourage any person to buy or subscribe for securities, or otherwise deal in any investment, can only be made by a properly authorised investment firm or if a specific exemption applies.
Typical timing of listing process	The usual timing is three to four months from decision to list to actual listing but can be slower or faster depending on circumstances. In the case of a first admission, Euronext Brussels will make a decision regarding the outcome of the application within three months of receiving a complete filing. In other cases, a decision must be made within one month. The regulator's decision regarding admission will remain valid for three months.

Requirements for secondary offerings

Shareholders in a Belgian company enjoy pre-emption rights where the company proposes to issue new shares for cash. The shareholders' general meeting resolving on a capital increase may decide to limit or disapply such pre-emption rights, subject to several conditions including with respect to special majority and quorum requirements for the shareholders' resolution and to the drawing-up of special reports by the board of directors and an auditor.

When pre-emption rights are disapplied in favour of one or more specific beneficiaries, additional conditions apply (including with respect to the minimum subscription price).

Euronext Brussels must be informed of any changes in the number of issued securities and adjusts the number of securities listed accordingly.

Different rules for non-domestic issuers

Euronext Brussels will only admit issuers located in jurisdictions that have satisfactory regulatory arrangements, including those in respect of:

— The supervision of investment activity; and
— Information sharing and co-operation between the supervisory authority of the jurisdiction concerned and the competent authorities or, where permitted by national regulations, the relevant Euronext market.

Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?

(a) Belgian issuers are subject to the Belgian regulation relating to the use of languages. The language of the territory in which the seat of activities of the company is located must be used for any document or deed required by law. Depending on the territory of the registered seat, documents therefore need to be drafted in Dutch, French or German. A translation in another official language or in English may, however, be made as long as the issuer indicates that it is a translation of the original version.

For foreign issuers that are not subject to the Belgian legislation regarding the use of languages, information may be written in a language other than Dutch, French or German, provided that this language is customary in the sphere of international finance (English being the most commonly used alternative).

All applications, filings and correspondence with, and submissions to, a Euronext market by members, issuers or prospective members must be in English or one of the official languages of the relevant Euronext market, as each member, issuer or prospective member may elect.

(b) The summary must always be translated into French and Dutch.

Relevant links

CBFA: www.cbfa.be/eng/index.asp
Euronext: www.euronext.com

Brussels

NYSE Alternext Brussels

Type	Alternext Brussels is a non-regulated market and was created by Euronext Brussels to meet the needs of small and mid-sized companies seeking simplified access to the stock market. It opened for business in June 2006. Alternext's streamlined listing requirements and trading rules are suited to the size and business needs of small and mid-cap firms. The rules also ensure investor transparency.
Types of company whose shares can be admitted	Naamloze vennootschap / société anonyme. Commanditaire vennootschap / société en commandite par actions. Any duly incorporated Belgian or foreign company that is permitted under its national laws to have its securities listed.
Minimum assets, equity and / or working capital	None (other than the minimum value of the public float noted below)
Minimum public float	Issuers making a public offer must have a minimum free float of at least EUR 2.5 million. There is no minimum float requirement for issuers wishing to list without a public offer, but the issuer must have done a private placement of at least EUR 5 million, made in the two preceding years with a sufficient number of persons. Direct admission to trading is granted for issuers originating from another market, provided that they can prove that securities worth at least EUR 2.5 million have been placed in public hands through their home market. Failing this, they must follow the public offer procedure.
Track record	No track record is required.
Financial information	The issuer must have filed its statutory annual accounts, and its consolidated accounts, if any, for the two years preceding the application, drawn up in accordance with IFRS or its local GAAP.
Restrictions on shareholdings	The securities admitted to listing must be freely negotiable and transferable. They must also be eligible for the operations of a central securities depositary so that some or all transactions done on Alternext can be processed automatically by the clearing systems and directly generating settlement instructions systems recognised by NYSE Euronext.
Independence from controlling shareholders	No specific rules. Major shareholders, however, must disclose their shareholdings in the prospectus. For a private placement or a direct admission to trading, ten days before the planned listing date the issuer must ensure that it posts on the Alternext website sufficient information to enable investors to assess the financial position and prospects of the issuer.
Lock-in requirements	Not required by the listing rules but contractual lock-in arrangements can be required in order to secure an orderly market.

Sponsor or other financial adviser	The issuer designates a qualified "listing sponsor". The listing sponsor advises the issuer for at least two years from the date the issuer is admitted to listing on Alternext with regard to requirements resulting from admission to trading, including requirements for the distribution of inside information. If the issuer fails to meet its requirements, or if it does not respect these rules, the listing sponsor must contact the issuer and provide it with the advice needed to remedy the failure. At the same time, the sponsor shall inform Euronext Brussels of the nature of the failure and the measures taken in response. Documentary evidence of such advice calling the issuer to order is held by the listing sponsor at the disposal of Euronext Brussels for two years. At the end of this two-year period and barring exceptional circumstances, Euronext Brussels must be informed within two months if the listing sponsor's engagement has been terminated or if another listing sponsor has been appointed.
Market-maker or broker	A public offer must be carried out through a duly authorised investment service provider (which can be the same firm as the listing sponsor). Trading members must have been admitted as members of the regulated markets managed by Euronext Brussels and must comply with Euronext Rule Book 1. They can declare themselves to be market-makers in the securities they have selected.
Publicity restrictions	Companies can be listed or traded on Alternext either through a public offering made at the time of listing or a direct listing after a private placement. Companies wishing to make a public offer need to produce a prospectus approved by the regulator (CBFA). Advertisements, presentations to potential investors and other means of promoting an IPO are generally permitted, subject to certain restrictions. Advertisements must be clearly labelled as such, must refer readers to the prospectus and must be consistent with the prospectus. Companies applying for listing after a private placement will need to produce an information memorandum that is not subject to approval by the regulator. The information memorandum must contain all information that is necessary to enable investors to make an informed assessment of the financial position and general prospects of the issuer, in English, French, German or Dutch with an English abstract. The listing sponsor must provide Euronext with a standard certification confirming that it has conducted the necessary due diligence.
Typical timing of listing process	The usual timing is three to four months from the decision to list to actual listing but can be slower or faster depending on circumstances.
Requirements for secondary offerings	Shareholders in a Belgian company enjoy pre-emption rights where the company proposes to issue new shares for cash. The shareholders' general meeting resolving on a capital increase may decide to limit or disapply such pre-emption rights, subject to several conditions including with respect to special majority and quorum requirements for the shareholders' resolution and to the drawing-up of special reports by the board of directors and an auditor. When pre-emption rights are disapplied in favour of one or more specific beneficiaries, additional conditions apply (including with respect to the minimum subscription price). Euronext Brussels must be informed of any changes in the number of issued securities and adjusts the number of securities listed accordingly.

Different rules for non-domestic issuers

None. Direct admission to trading on Alternext Brussels for issuers originating from another market is granted, provided that they can prove that securities worth at least EUR 2.5 million have been placed in public hands through their home market. Failing this, they must follow the public offer procedure applicable to domestic and non-domestic issuers.

Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?

(a) Belgian issuers are subject to the Belgian regulation relating to the use of languages. The language of the territory in which the seat of activities of the company is located must be used for any document or deed required by law. Depending on the territory of the registered seat, documents therefore need to be drafted in Dutch, French or German. A translation in another official language or in English may, however, be made as long as the issuer indicates that it is a translation of the original version.

For foreign issuers that are not subject to the Belgian legislation regarding the use of languages, information may be written in a language other than Dutch, French or German, provided that this language is customary in the sphere of international finance (English being the most commonly used alternative).

All applications, filings and correspondence with, and submissions to, a Euronext market by members, issuers or prospective members must be in English or one of the official languages of the relevant Euronext market, as each member, issuer or prospective member may elect.

(b) The summary must always be translated into French and Dutch.

Relevant links

CBFA: www.cbfa.be/eng/index.asp
Euronext: www.euronext.com
www.alternext.be

Budapest

Equities Category "A" – premium segment

Type	This is the premium segment for equity issuers in Hungary. It is a regulated market that is regulated by the Hungarian Financial Supervisory Authority (HFSA). The Budapest Stock Exchange (BSE) is part of the Central Eastern European Stock Exchange Group (CEESEG).
Types of company whose shares can be admitted	Companies whose shares can be offered to the public.
Minimum assets, equity and / or working capital	There is no requirement as regards minimum assets, equity or working capital, but the market capitalisation of the company at listing must be at least HUF 2.5 billion (approximately EUR 9 million).
Minimum public float	At the time of listing the requirements for a minimum free float are: — at least 25% of securities in the series to be listed; — securities with a market value of at least HUF 2 billion; or — at least 500 separate investors.
Track record	The issuer of the securities (taking any legal predecessor into consideration, as well) must have published audited accounts for at least three financial years.
Financial information	The issuer must file annual accounts in accordance with its home Member State's domestic accounting standards for the three financial years prior to admission; and those accounts must be certified by an auditor.
Restrictions on shareholdings	Shares must be freely transferable. The application for admission to official listing must cover all of the shares of the same series already in issue.
Independence from controlling shareholders	No specific requirement in the listing rules, but major shareholders and their influence must be disclosed in the prospectus.
Lock-in requirements	Not required by the listing rules.
Sponsor or other financial adviser	A financial adviser is only required if the listing is combined with the issue of new shares and / or an exit involving an offer to the public of existing shares.
Market-maker or broker	No market-maker or broker is required.
Publicity restrictions	Advertisements, presentations to potential investors and other means of promoting an IPO or secondary issue are generally permitted, subject to certain restrictions. Advertisements must be clearly recognisable as such and must indicate that a prospectus has been, or will be, published. Information included in an advertisement must not be incorrect or misleading or inconsistent with the prospectus. Any information that is published concerning the public offering or the admission of the securities for stock exchange trading, even if not for advertising purposes, must be consistent with the prospectus. All advertisements must be submitted to the HFSA for approval at least five working days prior to their publication.

Typical timing of listing process	Depending on the size and complexity of the company and the process used, about three to six months (including preparatory work).
Requirements for secondary offerings	Shares of the same series issued by the company after an IPO must be listed on the BSE within 90 days of the capital increase being registered at the court of registration (or the equivalent legal act for foreign issuers). Any capital increase that will affect a series of shares must be approved by the holders of those shares. When a company issues new shares for cash, shareholders enjoy pre-emption rights. Priority is given first to those holding shares of the same series. Holders of convertible bonds and shares also have pre-emption rights, but only after shares are offered to those holding shares of the same series. Such pre-emption rights may be limited or excluded by the general meeting of shareholders or in certain cases by the board of directors.
Different rules for non-domestic issuers	Before listing on the BSE shares that have been issued in a foreign country, the issuer must demonstrate that those shares were issued in accordance with the laws of that country. The issuer must undertake to be bound by the regulations of the BSE and KELER (the central depository and clearing house of Hungary). An issuer that does not fall within the scope of the Capital Markets Act must also declare which EEA state's laws on disclosure it will comply with. A short description of such applicable laws must also be submitted to the BSE. The authorisation of the HFSA is not required for the publication of a prospectus or public notice if it has been authorised by the competent supervisory authority of another EEA state, and if that authority provides proof to the HFSA that the prospectus or base prospectus complies with the PD and Prospectus Regulation. If an issuer having its seat in a foreign country so requests, the HFSA may authorise publication of a prospectus if the requirements concerning the information contained in the prospectus, especially financial information, are equivalent to the requirements of the Capital Markets Act and if the prospectus complies either with the PD and Prospectus Regulation or with standards set by international organizations, including the International Organization of Securities Commissions (IOSCO).
Prospectus: (a) languages accepted; (b) translation of prospectus summary is required for passporting?	(a) English and Hungarian. (b) The summary must be translated into Hungarian.
Relevant links	**www.bse.hu** **www.pszaf.hu**

Budapest

Equities Category "B" – standard segment

Type	This is the standard segment for equity issuers in Hungary. It is a regulated market that is regulated by the Hungarian Financial Supervisory Authority (HFSA). The Budapest Stock Exchange (BSE) is part of the Central Eastern European Stock Exchange Group (CEESEG).
Types of company whose shares can be admitted	Companies whose shares can be offered to the public.
Minimum assets, equity and/or working capital	None.
Minimum public float	None.
Track record	None.
Financial information	No specific requirement prescribed by the BSE; however, financial information must be disclosed in the prospectus in accordance with the PD.
Restrictions on shareholdings	Shares must be freely transferable. The application for admission to official listing must cover all of the shares of the same series already in issue.
Independence from controlling shareholders	No specific requirement in the listing rules, but major shareholders and their influence must be disclosed in the prospectus.
Lock-in requirements	Not required by the listing rules.
Sponsor or other financial adviser	A financial adviser is only required if the listing is combined with the issue of new shares and/or an exit involving an offer to the public of existing shares.
Market-maker or broker	No market-maker or broker is required.
Publicity restrictions	Advertisements, presentations to potential investors and other means of promoting an IPO or secondary issue are generally permitted, subject to certain restrictions. Advertisements must be clearly recognisable as such and must indicate that a prospectus has been, or will be, published. Information included in an advertisement must not be incorrect or misleading or inconsistent with the prospectus. Any information that is published concerning the public offering or the admission of the securities for stock exchange trading, even if not for advertising purposes, must be consistent with the prospectus. All advertisements must be submitted to the HFSA for approval at least five working days prior to their publication.
Typical timing of listing process	Depending on the size and complexity of the company and the process used, about three to six months (including preparatory work).

Requirements for secondary offerings	Shares of the same series issued by the company after an IPO must be listed on the BSE within 90 days of the capital increase being registered at the court of registration (or the equivalent legal act for foreign issuers). Any capital increase that will affect a series of shares must be approved by the holders of those shares. When a company issues new shares for cash, shareholders enjoy pre-emption rights. Holders of convertible bonds and shares also have pre-emption rights, but only after shares are offered to those holding shares of the same series. Such pre-emption rights may be limited or excluded by the general meeting of shareholders or in certain cases by the board of directors.
Different rules for non-domestic issuers	Before listing on the BSE shares that have been issued in a foreign country, the issuer must demonstrate that those shares were issued in accordance with the laws of that country. The issuer must undertake to be bound by the regulations of the BSE and KELER (the central depository and clearing house of Hungary). An issuer that does not fall within the scope of the Capital Markets Act must also declare which EEA state's laws on disclosure it will comply with. A short description of such applicable laws must also be submitted to the BSE. The authorisation of the HFSA is not required for the publication of a prospectus or public notice if it has been authorised by the competent supervisory authority of another EEA state, and if that authority provides proof to the HFSA that the prospectus or base prospectus complies with the PD and Prospectus Regulation. If an issuer having its seat in a foreign country so requests, the HFSA may authorise publication of a prospectus if the requirements concerning the information contained in the prospectus, especially financial information, are equivalent to the requirements of the Capital Markets Act and if the prospectus complies either with the PD and Prospectus Regulation or with standards set by international organizations, including the International Organization of Securities Commissions (IOSCO).
Prospectus: (a) languages accepted; (b) translation of prospectus summary is required for passporting?	(a) English and Hungarian. (b) The summary must be translated into Hungarian.
Relevant links	**www.bse.hu** **www.pszaf.hu**

Frankfurt

Regulated Market

Type	The Regulated Market of the Frankfurt Stock Exchange (FSE), which is operated by Deutsche Börse AG, is the biggest regulated market in Germany. Other regulated markets are operated by regional providers such as the Bavarian Stock Exchange and the Stuttgart Stock Exchange. With the implementation of MiFID, the division of the regulated market into the segments Official Market and Regulated Market was removed. Application for admission to the FSE can now be made either to the General Standard segment or the Prime Standard segment. The continuing obligations for issuers admitted to the Prime Standard segment are more onerous. The Regulated Market of the FSE is regulated by the stock exchange supervisory authority of Wiesbaden and by the German Financial Supervisory Authority (BaFin). Most trading takes place through the electronic trading system Xetra.
Types of company whose shares can be admitted	Stock corporations (**Aktiengesellschaft, AG**) and partnerships limited by shares (**Kommanditgesellschaft auf Aktien, KGaA**). Subject to compliance with certain clearing and settlement requirements, any foreign company that has been duly incorporated in its place of incorporation or establishment and which is permitted under such laws to have its securities listed.
Type of securities to be listed	Shares or certificates representing shares (such as GDRs).
Minimum assets, equity and / or working capital	The minimum estimated market value of the shares to be admitted or, if such value cannot be determined, the equity of the issuer must be at least EUR 1,250,000.
Minimum public float (issue volume)	The minimum issue volume is 10,000 shares.
Minimum free float	For companies applying to the Regulated Market, an initial minimum free float of 25% is required. Subject to certain requirements, the FSE may allow for exemptions.
Track record	The issuer must have existed as a company for at least three years. Exemptions are possible if the management board of the FSE is satisfied that this is in the interest of the issuer and investors.
Financial information	The issuer must have published annual financial statements for the last three financial years or, if an exception is made as set out above, for the period of time since the issuer was incorporated.
Restrictions on shareholdings	Listed securities must be freely transferable. Transfer restrictions may be permitted by the Admissions Authority if the securities are not fully paid, provided that: (i) the Authority is satisfied that stock exchange trading will not be affected; and (ii) the prospectus states that the securities are not fully paid and that the restrictions have been imposed for this reason. Restrictions are also permitted if under the applicable law of the issuer's domicile foreign nationals may only hold a certain percentage of the shares. The Admissions Authority may also admit shares the acquisition of which is subject to consent (registered shares with restricted transferability), provided such restrictions will not disrupt stock exchange trading.

Independence from controlling shareholders	Not required.
Lock-in requirements	Not legally required, but in practice (contractual) lock-in agreements of six to 12 months are market standard.
Sponsor or other financial adviser	Application for admission must be filed jointly with a financial institution (a bank or a financial services company or a branch of a foreign bank or financial services company licensed in Germany or a foreign bank or financial services company of another Member State that is authorised to operate in Germany) which must be an admitted trading participant on a German stock exchange and must provide evidence of minimum equity capital of at least EUR 730,000. At least one paying agent and depository institution (**Zahl- und Hinterlegungsstelle**) for the shares must be appointed within Germany while the shares are admitted to trading.
Market-maker or broker	The executive board of the FSE may determine that designated sponsoring is required for certain securities that are traded on Xetra to enhance liquidity. As a general rule, no designated sponsor is required for listing in a particular market segment or inclusion in a certain index. But less liquid shares are required to engage at least one designated sponsor.
Publicity restrictions	Advertisements must be clearly recognisable as such and must indicate that a prospectus has been or will be published. Information included in an advertisement must not be incorrect or misleading or inconsistent with the prospectus. Any information that is published concerning a public offering or an admission of securities for stock exchange trading, even if not for advertising purposes, must be consistent with the prospectus.
Typical timing of listing process	Depending on the size and complexity of the company and the IPO, the process takes about five months, including two months for the prospectus approval procedure with BaFin and the listing procedure with Deutsche Börse AG.
Requirements for secondary offerings	Minimum value of shares requirements (see **Minimum assets, equity and / or working capital; Minimum public float (issue volume); Minimum free float** above) do not apply to secondary offerings.
Different rules for non-domestic issuers	None.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) German, except where English is permitted by the PD. (b) The summary must be translated into German.
Relevant links	**www.exchange.de** **www.bafin.de**

London

Official List (or Main Market)

Type	The main market in the UK, which is regulated by the Financial Services Authority (FSA) (which in this capacity is sometimes referred to as the UKLA). The Official List is the main regulated market in the UK. Shares must be admitted to trading on a regulated market for listed securities operated by a recognised investment exchange: usually, this means that the shares are admitted to trading on the London Stock Exchange (LSE). The market is made up of the Premium and Standard segments. The Premium segment is open to commercial companies and investment entities that want to list equity shares. Issuers in the Premium segment are expected to meet the highest listing and corporate governance standards, including super-equivalent rules imposed by the FSA which go beyond the TD and other Directives. These include requirements to appoint a sponsor (financial adviser) in certain circumstances; to ensure that, where new shares are issued for cash, they are offered first to existing shareholders in proportion to their holdings (i.e. pre-emption rights); to report on compliance with the UK Corporate Governance Code; to seek the approval of shareholders for certain transactions that are large in size compared to the issuer or that are with a related party; and to announce certain events, such as board changes. A commercial company that does not wish to comply with the super-equivalent rules of the Premium segment can instead get its equity shares admitted to the Standard segment. To do so, it must comply with the minimum standards set by the MAD, the TD and other Directives. Depositary receipts, options and warrants can also be listed on the Standard (but not the Premium) segment. Except where stated otherwise, the rows below describe the eligibility criteria for equity shares of a commercial company to be admitted to the Premium segment.
Types of company whose shares can be admitted	Public limited companies (plc) incorporated in the UK. Any foreign company that has been duly incorporated in its place of incorporation or establishment and which is permitted under its local law to have its securities listed.
Minimum assets, equity and / or working capital	No minimum value for most types of issuer, but scientific research-based companies must raise at least GBP 10 million (EUR 11.9 million) at the time of their IPO.
Minimum public float	Consistently with the CARD, at least 25% of the shares being admitted to the Official List must normally end up in the hands of the public by the time of admission – i.e. with persons who are not connected to the issuer or its directors. The total of all issued warrants or options to subscribe for equity shares (excluding rights under employee share schemes) must not exceed 20% of the issued equity share capital at the time of issue of the warrants or options.
Track record	Usually the issuer must be able to show (i) at least 75% of its business has earned revenue for at least the last three years; (ii) it has controlled the majority of its assets for at least the last three years; and (iii) its main activity will be carrying on an independent business. Special modified or additional requirements apply to companies principally involved in mining, scientific research, and investment in other companies and assets.

Financial information	In accordance with the CARD and the PD, the issuer must have published unqualified audited accounts covering a three year period and ending no more than six months before the date of the prospectus.
Restrictions on shareholdings	In accordance with the CARD, shares admitted to the Official List must be freely transferable. The only time when restrictions can normally be imposed is if a shareholder refuses to tell the company who is interested in its shares.
Independence from controlling shareholders	The issuer's main activity must be an independent business. No other specific requirements – major shareholders and their influence must be disclosed in the prospectus. Special rules apply to companies whose primary purpose is investing in shares or other property and spreading investment risk (investment companies).
Lock-in requirements	Not required by the listing rules, but in practice sponsors or underwriters to the issue normally require contractual lock-ins from management and major shareholders in order to secure an orderly market for several months after an IPO.
Sponsor or other financial adviser	The issuer must appoint one of the FSA's approved sponsors to guide it through the listing process and confirm to the FSA that all the relevant requirements have been met. A sponsor is also needed every time the issuer publishes a prospectus, or a circular for a major transaction; when it applies to transfer equity shares from the Standard to the Premium segment; and in certain other circumstances. Companies therefore tend to retain a sponsor at all times while their shares are listed.
Market-maker or broker	No market-maker is required; but an issuer must appoint a corporate broker (which may be the same firm as its sponsor).
Publicity restrictions	Advertisements, presentations to potential investors and other means of promoting an IPO or secondary issue are generally permitted, subject to certain restrictions. In accordance with the PD, advertisements must be clearly labelled as such, must refer readers to the prospectus, and must be consistent with the prospectus. Other communications which invite or encourage any person to buy or subscribe for securities, or otherwise deal in any investment, can only be made if they are first approved by a properly authorised investment firm or if a specific exemption applies. Professional investors are almost invariably exempt, so these restrictions are usually only of concern when an offer is being promoted to the wider public (e.g. in a retail IPO). Reports published by analysts and brokers who are in some way connected to an investment bank that is sponsoring the issue are also subject to various controls.
Typical timing of listing process	Timing depends on the size and complexity of the company, and its state of preparedness for an IPO, but it will normally take at least three to four months.
Requirements for secondary offerings	When a company issues new shares for cash, shareholders enjoy statutory pre-emption rights. Holders of warrants to subscribe for new shares, and instruments that are convertible into shares, may also sometimes have contractual pre-emption rights. Normally shareholders agree that, in any one year, up to 5% of the issuer's share capital can be issued non-pre-emptively (e.g. in a placing to new investors). Any non-pre-emptive offer involving a greater percentage will usually need specific shareholder approval. Offers of shares that respect the pre-emption rights of existing shareholders (such as rights issues and open offers) can usually be done without the issuer needing to obtain specific shareholder approval. The new shares will normally be of the same class as those already in issue, and will be listed.

Different rules for non-domestic issuers

An issuer incorporated outside the UK must comply with the same eligibility requirements as a UK issuer unless it can demonstrate to the UKLA that its local law prohibits it from doing so.

If the law of the country of its incorporation does not confer pre-emption rights on existing shareholders, a non-domestic issuer must ensure that such rights are included in its constitution (although shareholders may agree to disapply such rights to a specified extent or for a particular issue or issues of shares).

An issuer incorporated in a non-EEA state cannot get its shares admitted to either the Premium or Standard segment if the shares are not listed either in its country of incorporation or in the country in which a majority of its shares are held, unless the UKLA is satisfied that the absence of the listing is not because of a wish to avoid obligations that would protect investors.

To get its equity shares admitted to the Standard segment, a non-domestic issuer for whom the United Kingdom is a host Member State for the purposes of the TD must appoint a registrar in the UK if either (i) 200 or more of its shareholders are or will be resident in the UK; or (ii) 10% of more of its shares are or will be held by persons resident in the UK.

The prospectus will usually have to include a description of any material differences between the rights and responsibilities of shareholders under UK company law and under the issuer's domestic law. In some cases, the issuer may need to add into its constitution provisions designed to give shareholders rights similar to those they would enjoy under UK law.

Shares of an issuer incorporated outside the UK cannot be admitted to the UK's electronic trading and settlement system, CREST. Instead, overseas issuers can arrange for depositary interests representing their shares to be issued by Euroclear UK & Ireland and dematerialised for admission to CREST (CREST depositary interests or CDIs). CDIs are similar to depositary receipts.

Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?

(a) English.
(b) The summary must be translated into English.

Relevant links

UKLA: www.fsa.gov.uk/Pages/Doing/UKLA/index.shtml

London

AIM

Type	The most important secondary market in the UK, which is operated and regulated by the London Stock Exchange (LSE). AIM is not a regulated market. As a result, provided that shares are not offered to the public, no prospectus needs to be published or approved by the FSA under the PD. Usually equity fundraisings by AIM companies are effected by means of a placing to institutional investors, so that no prospectus is required. Unless its securities have been traded for at least 18 months on the UK Official List, NASDAQ, the NYSE or certain other major exchanges, an issuer must on admission publish an AIM admission document, which has to contain some, but not all, of the information that would be required in a prospectus.
Types of company whose shares can be admitted	Public limited company (plc) Any foreign company that has been duly incorporated in its place of incorporation or establishment and which is permitted under such law to have its securities listed.
Minimum assets, equity and / or working capital	A company involved in the exploration, development or production of mining, oil and gas resources must include in its admission document a report by an independent expert on all of the company's material assets and liabilities (known as a competent person's report), including details of mines, blocks, licences, resources and reserves, and the status of the exploration, development or production at each. A company whose primary business is investing funds in the securities of other companies, or a special purpose vehicle formed to acquire a particular business (sometimes known as a "cash shell" or special purpose acquisition company (SPAC)), must raise at least GBP 3 million (EUR 3.6 million) in cash via an independent equity fundraising on admission. Such a company must also satisfy other eligibility criteria relating to, for example, its directors' experience and independence, its investing policy, and the company's relationship with its investment manager. There are no other minimum requirements, although the LSE may impose special conditions as it sees fit.
Minimum public float	The AIM Rules do not specify a minimum proportion of shares that must be in public hands, but the LSE has discretion to impose a minimum if, for example, it is considered necessary to protect the orderly operation or reputation of AIM.
Track record	None required.
Financial information	Three years' audited accounts and requirement for at least 12 months' working capital (as if the CARD and the PD applied).
Restrictions on shareholdings	Shares must be freely transferable except that company may limit the number of shareholders domiciled in a particular country in order to ensure that it does not become subject to a particular statute or regulation.
Independence from controlling shareholders	Major shareholders and their influence will have to be disclosed in the admission document or (if the IPO involves an offer to the public) the prospectus.
Lock-in requirements	If the issuer's main business has not been independent and earning revenue for at least two years, all directors, shareholders with 10% or more, and employees with 0.5% or more, of the issuer's equity, and certain other persons connected to the issuer, must agree not to sell their shares for at least one year from admission.

	The Nomad or broker will usually require lock-ins from management and/or major shareholders in other circumstances.
Sponsor or other financial adviser	Issuer must appoint and retain a qualified nominated adviser (Nomad) at all times. The Nomad is expected to assess a company's suitability for AIM by carrying out full due diligence on its business and its directors, to guide the company through the admission process, and to confirm to the LSE that all the relevant requirements have been met. If the issuer is not making an offer to the public, it must publish an admission document that is vetted by its Nomad on behalf of the LSE. Nomads effectively act as intermediaries between an issuer and the LSE, and police the AIM Rules on the LSE's behalf.
Market-maker or broker	No market-maker is required, but the issuer must retain a broker at all times (which may be the same firm as its Nomad). If there is no registered market maker in the issuer's shares, the broker must use its best endeavours to find matching business.
Publicity restrictions	All investors must be given the same information about the company and the offer. Advertisements, presentations to potential investors, and other means of promoting an IPO or secondary issue are generally permitted, subject to certain restrictions. In particular, any communication that invites or encourages any person to buy or subscribe for securities, or otherwise deal in any investment, can only be made if it is first approved by a properly authorised investment firm or if a specific exemption applies. Professional investors almost invariably fall within an exemption, so these restrictions do not usually cause any difficulties for AIM issues. Reports published by analysts and brokers who are in some way connected to the investment bank that is sponsoring the issue are also subject to various controls.
Typical timing of listing process	Timing will depend on the size and complexity of the company, and its state of preparedness for an IPO, but it is unlikely to take less than two to three months.
Requirements for secondary offerings	When a company issues new shares for cash, shareholders enjoy statutory pre-emption rights. Normally shareholders agree that, in any one year, up to 5% – 10% of the issuer's share capital can be issued non-pre-emptively (e.g. in a placing to new investors). Any non-pre-emptive offer involving a greater percentage will usually need specific shareholder approval. Offers of shares that respect the pre-emption rights of existing shareholders (such as rights issues and open offers) can usually be done without the issuer needing to obtain specific shareholder approval. The new shares will normally be of the same class as those already in issue, and will also be admitted to trading on AIM.
Different rules for non-domestic issuers	Shares of an issuer incorporated outside the UK cannot be admitted to the UK's electronic trading and settlement system, CREST. Instead, overseas issuers can arrange for depositary interests representing their shares to be issued by Euroclear UK & Ireland and dematerialised for admission to CREST (CREST depositary interests or CDIs). CDIs are similar to depositary receipts.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) English. (b) The summary must be translated into English.
Other	Every AIM company must establish and maintain a website displaying its most recent admission document and financial results, all announcements made over the previous 12 months, its constitutional documents and certain other important information.
Relevant links	**LSE: www.londonstockexchange.com/companies-and-advisors/aim/aim/aim.htm**

Madrid, Barcelona, Valencia and Bilbao

Spanish Stock Exchange – secondary market

Type	The Spanish regulated market is composed of a primary market (a market for public and private debt issues) and a secondary market, with stock exchanges in Madrid, Barcelona, Bilbao and Valencia, which are linked by a continuous trading system known as the Spanish Stock Exchange Interconnection System (SIBE). Each of these stock exchanges is composed of a first, second and new market (**nuevo mercado**) segment to which shares can be admitted for trading. Both primary and secondary markets (Spanish stock exchanges) are regulated markets and therefore under the supervision and authorisation of the **Comisión Nacional del Mercado de Valores** (CNMV). Each Spanish stock exchange operates as a separate stock exchange with its own operations. The rules described below are those for the secondary market.
Types of company whose shares can be admitted	Spanish public limited companies. Any foreign company that has been duly incorporated in its place of incorporation or establishment and which is permitted under such law to have its securities listed.
Minimum assets, equity and/or working capital	In general, the shares for which admission is sought must have an estimated market value of at least EUR 6 million. Admissions to trading in secondary market segments do not need to comply with this minimum. However, companies requesting admission to trading in secondary market segments must have a minimum share capital of EUR 150,254 and must make available to a market-maker at least in 20% of their share capital.
Minimum public float	"Sufficient distribution" shall be deemed to exist if at least 25% of the shares in respect of which admission to trading is requested are distributed amongst the public, or if the market will be able to operate correctly with a lower percentage due to the high number of shares of the same class and the breadth of their distribution amongst the public.
Track record	No requirements other than those in the CARD.
Financial information	Prior to admission to trading, the issuer must provide and register with the CNMV its financial statements for at least the last three years, which must have been prepared and audited in accordance with applicable laws. However, in certain circumstances, the CNMV may accept financial statements which cover a shorter period of time – e.g. if the issuer is a special purpose vehicle; when the company is seeking admission to the new market; or when the CNMV considers that investors have enough information to judge the issuer and the securities to be issued and admitted to trading.
Restrictions on shareholdings	The shares must be freely negotiable – i.e. they should not be subject to any restrictions or prohibitions on transfer – and the application for admission to official listing in the secondary market must cover all the shares of the same class already issued.

Independence from controlling shareholders	There are no particular rules. However, the Spanish Unified Code of Corporate Governance Recommendations (compliance with which is voluntary) recommends that when both the parent company and a dependent company are listed, both of them should publicly define: (i) their own activity areas and any business relationships which could exist between them and between the dependent company and other dependent companies of the same group; and (ii) any mechanism to resolve any conflict of interest that arises.
Lock-in requirements	No lock-in requirements are stated in the Spanish listing regulation.
Sponsor or other financial adviser	Issuers are generally not required to appoint a sponsor or other financial adviser. However, if they do so, the adviser must be an authorised investment services company or a credit institution (as defined in the Securities Market Act and in the relevant development regulations).
Market-maker or broker	A market-maker (which must be an investment services company or a credit institution (as defined in the Securities Market Act and in the relevant regulations)) is required to be appointed by issuers for their admission to trading to the secondary market. Although issuers being admitted to the first and new markets are not required to appoint a market-maker, it is normal for them to do so.
Publicity restrictions	Advertisements must be clear, objective and sufficient for their purpose; they must be clearly labelled as such, must refer to readers to the prospectus (should one have been published) and must be consistent with the prospectus. Information in an advertisement must be neither misleading nor deceitful. Advertisements can be disseminated by any medium and at any time, even before approval of the prospectus. Publicity is not subject to the prior approval of the CNMV but it is entitled to require the publisher to withdraw or amend any advertisement under **a posteriori** supervision.
Typical timing of listing process	Depending on the size and complexity of the issuer, and its state of preparedness for an IPO, the process normally takes three to six months.
Requirements for secondary offerings	When a company whose shares are listed on an official secondary market of the Spanish stock exchange increases its capital by creating new shares, the existing shareholders enjoy pre-emption rights. However, such pre-emption rights may be wholly or partially excluded whenever the interest of the issuer demands it. These pre-emptive rights must be offered to shareholders in the time frame specified by the issuer's board of directors, which must be a minimum of 15 days from the publication in the Official Bulletin of the Mercantile Registry of the announcement of the proposed issue of shares. A decision to disapply pre-emption rights must be made by the shareholders in general meeting (if such decision has not been delegated to the board of directors) and (i) the board of directors and an independent auditor must each publish a report on the effect of the disapplication; and (ii) the nominal value of the new shares to which pre-emption rights do not apply must not exceed the estimated value in the reports by the board of directors and auditors.
Different rules for non-domestic issuers	There are no specific rules for non-domestic issuers.

Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) Except when English is permitted by the PD, Spanish. (b) The summary must be translated into Spanish.
Relevant links	**www.cnmv.es** **www.bolsasymercados.es** **www.sbolsas.es**

Milan

Borsa Italiana – MTA

Type	The main market in Italy is the MTA (**Mercato Telematico Azionario**), which is managed by the **Borsa Italiana** and regulated by CONSOB. The MTA is a regulated market on which shares, convertible bonds, warrants and option rights are traded. The MTAX market for technology companies was recently incorporated into the MTA. The MTA is divided into four segments: — Blue Chip: for companies with a market capitalisation of more than EUR 1 billion. — High Standard Mid-Cap (**Segmento Titoli con Alti Requisiti**) (STAR): for companies with a market capitalisation of less than EUR 1 billion and more than EUR 40 million (midsize companies). They must meet certain financial thresholds and comply with stricter rules on corporate governance and disclosure of corporate information. — Ordinary Market (**Segmento Ordinario**): for companies with a market capitalisation of less than EUR 1 billion and higher than EUR 40 million. — MTA International: a new segment for shares of non-Italian issuers that have had shares listed on another EU regulated market for at least 18 months. Admission does not require a prospectus.
Types of company whose shares can be admitted	Società per Azioni (S.p.A.) An issuer established under foreign law must demonstrate that there are no laws or other regulations that apply to it which could prevent substantial compliance with the market's rules. In all cases CONSOB must be satisfied that an issuer established under foreign law will be able to provide investors with all necessary information.
Minimum assets, equity and / or working capital	An issuer must have assets with a minimum value of EUR 40 million.
Minimum public float	The minimum public float is 25% of the shares. However, in order to be admitted to the STAR the minimum public float must be at least 35% of the shares. If a company already listed in another segment of the MTA intends to be listed in the STAR the minimum float required is 20%.
Track record	Usually the issuer must be able to show a three year track record, at least one year of audited accounts drawn up in accordance with Italian law or the corresponding provisions of foreign law, and the ability to generate revenue. Admission to listing may not be granted if the auditors have given an adverse or qualified opinion in relation to those accounts. A partial derogation to these rules allows issuers with a track record of only one year, and certain start-ups, to be listed if certain documents are filed and such derogation is in the interests of the issuer and investors. Investors must be provided with all the information they require to evaluate the issuer and the securities for which admission to listing is sought.

Financial information	The issuer must have published annual accounts in accordance with national law for at least three years prior to admission and these accounts must be included in the prospectus. The accounts must be certified without qualification by independent auditors.
Restrictions on shareholdings	In accordance with the CARD, shares admitted to the MTA must be freely transferable. CONSOB may treat shares which are not fully paid-up as freely negotiable if arrangements have been made to ensure that the negotiability of such shares is not restricted and that investors are provided with appropriate information.
Independence from controlling shareholders	The issuer must enjoy management autonomy. No other specific requirements – major shareholders and their influence must be disclosed in the prospectus.
Lock-in requirements	No lock-in requirements are provided for by law. However, lock-in agreements may be requested by underwriters and sponsors.
Sponsor or other financial adviser	The issuer must appoint as sponsor a bank or investment company and certified financial broker to guide it through the listing process and confirm to the Borsa Italiana that all relevant requirements have been met. The sponsor must be unrelated to the issuer and its group. For at least one year after listing, the sponsor must (i) publish in its own name at least two research reports each year about the issuer; and (ii) organise and attend a meeting between the management of the company and professional investors at least twice each year. A sponsor is also needed every time an issuer publishes a prospectus or a circular for a major transaction and when an issuer of shares listed in another segment applies for listing on the MTA; and in certain other circumstances. Companies therefore tend to retain a sponsor at all times while their shares are listed.
Market-maker or broker	No market-maker is required.
Publicity restrictions	Advertisements, presentations to potential investors, and other means of promoting an IPO or secondary issue are generally permitted, subject to certain restrictions. In accordance with the PD, advertisements must be clearly labelled as such, must refer readers to the prospectus, and must be consistent with the prospectus. Professional investors are almost invariably exempt, so these restrictions are usually only of concern when an offer is being promoted to the public at large (e.g. in a retail IPO). Reports published by analysts and brokers who are in some way connected to the investment bank, which is sponsoring the issue, are also subject to various controls.
Typical timing of listing process	Depending on the company's size, state of preparedness for the IPO, and the complexity of due diligence, the process normally takes at least three months.
Requirements for secondary offerings	When a company issues new shares of the same class and with the same features (apart from dividend entitlement) as those already listed, the requirements described above relating to "minimum assets, equity and / or working capital" and "minimum public float" do not apply. The Borsa Italiana may admit the new shares to listing as a separate line, depending on the quantity and distribution of the shares and the expected duration of the separate line. Almost invariably, the new shares will be of the same class as those already issued, and will also be listed.

Different rules for non-domestic issuers	In order to be listed, issuers established under foreign law must demonstrate that there are no impediments to their substantial compliance with the provisions contained in the Borsa Italiana Rules or in laws or other regulations that apply to them, concerning information to be made available to the public, CONSOB or the Borsa Italiana. The Borsa Italiana may allow procedures and time limits that are different from those that generally apply in order to take account of rules to which a foreign issuer is subject. Issuers established under foreign law must demonstrate that there are no impediments of any kind to the exercise of all of the rights attaching to their listed shares. Share certificates must satisfy the requirements set out in the Borsa Italiana Rules. Regardless of where the issuer is incorporated, the shares must be: (i) issued and in conformity with all applicable laws and regulations; (ii) freely negotiable; (iii) suitable for settlement; and (iv) suitable for trading in a fair, orderly and efficient manner. For the admission of shares existing in the form of paper certificates issued by an EU issuer, the certificate must comply with the provisions in force in such Member State and in the event that the certificates do not comply with the provisions in force in Italy, this fact must be disclosed to the public. For the admission of shares existing in the form of paper certificates issued by a non-EU issuer, the share certificates must be in a form that provides sufficient protection to investors. When shares issued by a non-EU company are not listed in its home country or the country in which they are most widely distributed, they may be admitted only after it has been ascertained that the absence of listing in the home country or the country in which they are most widely distributed is not designed to avoid investor protection rules.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) Except where English is permitted by the PD (e.g. for a non-EU issuer listing its shares in Italy), Italian. (b) The summary must be translated into Italian.
Relevant links	**www.borsaitaliana.it** **www.consob.it**

Milan

AIM Italia

Type	AIM Italia is a Multilateral Trading Facility (MTF) regulated by the Borsa Italiana, whose rules are very similar to those of the AIM market in London. It is not a regulated market, so if shares are not offered to the public, no prospectus needs to be published or approved by the Borsa Italiana under the PD. Usually AIM IPOs are effected by means of a placing to institutional investors, so that no prospectus is required. Instead, the issuer must publish an AIM admission document, which has to contain some, but not all, of the information that would be required for a prospectus. An admission document does not need to be approved by a regulator.
Types of company whose shares can be admitted	AIM Italia is Borsa Italiana's market for small and medium-sized Italian companies. It also admits any foreign company that has been duly incorporated in its place of incorporation or establishment and which is permitted under such law to have its securities listed.
Minimum assets, equity and / or working capital	A company whose primary business is investing funds in the securities of other companies, and special purpose vehicles formed to acquire a business, must raise a minimum of EUR 3 million in cash via an equity fundraising on, or immediately before, admission. No other minimum requirements.
Minimum public float	None.
Track record	None.
Financial information	Three years' audited accounts and at least 12 months' working capital.
Restrictions on shareholdings	Shares must be freely transferable, except that the company may limit the number of shareholders domiciled in a particular country in order to ensure that it does not become subject to a particular statute or regulation.
Independence from controlling shareholders	Major shareholders and their influence must be disclosed in the admission document or (if the IPO involves an offer to the public) the prospectus.
Lock-in requirements	If the main activity of the issuer consists of a business which is not independent and which has not generated revenue for at least two years, all directors, shareholders holding at least 10% and employees holding at least 0.5% of the issuer's equity, and certain other persons connected to the issuer, must agree not to sell their shares for at least one year from admission. The Nomad or broker will usually require lock-ins from management and/or major shareholders in other circumstances.

Sponsor or other financial adviser	The issuer must appoint and retain a Nomad at all times. The Nomad guides the issuer through the admission process and confirms to the Borsa Italiana that all the relevant requirements have been met. If the issuer is not making an offer to the public, it must publish an admission document that is vetted by its Nomad on behalf of the Borsa Italiana. Nomads effectively act as intermediaries between an issuer and the Borsa Italiana, and police the AIM Italia Rules on behalf of the Borsa Italiana.
Market-maker or broker	No market-maker is required, but the issuer must retain a broker at all times (which may be the same firm as its Nomad). If there is no registered market-maker for the issuer's shares, the broker must use its best endeavours to find matching business.
Publicity restrictions	All investors must be given the same information about the company and the offer. Advertisements, presentations to potential investors and other means of promoting an IPO or secondary issue are generally permitted, subject to certain restrictions. In particular, any communication which invites or encourages any person to buy or subscribe for securities, or otherwise deal in any investment, can only be made if it is first approved by a properly authorised investment firm or if a specific exemption applies. Professional investors are almost invariably exempt, so these restrictions do not usually cause any difficulties for AIM Italia issues. Reports published by analysts and brokers who are in some way connected to the investment bank that is sponsoring the issue are also subject to various controls.
Typical timing of listing process	This will depend on the size and complexity of the company, and its state of preparedness for an IPO, but it is unlikely to take less than two to three months.
Requirements for secondary offerings	There are statutory and non-statutory limits on the proportion of shares that can be issued for cash to persons who are not existing shareholders. The new shares will normally be of the same class as those already issued, and will also be admitted to trading on AIM Italia.
Different rules for non-domestic issuers	None.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting	Admission documents must be in either Italian or English. AIM Italia companies must elect on admission whether they will use Italian or English and no change of language can be made without the prior approval of shareholders.
Relevant links	**www.aim-italia.it** **www.borsaitaliana.it**

Moscow

RTS and MICEX

Type

The Russian Trading System (RTS) and Moscow Interbank Currency Exchange (MICEX) are the main Russian stock exchanges located in Moscow, which are both regulated by the Federal Service for Financial Markets (FSFM), the Russian securities market regulator.

Under the Federal Service for Financial Markets Order dated 9 October 2007, the list of securities admitted to trading is divided into five "quotation lists", each with its own eligibility criteria and continuing obligations (those for the highest level being the most onerous):

- Quotation List A, 1st level (A1 Quotation List)
- Quotation List A, 2nd level (A2 Quotation List)
- Quotation List B
- Quotation List V
- Quotation List I.

Each quotation list has a specific liquidity requirement, with Quotation List A demanding the most liquidity. Most issuers have their securities included in Quotation List A or B. Quotation Lists V and I are intended for securities that are listed following an open offer to the public for the first time (including when a broker is used for the listing) or when shares are offered to the public via the stock exchange or a broker.

To get its shares admitted to a quotation list, generally an issuer must publish a prospectus in Russian, containing broadly the same type of information as an EU prospectus, and register it with the FSFM. No prospectus is required for a private placing of shares to fewer than 500 persons.

Types of company whose shares can be admitted

Open joint stock companies (OAO). A closed joint stock company (ZAO) cannot list without first converting into an OAO.

Any foreign company duly incorporated in a country that is a member of the OECD, a member or observer of the Financial Action Task Force (FATF), or a member of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), or a country whose securities market regulator has concluded a co-operation agreement with FSFM.

Minimum assets, equity and / or working capital

There are no special requirements for minimum equity capital, although a certain level of capitalisation is required for the shares to be included in a quotation list (e.g. RUB 10 billion (approximately EUR 248 million) for inclusion of ordinary shares, and RUB 3 billion (approximately EUR 74 million) for inclusion of privileged shares, in the A1 Quotation List; or RUB 3 billion (approximately EUR 74 million) for inclusion of ordinary shares, and RUB 1 billion (approximately EUR 25 million) for inclusion of privileged shares, in the A2 Quotation List).

Minimum public float	For the A1 and A2 Quotation Lists, no single party (including entities affiliated with it) can hold more then 75% of the issuer's ordinary shares, and the issuer must inform the exchange when this 75% threshold is passed. The threshold is 90% for the B Quotation List. For the V and I Quotation Lists, the minimum public float must be 10% of the issuer's ordinary shares. To be eligible for admission to the A1, A2 or B Quotation Lists, the average monthly transaction volume for the issuer's shares over the previous three months must have been at least RUB 25 million (approximately EUR 613,000), RUB 2.5 million (approximately EUR 61,000) or RUB 1.5 million (approximately EUR 36,000) respectively.
Track record	For the A1, A2 and V Quotation Lists, the issuer must have been in existence for at least three years, and have made a profit or at least broken even in at least two of those years. For the B Quotation List the issuer must have been in existence for at least one year.
Financial information	For listing on the A1 and A2 Quotation Lists, the issuer must have audited annual accounts prepared in accordance with IFRS and / or US GAAP, and undertake to report its financial results in Russian on a regular basis and in accordance with such accounting standards.
Restrictions on shareholdings	The securities admitted to listing must be freely transferable.
Independence from controlling shareholders	Information on shareholders holding 5% or more of the shares must be disclosed.
Lock-in requirements	No lock-in requirements are imposed by law or listing rules, but contractual restrictions may apply.
Sponsor or other financial adviser	The issuer would normally engage professional advisers to arrange the issuing process. In some circumstances the advisers would countersign the prospectus to verify the information about the issuer.
Market-maker or broker	Depending on the type of listing, it is mandatory to have an agreement with a market-maker.
Publicity restrictions	Shares offered to the public may only be advertised after the prospectus has been registered with the FSFM. Publicity materials must be accurate, full and consistent with the prospectus.
Typical timing of listing process	An average of three to four months.
Requirements for secondary offerings	An issuer that is subject to Russian law must, before any new shares are issued, offer them first to existing shareholders in proportion to their holdings (pre-emptively). For an IPO, the period of time given to existing shareholders to decide whether or not to subscribe for new shares varies according to how the price of the IPO is being set. If the price will be set after the end of the pre-emptive offer period, shareholders must be given at least 20 days to decide. If the price is set before the start of the pre-emptive offer period, shareholders must be given a minimum of 45 days to decide, and the final offer price cannot differ from the proposed price by more than 10%. There are no other particular requirements.

Different rules for non-domestic issuers

Securities of a non-domestic issuer can be offered to the public if all of the following conditions are met:

- they have an ISIN code or a Classification of Financial Instruments (CFI) code and are recognised as securities by the FSFM;
- they are listed on a stock exchange in the issuer's country of incorporation and allowed to be offered to the public under laws and regulations applicable to that exchange. The relevant exchange must provide certain information about the listing to the Russian authorities;
- the foreign stock exchange is included in the list of authorised foreign stock exchanges approved by the FSFM;
- the FSFM has granted a permit for the issue of securities by the foreign issuer (simultaneously with the registration by it of the relevant prospectus);
- a Russian stock exchange has approved the placement of the securities; and
- a bank account in the currency of placement is opened with a Russian account bank by the issuer.

In addition, a foreign issuer's shares must be dematerialised, and title to the shares and transactions in shares must be registered with a depositary that is a Russian legal entity with a relevant licence issued by the Russian authorities.

Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?

(a) Russian language only.
(b) Not applicable.

Relevant links

www.micex.ru
www.rts.ru
www.fsfm.ru

Other

In June 2011 MICEX and RTS announced that they had signed a framework agreement to merge their two exchanges. The agreement is subject to approval by the Russian Federation's Federal Antimonopoly Service and to approval by shareholders of both companies. A technological merger of the two exchanges is expected to complete during 2011 – 2012, and the corporate merger procedure in early 2012. The merger may result in changes to the eligibility requirements and continuing obligations that apply to issuers.

Paris

NYSE Euronext Paris

Type	The main market in France, which is operated by Euronext and regulated by the AMF. The Eurolist market is France's only regulated market. Note that Euronext also operates markets in Amsterdam, Brussels, London and Lisbon under the Eurolist by Euronext name, but the rules applicable to these markets have not yet been fully harmonised.
Types of company whose shares can be admitted	**Société anonyme** (SA) (public company) **Société en commandite par actions** (SCA) (limited share partnership)
Minimum assets, equity and / or working capital	A minimum value is required for most types of issuers. The registered capital of joint stock companies (SA, SCA) must be at least EUR 37,000.
Minimum public float	Shares representing at least 25%, or 5% representing at least EUR 5 million of the company's issued capital, must be held by the public. Shares held by members of the entity's board of directors or by investors holding 5% or more of the capital or voting rights are not considered to be publicly held.
Track record	None required.
Financial information	The issuer must have published or filed audited annual financial statements or pro forma accounts, consolidated where applicable, for the preceding three financial years, drawn up in accordance with IFRS. If the issuer's financial year ended more than nine months before the date of the admission to listing, the issuer must have published or filed audited half-yearly accounts.
Restrictions on shareholdings	Securities must be freely transferable and negotiable. Euronext must also be satisfied that the securities for which admission to trading is requested are reasonably likely to be traded in satisfactory conditions of liquidity and security.
Independence from controlling shareholders	No specific rules, but major shareholders and their influence must be disclosed in the prospectus.
Lock-in requirements	None required.
Sponsor or other financial adviser	Trading in, and transfers of, securities admitted to trading on a regulated market may only be carried out by an investment services provider.
Market-maker or broker	No market-maker is required. Euronext members may trade not only for third parties (as broker), but also for their own account (as dealer), including in order to enhance the market liquidity of a listed security.

Publicity restrictions

Advertisements, presentations to potential investors and other means of promoting a public offering are generally permitted, subject to certain restrictions. Advertisements need to be first disclosed to the AMF. They also must be clearly labelled as such, must refer readers to the prospectus and must be consistent with the prospectus.

Canvassing for banking or financial business is also subject to certain restrictions. Only persons and legal entities referred to in article L. 341-3 of the Monetary and Financial Code are permitted to undertake canvassing.

Typical timing of listing process

Depending on the size and complexity of the company, the process normally takes at least four months.

Requirements for secondary offerings

Existing shareholders enjoy pre-emption rights. Secondary issues therefore tend to involve shares being offered initially to existing shareholders and then, to the extent that such shareholders do not take up the shares, to new investors.

Pre-emptive rights may be disapplied by the general meeting of shareholders that decides on the capital increase. Up to 20% of the issuer's share capital in every year can be issued non-pre-emptively to qualified investors or fewer than 100 investors.

In 2008, the AMF created a simplified process for approving prospectuses used in connection with rights issues for issuers that have (i) filed at least three registration documents (documents de référence); and (ii) complied with their periodic reporting obligations.

Different rules for non-domestic issuers

An issuer whose registered office is in a non-EEA country must file a prospectus containing information equivalent to that required from French companies, including:

— all information published over the previous 12 months in the state in which the registered office of the issuer is located; and
— a schedule of forthcoming publications, and any communications by the issuer in the two months following submission of the draft prospectus.

In addition, the issuer must appoint a statutory auditor to verify the translation of the financial statements and notes, as well as the relevance of any supplements and adaptations.

Since October 2007, documents filed with the US Securities and Exchange Commission (SEC) during the previous 12 months by a company that is, or is about to be, listed on the NYSE constitute a valid filing of a prospectus in France (with US GAAP being accepted for that purpose) if the company requests that its securities be admitted to trading on Euronext without making a public offering in France. Since January 2008 an issuer has been able to offer shares in France on the basis of a prospectus approved by the Israeli Securities Authority (ISA) (and vice versa).

PROFESSIONAL INVESTOR MARKET

Euronext Paris operates a segment called the "professional investor market" for issuers whose securities have been admitted to trading without a public offering. It is designed to facilitate foreign companies listing in France. Securities can be listed either without a prior fundraising or through a private placement with qualified investors. Because it is a regulated market, issuers must comply with the minimum standards set by the MAD, TD and other Directives, but some of the other requirements that apply to issuers in other segments are disapplied:

— the prospectus summary need not be translated into French if the original is in English;
— there is no need to produce a statutory auditors' certificate (**lettre de fin de travaux**) or a certificate by an investment services provider;
— all regulatory information can be published in a language customary in the financial sphere (that is, English);
— there is no need to publish pro forma financial information, showing how the issuer's financial position will be affected, when an event occurs that changes the size of the issuer's business by 25% or more; and
— there is no need to publish details of the fees paid to the issuer's statutory auditors.

Prospectus:
(a) languages accepted;
(b) translation of prospectus summary required for passporting?

(a) French (except where English is permitted by the PD).
(b) The summary must be translated into French, except when securities are admitted to trading on the professional investor market.

Relevant links

www.amf-france.org
www.euronext.com

Paris

NYSE Alternext Paris

Type	Alternext is not a regulated market. Alternext IPOs are usually effected by means of a placing with institutional investors, so that no prospectus is required. Instead, the issuer must publish an offering circular which must contain information similar to that in a prospectus. The offering circular does not need to be approved by the regulator. Note that Euronext also operates markets in Amsterdam and Brussels under the Alternext name, but that the rules applicable to those markets have not yet been fully harmonised.
Types of company whose shares can be admitted	**Société anonyme** (SA) (public company) **Société en commandite par actions** (SCA) (limited share partnership)
Minimum assets, equity and / or working capital	A minimum value is required for most types of issuers. The registered capital of joint stock companies (SA, SCA) must be at least EUR 37,000.
Minimum public float	When listing involves a public offering, the issuer must have a minimum free float of EUR 2.5 million. Companies that have carried out a single private placement can apply for listing on Alternext if they can show that they have placed at least EUR 2.5 million of shares with three or more investors.
Track record	None required.
Financial information	The issuer must have published or filed audited annual financial statements or pro forma accounts, consolidated where applicable, for the preceding two financial years, drawn up in accordance with IFRS or with the national accounting standards of the country in which the issuer has its registered office.
Restrictions on shareholdings	Securities must be freely transferable and negotiable.
Independence from controlling shareholders	No specific rules, but major shareholders and their influence must be disclosed in the prospectus (when the issues involves a public offering), or otherwise in the offering circular.
Lock-in requirements	None required.
Sponsor or other financial adviser	The issuer must appoint a qualified listing sponsor. The listing sponsor is charged, for at least two years from the date the issuer is admitted to listing on Alternext, with ensuring that at all times the issuer meets its periodic disclosure requirements and makes its mandatory ad hoc disclosures in a timely fashion, whether these arise from legal and regulatory requirements or from rules specific to Alternext. If the issuer fails to meet its requirements, the listing sponsor is expected to ensure that the issuer takes steps to remedy the failure. At the same time, the listing sponsor must inform Euronext Paris of the nature of the failure and the measures taken in response. When the issue involves a public offering, the issuer must also retain an investment services provider.

Market-maker or broker	Investors can choose between trading on the central order book and trading with an identified counterparty or with a market-maker.
Publicity restrictions	Advertisements, presentations to potential investors and other means of promoting a public offering are generally permitted, subject to certain restrictions. Advertisements need to be first disclosed to the AMF. They also must be clearly labelled as such, must refer readers to the prospectus and must be consistent with the prospectus. Canvassing for banking or financial business is also subject to certain restrictions. Only persons and legal entities referred to in article L. 341-3 of the Monetary and Financial Code are permitted to undertake canvassing.
Typical timing of listing process	Depending on the size and complexity of the company, the process normally takes at least three months.
Requirements for secondary offerings	Existing shareholders enjoy pre-emption rights. Secondary issues therefore tend to involve shares being offered initially to existing shareholders and then, to the extent that such shareholders do not take up the shares, to new investors. Pre-emptive rights may be disapplied by the general meeting of shareholders that decides on the capital increase. Up to 20% of the issuer's share capital in every year can be issued non-pre-emptively to qualified investors or fewer than 100 investors.
Different rules for non-domestic issuers	For an issuer whose registered office is in a non-EEA state, the financial statements must be drawn up: — for an IPO that does not involve an offer to the public (e.g. a private placement), in accordance with (i) IFRS; (ii) accounting standards that are deemed equivalent (i.e. the accounting standards of the United States, Canada, Japan, China, South Korea and India); or (iii) the national accounting standards of the country in which the issuer has its registered office, provided that the issuer publishes a table reconciling those standards to IFRS; or — for a public offer, in accordance with the PD and Prospectus Regulation – i.e. IFRS or (for EEA issuers) the GAAP of their Member State or (for non-EEA issuers) a set of GAAP that is recognised as equivalent to IFRS.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) French and English. (b) The summary must be translated into French unless the prospectus is in English.
Relevant links	**www.alternext.fr**

Paris

Marché Libre OTC

Type	This market is designed for small and medium-sized companies that want to raise finance for their development and to benefit from the reputation of being listed without necessarily being able to satisfy all of the requirements for other Euronext markets. Marché Libre OTC is not a regulated market. Usually IPOs on this market are effected by means of a placing with institutional investors, so that no prospectus is required. Unlike on Alternext (Paris), where a single investor or group of investors acting in concert holds a majority of the voting rights or share capital in the issuer, they need not make a public mandatory offer to acquire the other shares.
Types of company whose shares can be admitted	Société anonyme (SA) (public company) Société en commandite par actions (SCA) (limited share partnership)
Minimum assets, equity and / or working capital	A minimum value is required for most types of issuers. The registered capital of joint stock companies (SA, SCA) must be at least EUR 225,000 whether the company's shares are offered to the public or not.
Minimum public float	None required.
Track record	None required.
Financial information	The issuer must have published or filed audited annual financial statements for the preceding two years, if the company has been in existence that long.
Restrictions on shareholdings	Securities must be freely transferable and negotiable.
Independence from controlling shareholders	No specific rules, but major shareholders and their influence must be disclosed in any prospectus.
Lock-in requirements	None required.
Sponsor or other financial adviser	If the IPO involves an offer to the public, the issuer must appoint an investment services provider.
Market-maker or broker	No market-maker is required. But Marché Libre members may trade not only for third parties (as broker), but also for their own account (as dealer), including in order to enhance the market liquidity of a listed security.
Publicity restrictions	In the case of a public offering only.
Typical timing of listing process	Depending on the size and complexity of the company, the process normally takes about two months.

Requirements for secondary offerings	Existing shareholders enjoy pre-emption rights. Secondary issues therefore tend to involve shares being offered initially to existing shareholders and then, to the extent that such shareholders do not take up the shares, to new investors. Pre-emptive rights may be disapplied by the general meeting of shareholders that decides on the capital increase. Up to 20% of the issuer's share capital in every year can be issued non-pre-emptively to qualified investors or fewer than 100 investors.
Different rules for non-domestic issuers	The rules are the same for issuers whose registered office is in a non-EEA country.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	A prospectus is not normally required, as shares tend to be offered only to institutional investors.
Relevant links	**www.euronext.com**

Prague

Prague Stock Exchange – regulated market and free market

Type	The Prague Stock Exchange (PSE) is a joint stock company regulated by the Czech National Bank (CNB). The PSE is divided into two main segments – a regulated and a non-regulated market. The regulated market is further divided into the main market and the free market. Except where stated otherwise, the same rules apply to both the main market and free market. The non-regulated market has just one segment – the MTF Market.
Types of company whose shares can be admitted	A joint stock company (**akciová společnost**) (AS). In general, securities traded on the main market of the PSE must: (i) have been issued in compliance with applicable legislation; (ii) be transferable without restriction; and (iii) have been duly paid up. Foreign issuers must submit a statement declaring that the issuer's legal status is compliant with the law of the country in which the issuer has its registered office, and that the securities comply with the law of the country in which they have been issued.
Minimum assets, equity and / or working capital	The (expected) market price of the shares multiplied by the number of shares that will be in issue must be at least the CZK equivalent of EUR 1,000,000. If it is not possible to state the expected market price, the nominal value of the issuer's equity must amount to at least the CZK equivalent of EUR 1,000,000. These conditions need not be fulfilled if shares of the same class are already traded on the PSE, or if the PSE is otherwise satisfied that there will be sufficient liquidity in the issuer's shares.
Minimum public float	At least 25% of the shares in respect of which admission to trading is requested must be dispersed amongst the public in the EU or elsewhere either at the time of admission or shortly afterwards, or a sufficient number must be distributed to satisfy the PSE that there will be adequate liquidity in the issuer's shares.
Track record	The issuer must have published financial statements for at least the last three years preceding the year in which the application for listing is filed. For issuers that have been in existence for less than three years, a derogation may be granted if the PSE is satisfied that admission is in the interests of the issuer, or investors, and investors have been provided with enough information to properly assess the issuer and its securities.
Financial information	An issuer must have published and submit to the PSE consolidated or unconsolidated accounts covering the three years prior to admission prepared in accordance with applicable national legislation. If the issuer has been in existence in its current legal form for less than three years, it must submit the financial statements of its legal predecessor or statements from the time of the company's founding. A foreign issuer that publishes financial information other than in accordance with IFRS need not restate its accounts under IFRS if its accounting standards are considered acceptable by the PSE and it provides a description of the material differences between its accounting standards and IFRS.

Restrictions on shareholdings	Shares must be issued in compliance with statutory provisions, have an ISIN number, be fully paid up and be freely transferable and negotiable
Independence from controlling shareholders	There are no specific requirements, but the influence of any controlling shareholder, and any arrangements between it and the issuer, would need to be disclosed in the prospectus.
Lock-in requirements	No particular requirements.
Sponsor or other financial adviser	The issuer can authorise (on the basis of a power of attorney) a PSE trading member to apply for admission to the PSE on the issuer's behalf – but it is not a duty and the issuer can apply itself. On the free market, a PSE trading member may apply for admission without the issuer's consent, provided that the shares have already been listed.
Market-maker or broker	Only PSE member firms can trade on the PSE either on their own account or on behalf of other persons. There is no requirement to appoint a market-maker or broker. Because PSE member firms tend to be banks, it not common to appoint a market-maker or broker.
Publicity restrictions	Advertisements to potential investors are generally permitted. Any advertisement disseminated together with any other communication must be clearly distinguishable and separated in a suitable way from the other communication. Any advertisement or other announcement (in oral or written form) concerning the admission of securities to trading which is subject to the obligation to draw up a prospectus must be consistent with the information contained in the prospectus.
Typical timing of listing process	Main market: This will depend on the size and complexity of the issuer, and its state of preparedness for an IPO, but it will typically take two to three months. The PSE must decide within 30 business days of the application being delivered whether to admit the securities to the main market. Free market: This will depend on the size and complexity of the issuer, and its state of preparedness for an IPO, but it will typically take two to three months. The PSE must decide within ten business days of the application being delivered whether to admit the securities to the free market.
Requirements for secondary offerings	When a company issues new shares for cash, shareholders enjoy pre-emption rights. The board of directors must publicise the existence of such rights. The rights can be disapplied only when it is essential to the interests of the company and provided the rights are disapplied in respect of all shareholders. A shareholder can also waive his rights in writing.
Different rules for non-domestic issuers	None specified.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) Czech or English. (b) Must be in Czech.
Relevant links	**www.bcpp.cz**

Prague

Prague Stock Exchange – MTF market

Type	Non-regulated market. Where a prospectus is not required, an issuer must publish a "security information document" containing some, but not all, of the information that would have to be included in a prospectus.
Types of company whose shares can be admitted	A Joint Stock Company **(akciová společnost)** (AS). In general, securities traded on the non-regulated market of the PSE must have been issued in accordance with applicable legislation, be fully paid up and be transferable without restrictions.
Minimum assets, equity and / or working capital	None.
Minimum public float	None required.
Track record	None required.
Financial information	There is no requirement for the issuer to have published financial results for any particular period of time. A foreign issuer that publishes financial information other than in accordance with IFRS need not restate its accounts under IFRS if its accounting standards are considered acceptable by the PSE and it provides a description of the material differences between its accounting standards and IFRS.
Restrictions on shareholdings	The shares must be issued in compliance with statutory provisions, and be freely transferable and negotiable.
Independence from controlling shareholders	There are no specific requirements, but the security information document (or prospectus, if needed) would need to include details of any controlling shareholders and any arrangements between them and the issuer.
Lock-in requirements	No particular requirements.
Sponsor or other financial adviser	An issuer can authorise, on the basis of a power of attorney, a PSE trading member to apply for admission to the PSE on its behalf – but this is not a duty and the issuer can apply itself. A member of the PSE may apply for an issuer's shares to be admitted without its consent.
Market-maker or broker	Only PSE member firms can trade on the PSE either on their own account or on behalf of other persons. There is no requirement to appoint a market-maker or broker. Because PSE member firms tend to be banks, it not common to appoint a market-maker or broker.

Publicity restrictions	Advertisements to potential investors are generally permitted. Any advertisement disseminated with any other communication must be clearly distinguishable and separated in a suitable way from the other communication.
Typical timing of listing process	This will depend on the size and complexity of the issuer, and its state of preparedness for an IPO, but it will typically take two to three months. The PSE must decide within ten business days following the delivery thereof of an application whether to admit the securities to the MTF market.
Requirements for secondary offerings	New shares can be issued only if all the existing issued shares are fully paid up; but this restriction does not apply when non-cash consideration is paid to subscribe for new shares. Where new shares are issued for cash, shareholders enjoy pre-emption rights. The board of directors must publicise the existence of such rights. The rights can be disapplied only if it is essential to the interests of the company and provided the rights are disapplied in respect of all shareholders. A shareholder can also waive his rights in writing. The listing process is broadly the same as for a first-time issue.
Different rules for non-domestic issuers	None specified.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) Czech or English. (b) Czech.
Relevant links	**www.bcpp.cz**

Vienna

Vienna Stock Exchange – Official Market and Second Regulated Market

Type

The Official Market (**Amtlicher Handel**) and the Second Regulated Market (**Geregelter Freiverkehr**), which are the main markets for securities in Austria, are both regulated markets.

The Official Market and the Second Regulated Market are operated by the Vienna Stock Exchange (VSE) (**Wiener Börse**) and regulated and supervised by the Austrian Financial Market Authority (**Finanzmarktaufsicht**) (FMA). The Austrian Stock Exchange Act (**Börsegesetz**) (**BörseG**) applies.

Issuers that wish to attract investors by committing themselves to observing higher standards of transparency, quality and disclosure than those imposed by the **BörseG** and other rules can apply to admit their shares to either the Prime Market segment or the Mid-Market segment. In either case, the issuer must sign an agreement promising to comply with the additional rules of that segment. The Prime Market rules are more stringent than those of the Mid-Market.

To be admitted to the Prime Market segment, an issuer must have its shares admitted to either the Official Market or the Second Regulated Market. For the Mid-Market segment, the same criteria apply except that issuers with shares admitted to trading on the Third Market of the VSE (an MTF) can also be admitted.

Types of company whose shares can be admitted

Joint stock corporations (**Aktiengesellschaft**) (AG) with ordinary, registered or non-voting preferred shares. Foreign companies can be admitted provided that their registration and the by-laws or articles of association comply with their national law.

Minimum assets, equity and / or working capital

No requirement for minimum equity capital.

For any admission of shares to trading on the Official Market the total nominal value of the securities for which admission to listing is requested must be at least EUR 2.9 million. For admission to trading on the Second Regulated Market the total nominal value of the listed securities must be at least EUR 725,000.

In the case of non-voting preferred shares issued by Austrian joint stock corporations whose ordinary shares are not admitted to listing on the Official Market, the nominal value of the preferred shares must be at least EUR 1 million in order to be admitted to the Official Market.

Minimum public float	For admission to the Official Market, an adequate proportion of the securities must be distributed to the public (free float) or, if this free float is to be achieved through an IPO, an adequate number of securities must be made available for exchange trading. In the case of shares, an adequate free float is assumed if shares with a nominal value of at least EUR 725,000 are owned by the public. In the case of zero par value shares, at least 10,000 shares must be owned by the public or be offered to the public for purchase. For a listing on the Second Regulated market, there must be a free float of shares with a nominal value of at least EUR 181,250 or, in the case of zero par value shares, at least 2,500 shares must be owned by the public or be offered to the public for purchase. For Prime Market issuers, at least 25% by nominal value of the issuer's shares must be held in free float and the capitalisation of the free float (broadly, the price per share multiplied by the number of shares) must be at least EUR 20 million (or, where less than 25% is held in free float, at least EUR 40 million). The free float is tested by the VSE quarterly.
Track record	For admission to the Official Market and the Prime Market segment, the issuer must have existed for at least three years. If the issuer is intended to be listed on the Second Regulated Market or admitted to the Mid-Market segment the issuer must have existed for at least one year.
Financial Information	To be admitted to the Official Market or Prime Market segment, an issuer must have published annual financial statements for the three preceding full business years. For admission to the Second Regulated Market or the Mid-Market segment, an issuer must have published annual financial statements for one preceding full business year.
Restrictions on shareholdings	The issuer's securities must be traded in a fair, orderly and efficient manner and freely tradable without restrictions. Generally, all shares of the same class must be listed. But it is possible not to list part of a class if it is subject to particular legislative requirements, if doing so would not prejudice investors and the arrangement is clearly described in the prospectus. It is not possible to admit to any market segment shares that carry more than one vote.
Independence from controlling shareholders	The prospectus must outline any controlling interests of shareholders in the company as well as the major shareholders and the shareholder structure. If the company is not independent from controlling shareholders this fact must be disclosed in the prospectus.
Lock-in requirements	Not required by applicable law or listing rules; but in practice underwriters to the issue generally require contractual lock-ins (more commonly known in Austria as "lock-ins") – usually six months for existing financial investors and up to 18 months for existing major shareholders and management.
Sponsor or Financial Adviser	To be admitted to the Mid-Market segment, an issuer must appoint a Capital Market Coach (CMC). The CMC supports companies during the admission to listing or inclusion in the Mid-Market segment and can provide assistance afterwards as well. Investment and corporate finance services providers, accounting firms and attorneys-at-law are all eligible to act as a CMC.

Market-maker or broker

The VSE took the decision to introduce a "specialist" system on 1 April 1999. The specialist system was designed in part as a supplement to the market-maker system by introducing an additional broker function with the aim of increasing liquidity in the market.

For a listing of shares on the Official Market and the Second Regulated Market at least one specialist is required. A specialist's role is to place firm, competitive buy and sell quotes into the system along with the market-makers and, with the help of additional measures, to enhance market liquidity. However, many issuers nominate one or more additional market-makers to increase liquidity in their shares. Only where a share is listed in the Mid-Market segment of the VSE and is not being traded continuously, but solely in an auction trading system, is a liquidity provider required.

Publicity restrictions

Advertisements must be clearly recognisable as such and must indicate that a prospectus has already been or will be published. Information included in any advertisement must be correct and must not be misleading or inconsistent with the prospectus. Any information published in connection with a public offering or with the listing of shares must also be consistent with the prospectus, even if it is not intended as advertising.

Typical timing of listing process

Depending on the size and the complexity of the issuer and the public offering, the listing process normally lasts for about five to seven months, beginning with the decision to offer shares to the public. Due diligence on the issuer and the preparation of the prospectus usually require three to four months and the listing procedure about two months.

Requirements for secondary offerings

The minimum requirements for a public float set out above do not apply in connection with secondary offerings.

Different rules for non-domestic issuers

To be admitted to the Prime Market segment:

- a foreign issuer must disclose on its website the material provisions of the company law that applies to it;
- an issuer subject to the company law of another EU or EEA Member State must: (i) submit a declaration of commitment to comply with a Code of Corporate Governance recognised in the relevant economic area; (ii) disclose the extent to which it complies, and explain any non-compliance; and (iii) have a link to the relevant code on its website; and
- an issuer that is not subject to the company law of an EU or EEA Member State must submit a declaration of commitment to comply with the Austrian Code of Corporate Governance, and must disclose on its website the extent to which it complies, and explain any non-compliance.

Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?

(a) English or German.
(b) The summary need not be translated into German.

Relevant links

Financial Market Authority (Finanzmarktaufsicht) (FMA):
www.fma.gv.at
Vienna Stock Exchange (Wiener Börse):
www.wienerborse.at


Financial plan of company development
Table № 16

Warsaw

Warsaw Stock Exchange – Main Floor

Type	The Main Floor is the regulated market operated by the Warsaw Stock Exchange (WSE) (**Giełda Papierów Wartościowych**). It is supervised by the Polish Financial Supervision Authority (PFSA). The Main Floor is made up of two segments: the basic and the parallel. Both segments are open to companies that want to list equity shares. Issuers in the basic segment are expected to meet the highest listing standards imposed by Polish law and WSE Regulations. These include capital and liquidity requirements. A company that does not wish to comply with the higher standards of the basic segment can instead have its equity shares admitted to the parallel segment. To do so, it must comply with the minimum standards set by European and Polish laws. The majority of companies listed on the WSE are listed on the basic segment. Bonds, exchange-traded fund instruments and depository receipts can be listed on the Main Floor as well. Except where stated otherwise, the rows below describe the eligibility criteria for equity shares of a company to be admitted to the basic segment.
Types of companies whose shares can be admitted	Joint stock company (**Spółka akcyjna**) (SA); Limited joint stock partnership (**Spółka komandytowo-akcyjna**) (SKA). Any foreign company that has been duly incorporated in its place of incorporation or establishment, has transferable shares and is permitted under its local law to have its shares listed. Trading in financial instruments on the WSE is dematerialised (there are no share certificates or any other material documents; shares exist exclusively in uncertified form). An issuer must therefore dematerialise (register) its shares in a depository and clearing house, currently the National Depository for Securities (KDPW).
Minimum assets, equity and / or working capital	In order to be admitted to the Main Floor, an issuer's equity must total the PLN equivalent of at least EUR 15 million. This minimum is reduced to the PLN equivalent of EUR 12 million for an issuer that has had shares traded for at least six months on another regulated market or on the alternative trading system organised by the WSE.
Minimum public float	At the time of admission to listing a sufficient number of securities must be distributed to the public. This condition is met if at least: — 25% (15% for the parallel segment) of the securities to be admitted are held by shareholders who each hold not more than 5% of votes with a value equal at least to EUR 1 million; and — 500,000 shares (100,000 for the parallel segment), or alternatively shares with a total value of EUR 17 million, are held by shareholders who each have not more than 5% of the votes.
Track record	None beyond what is required under the Prospectus Regulation.

Financial information	The issuer must make public its audited annual financial statements for the three financial years preceding listing in accordance with IFRS or accounting standards recognised as equivalent to IFRS. If the issuer has carried on business for a shorter period, financial statements for that period are required. Newly established issuers may also be admitted.
Restrictions on shareholdings	Shares must be freely transferable.
Independence from controlling shareholders	No requirements with respect to independence from controlling shareholders, but shareholders holding 5% or more of the issuer's shares should be disclosed in the prospectus.
Lock-in requirements	There are no mandatory lock-in requirements, but contractual lock-ins may be agreed.
Sponsor or other financial adviser	No financial adviser is required, but most companies appoint one.
Market-maker or broker	An offer to the public must be conducted via a brokerage house, and an application for admission of securities to trading must be filed through a broker. A market-maker is not required, but can be engaged.
Publicity restrictions	Advertisements, presentations to potential investors and other means of promoting an IPO or secondary offer are generally permitted, subject to certain restrictions. Under the PD, advertisements must be clearly labelled as such, refer readers to the prospectus, and be consistent with the prospectus. Professional investors are almost invariably exempt, so these restrictions are usually only of concern when an offer is being promoted to the public at large (e.g. in a retail IPO).
Typical timing of the listing process	This depends on the size and complexity of the company, and its state of preparedness for an IPO, but generally takes three to nine months.
Requirements for secondary offerings	Free-float requirements (see **Minimum public float above**) do not apply to secondary offerings. Intermediation of a broker is required in the secondary public offer process. Shareholders generally have pre-emption rights, but they can be disapplied by a majority of four-fifths of votes cast at a shareholders' meeting.
Different rules for non-domestic issuers	No significant differences.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) English or Polish. (b) The summary section must be translated into Polish
Relevant links	**www.gpw.pl** **www.wseinternational.pl**

Warsaw

NewConnect

Type	NewConnect is an Alternative Trading System organised by the WSE. NewConnnect is not a regulated market. As a result, provided that shares are not offered to the public (e.g. where they are offered to fewer than 100 (or, under the amended PD, 150) investors via a private placement, no prospectus needs to be published or approved by the PFSA. Instead, the issuer must publish an information document to which PD requirements do not apply. NewConnect attracts mainly start-ups and developing companies.
Types of company whose shares can be admitted	Joint stock company **(spółka akcyjna)** (SA); limited joint stock partnership **(Spółka komandytowo-akcyjna)** (SKA). Any foreign company that has been duly incorporated in its place of incorporation or establishment, has transferable shares and is permitted under its local law to have its shares listed. Trading in financial instruments on NewConnect is dematerialised (there are no share certificates or any other material documents, so shares exist exclusively in uncertified form). An issuer must therefore dematerialise (register) its shares at a depository and clearing house, currently the National Depository for Securities (KDPW).
Minimum assets, equity and / or working capital	No minimum required.
Minimum public float	No minimum required.
Track record	None required.
Financial information	A financial statement for the preceding year must be included in the admission document. If the company has carried on business for a shorter period, the financial statement must cover that period. Newly established issuers may also be admitted.
Restrictions on shareholdings	Shares must be freely transferable.
Independence from controlling shareholders	No specific rules apply regarding independence from controlling shareholders, but if a prospectus is published, it must contain information on shareholders who hold 5% or more of the issuer's shares.
Lock-in requirements	There are no mandatory lock-in requirements, but contractual lock-ins may be agreed.
Sponsor or other financial adviser	The issuer must appoint and retain an authorised adviser (authorised adviser) from a list published by the WSE to support the issuer throughout the offering and for a period of at least one year after listing (although this obligation can be waived by the WSE in some circumstances). Authorised advisers effectively prepare and support the issuer, organise share placements, and monitor an issuer's compliance with the NewConnect Rules. Where there is no offer to the public, the authorised adviser prepares and approves the information document.

Market-maker or broker	For a minimum of two years from the moment of listing on the NewConnect, the company must retain either a market animator (if the issuer's securities are quoted in the order-driven system of trading) or a market-maker (if the issuer's securities are quoted in the quote-driven trading system). The main role of a market animator or market-maker is to ensure that there is sufficient liquidity in the issuer's shares. The role of an authorised adviser and market animator or market-maker may be fulfilled by the same entity. The WSE may also waive the requirement for an issuer to retain a market animator or market-maker.
Publicity restrictions	All investors must be given equal access to information about the issuer and the offering. Advertisements, presentations to potential investors, and other means of promoting an offer are generally permitted, subject to certain restrictions. In particular, any communication which invites or encourages any person to buy or subscribe for securities, or otherwise deal in any investment, can be only made if it is first approved by a properly authorised investment firm or if a specific exemption from public offering rules under the Polish Act on Public Offering applies.
Typical timing of listing process	This depends on the company's state of preparedness, and may take one to three months in the case of a private placement and up to six months in the case of a public offering.
Requirements for secondary offerings	Shareholders generally have pre-emption rights, but they can be disapplied by a majority of four-fifths of votes cast at a shareholders' meeting.
Different rules for non-domestic issuers	No significant differences.
Prospectus: (a) languages accepted; (b) translation of prospectus summary required for passporting?	(a) English or Polish (b) The summary must be translated into Polish.
Relevant links	**www.newconnect.pl**

Zurich

The SIX Swiss Exchange – Main Standard

Type	The most important market of Switzerland consists of the SIX Swiss Exchange (SIX), which operates and regulates a fully electronic exchange in Zurich. The Main Standard of the SIX is the major regulatory standard that is used for listing and trading of equity securities. It is not a regulated market (Switzerland is not a Member State of the EU). A company seeking to have its equity securities admitted to the Main Standard must, unless one of the limited exceptions applies, prepare a listing prospectus containing similar information to that required under the PD. Separate regulatory standards have been established for the listing and trading of equity securities in investment companies, so-called "domestic" companies, and real estate companies, as well as for bonds, derivatives and depository receipts. Rules applicable to domestic standard issuers are described in the next section headed "The SIX Swiss Exchange – Domestic Standard". The regulations governing listing on the SIX are mainly contained in the SIX Listing Rules.
Types of company whose shares can be admitted	Public limited company. Any foreign company that has been duly incorporated in its place of incorporation or establishment and which is permitted under such law to have its equity securities listed.
Minimum assets, equity and / or working capital	On the first trading day, the reported equity capital of the issuer must amount to at least CHF 25 million (i.e. approximately EUR 19.3 million), calculated in accordance with the financial reporting standards applied in the listing prospectus. If the issuer is the parent company of a group, this requirement refers to its consolidated capital resources.
Minimum public float	Distribution of equity securities must have reached an adequate level by the time of listing at the latest. An adequate level of distribution is considered to have been reached if at least 25% of the issuer's outstanding equity securities of the given category are held by the public and the market capitalisation of the equity securities held by the public amounts to at least CHF 25 million (i.e. approximately EUR 19.3 million).
Track record	As a rule, the issuer must have existed as a company for a minimum of three years and presented its annual accounts for the three financial years that precede the submission of the listing application. Under certain circumstances, the SIX Regulatory Board may grant exemptions from such requirement.

Financial information	The listing prospectus must contain the following information on the issuer's assets and liabilities, financial position, and profits and losses: — annual financial statements for the last three business years, including auditors' report; — half-yearly financial statements; — material changes since the most recent annual or half-yearly financial statements; and — dividends and financial results.
Restrictions on shareholdings	Securities must be negotiable. Securities the transferability of which is restricted may be listed only if such restrictions do not disturb the market. Any limitations to tradability must be stated in the listing prospectus. Under Swiss company law, when registered shares are listed on a stock exchange, a company may refuse to approve a transfer of shares and, accordingly, to register the acquirer as a new shareholder only if the articles of incorporation specify a maximum percentage that a shareholder may hold, and the proposed transfer would cause the acquirer to exceed that limit. In addition, a company may refuse to approve a transfer if the acquirer, upon request, does not expressly declare that he acquired the shares in his own name and for his own account.
Independence from controlling shareholders	Details pertaining to major shareholders and their respective interests, insofar as they are known to the issuer, must be disclosed in the listing prospectus.
Lock-in requirements	Young companies (start-up companies) that do not have the required minimum track record of three years of corporate existence may be granted exemptions subject to certain conditions being met. In particular, upon submission of the listing application, the company must provide evidence that (i) the issuer, (ii) any of its shareholders who immediately prior to the placement of the equity securities in the context of an IPO own more than 3% of the outstanding share capital or voting rights of the issuer, and (iii) members of its governing bodies have undertaken not to sell any of their equity securities within a certain time period subsequent to the listing.
Sponsor or other financial adviser	Unless the issuer possesses the necessary knowledge, the issuer must be represented, and the listing application be submitted, by an expert recognised by the SIX Regulatory Board.
Market-maker or broker	None required.
Publicity restrictions	No specific restrictions.
Typical timing of listing process	The listing process, starting with the lodging of the listing application, usually takes one to two months.
Requirements for secondary offerings	Under Swiss company law, shareholders enjoy pre-emption rights. Such rights can be disapplied by a resolution of the general meeting of shareholders when an increase of share capital is approved, but only if "valid reasons" are given. Under certain circumstances, no (or only an abridged) listing prospectus needs to be published. For example, no listing prospectus needs to be prepared if a listing prospectus exists that is no more than twelve months old, and an abridged listing prospectus must be prepared if securities of the same issuer are already listed, and if new securities are offered to existing holders on the basis of their pre-emption rights. The provision regarding the minimum public float is not applicable to secondary issues.

Different rules for non-domestic issuers

For non-domestic issuers, the SIX has issued the SIX Directive on the Listing of Foreign Companies. Except where this directive imposes different or additional rules on non-domestic issuers, the SIX Listing Rules apply.

The directive distinguishes between primary listings – i.e. the equity securities of the issuer are not listed on another exchange recognised by the SIX (basically the SIX recognises all member exchanges of the Federation of European Securities Exchanges (FESE) and the World Federation of Exchanges (WFE)) – and secondary listings – i.e. the equity securities are listed on another exchange recognised by the SIX and the issuer opts for the SIX being the secondary listing. This also applies if the equity securities are listed simultaneously on SIX and a foreign exchange (dual listing).

For an application for primary listing, the non-domestic issuer must, **inter alia**, demonstrate that it has not been refused listing in its home country due to concerns about investor protection. Further, the issuer must agree that Swiss courts are competent to decide upon matters relating to the listing. If, subsequent to the listing on the SIX, the equity securities of the non-domestic issuer become listed on an exchange in the issuer's home country, the listing on the SIX will be converted into a secondary listing unless:

— the issuer applies to maintain its primary listing on the SIX and is not prevented from doing so by its domestic legislation; or
— the issuer applies for de-listing from the SIX.

If a non-domestic issuer applies for a secondary listing, the SIX Regulatory Board will recognise the prospectus published by the issuer in connection with its primary listing provided that (i) the application is made within six months of the primary listing; and (ii) certain specific information is included (e.g. security number and paying agent). If the listing on the primary exchange dates back more than six months, an abridged listing prospectus complying with the requirements of the prospectus provisions in the SIX Listing Rules must be prepared.

Finally, for a secondary listing, the free float requirement is considered to be met if the market capitalisation of the equity securities circulating in Switzerland amounts to at least CHF 10 million (i.e. approximately EUR 7.7 million).

Prospectus:
(a) languages accepted;
(b) translation of prospectus summary required for passporting?

(a) German, French, Italian, English.
(b) Not applicable.

Relevant links

www.six-swiss-exchange.com/index_en.html
www.six-exchange-regulation.com/index_en.html
www.six-exchange-regulation.com/admission/listing/standards_en.html

Zurich

The SIX Swiss Exchange – Domestic Standard

Type	The SIX Domestic Standard is designed for companies which, because of their investor base, corporate history, capitalisation or equity securities distribution, do not, or do not yet, qualify for listing on another SIX regulatory standard. This standard accommodates companies with local significance or a limited circle of investors, such as family-owned enterprises and certain international companies. It is not a regulated market.
Types of company whose shares can be admitted	Public limited company. Any foreign company that has been duly incorporated in its place of incorporation or establishment and which is permitted under such law to have its securities listed.
Minimum assets, equity and / or working capital	On the first trading day, the reported equity capital of the issuer must amount to at least CHF 2.5 million (i.e. approximately EUR 1.9 million), calculated in accordance with the financial reporting standards applied in the listing prospectus. If the issuer is the parent company of a group, this requirement refers to consolidated capital resources.
Minimum public float	Distribution of equity securities must have reached an adequate level by the time of listing at the latest. An adequate level of distribution is considered to have been reached if at least 20% of the issuer's outstanding equity securities of the given category are held by the public and the market capitalisation of the equity ecurities held by the public amounts to at least CHF 5 million (i.e. approximately EUR 3.8 million).
Track record	As a rule, the issuer must have existed as a company for a minimum of two years and presented its annual accounts for the two financial years that precede submission of the listing application. Under certain circumstances, the SIX Regulatory Board may grant exemptions from such requirement.
Financial information	The listing prospectus must contain the following information on the issuer's assets and liabilities, financial position and profits and losses: — annual financial statements of the last two business years, including auditors' report; — half-yearly financial statements; — material changes since the most recent annual or half-yearly financial statements; and — dividends and financial results.
Restrictions on shareholdings	Securities must be negotiable. Securities the transferability of which is restricted may be listed only if such restrictions do not disturb the market. Any limitations to tradability must be stated in the listing prospectus. Under Swiss company law, when registered shares are listed on a stock exchange, a company may refuse to approve a transfer of shares and, accordingly, to register the acquirer as a new shareholder only if the articles of incorporation specify a maximum percentage that a shareholder may hold and the proposed transfer would cause the acquirer to exceed that limit. In addition, a company may refuse to approve a transfer if the acquirer, upon request, does not expressly declare that he acquired the shares in his own name and for his own account.

Independence from controlling shareholders	Details pertaining to major shareholders and their respective interests, insofar as they are known to the issuer, must be disclosed in the listing prospectus.
Lock-in requirements	Young companies (start-up companies) that do not have the required minimum track record of two years of corporate existence may be granted exemptions subject to certain conditions being met. In particular, upon submission of the listing application, the company must provide evidence that (i) the issuer, (ii) any of its shareholders who immediately prior to the placement of the equity securities in the context of an IPO own more than 3% of the outstanding share capital or voting rights of the issuer, and (iii) members of its governing bodies have undertaken not to sell any of their equity securities within a certain time period subsequent to the listing.
Sponsor or other financial adviser	Unless the issuer possesses the necessary knowledge, the issuer must be represented, and the listing application be submitted, by an expert recognised by the SIX Regulatory Board.
Market-maker or broker	None required.
Publicity restrictions	No specific restrictions.
Typical timing of listing process	The listing process, starting with the lodging of the listing application, usually takes one to two months.
Requirements for secondary offerings	Under Swiss company law, shareholders enjoy pre-emption rights. Such rights can be disapplied by a resolution of the general meeting of shareholders when an increase of share capital is approved, but only if "valid reasons" are given. Under certain circumstances, no (or only an abridged) listing prospectus needs to be published. For example, no listing prospectus needs to be prepared if a listing prospectus exists that is no more than 12 months old, and an abridged listing prospectus must be prepared if securities of the same issuer are already listed, and if new securities are offered to existing holders on the basis of their pre-emption rights. The provision regarding the minimum public float is not applicable to secondary issues.
Different rules for non-domestic issuers	For non-domestic issuers, the SIX has issued the SIX Directive on the Listing of Foreign Companies. Except where this directive imposes different or additional rules on non-domestic issuers, the SIX Listing Rules apply. The directive distinguishes between primary listings – i.e. the equity securities of the issuer are not listed on another exchange recognised by the SIX (basically the SIX recognises all member exchanges of the Federation of European Securities Exchanges (FESE) and the World Federation of Exchanges (WFE)) – and secondary listings – i.e. the equity securities are listed on another exchange recognised by the SIX and the issuer opts for the SIX being the secondary listing. This also applies if the equity securities are listed simultaneously on SIX and a foreign exchange (dual listing). For an application for primary listing, the non-domestic issuer must, **inter alia**, demonstrate that it has not been refused listing in its home country due to concerns about investor protection. Further, the issuer must agree that Swiss courts are competent to decide upon matters relating to the listing. If, subsequent to the listing on the SIX, the equity securities of the non-domestic issuer become listed on an exchange in the issuer's home country, the listing on the SIX will be converted into a secondary listing unless: — the issuer applies to maintain its primary listing on the SIX and is not prevented from doing so by its domestic legislation; or — the issuer applies for de-listing from the SIX.

If a non-domestic issuer applies for a secondary listing, the SIX Regulatory Board will recognise the prospectus published by the issuer in connection with its primary listing provided that (i) the application is made within six months of the primary listing; and (ii) certain specific information is included (e.g. security number and paying agent). If the listing on the primary exchange dates back more than six months, an abridged listing prospectus complying with the requirements of the prospectus provisions in the SIX Listing Rules must be prepared.

Finally, for a secondary listing, the free float requirement is considered to be met if the market capitalisation of the equity securities circulating in Switzerland amounts to at least CHF 10 million (i.e. approximately EUR 7.5 million).

Prospectus:
(a) languages accepted;
(b) translation of prospectus summary required for passporting?

(a) German, French, Italian, English.
(b) Not applicable.

Relevant links

www.six-swiss-exchange.com/index_en.html
www.six-exchange-regulation.com/index_en.html
www.six-exchange-regulation.com/admission/listing/standards_en.html

3. Continuing obligations

Amsterdam

NYSE Euronext Amsterdam

Type	Regulated market.
Key matters requiring shareholder approval	The Euronext Rules do not specify particular matters that require shareholder approval. Under Dutch company law, board decisions causing a significant change in the identity or character of a Dutch public company require the approval of the general meeting of shareholders. These decisions include (i) the transfer of the entire or nearly the entire business to a third party, (ii) the entering into and termination of joint ventures and (iii) the acquisition or disposal of interests with a value of one-third or more of the balance sheet total. Shareholders in a Dutch public company also decide on the remuneration policy of the board of management; the audit of the annual accounts and the adoption thereof; liquidation, merger or demerger; issues of shares or the transfer of the right to subscribe for shares to another corporate body; the repurchase and cancellation of shares; amendments to the company's articles of association; and the appointment of a representative of the company when board members are conflicted.
Corporate governance structures and codes	The Dutch Corporate Governance Code applies to Dutch listed companies only. Companies may deviate from the Code but need to explain how and why they have done so in their annual report. Equal treatment in accordance with the CARD.
Relations with shareholders	A person must notify the AFM whenever the percentage of the company's capital or voting rights held by that person and his associates reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. The issuer must notify the AFM without delay whenever its share capital or voting rights changes by 1% or more (the 1% rule). The issuer must also inform the AFM quarterly of the total changes in its share capital or voting rights which the issuer is not obliged to notify under the 1% rule. Shareholders in Dutch companies enjoy certain protection under corporate law. This includes the right to ask the court to annul a legal merger or demerger and the right (of shareholders representing at least 10% of the issued capital) to request the court to order an independent inquiry into the policy and the conduct of business of the company. Shareholders representing 1% of the issued capital of a Dutch public company or holding shares with a market value of at least EUR 50 million have the right to add items to the agenda of any general meeting. Upon implementation of the recommendations of the Dutch Corporate Governance Code Committee: (i) the threshold for mandatory disclosure by shareholders with a substantial interest will be lowered from 5% to 3%; (ii) shareholders holding a stake of 3% or more will be obliged to state their intentions (e.g. their views on the strategy of the company); (iii) a scheme for the identification of shareholders will be introduced; and (iv) the threshold for the right to put items on the agenda will be raised from 1% to 3%. It is currently unclear when the recommendations will be implemented.

Publication of financial information	Issuers must publish annual and half-yearly financial results, and quarterly interim management statements, in accordance with the TD. The financial information must be in accordance with IFRS or an equivalent GAAP.
Restrictions on dealings in company's securities by directors etc.	Issuers are subject to the MAD. All Dutch and non-EU companies must adopt a code on insider dealings in accordance with a model prescribed by the AFM. The issuer must also keep a record of all persons who may have inside knowledge.
Documents that need to be approved by regulator	The prospectus (and any supplement) in the event of a public offering; and the offer document when the issuer makes a public takeover bid.
Threshold for mandatory offers	The obligation to make a mandatory offer arises when a person, or persons acting in concert, obtains predominant control in a Dutch company. "Predominant control" is defined as the ability to cast at least 30% of the votes at a shareholders meeting except in certain circumstances. The mandatory offer must be made at a "fair price". This is the highest price paid by the offeror or its concert parties for the same securities in the year preceding the announcement of the mandatory offer.
De-listing requirements	Under Euronext Amsterdam policy, a de-listing may take place at the written request of the shareholder(s) or issuer in the following circumstances: — If a public offer goes unconditional, giving the bidder at least 95% of the shares, and the issuer agrees to the de-listing. — If a single shareholder, or several shareholders acting in concert, holds at least 95% of the shares other than by means of a public offer, and the issuer agrees to the de-listing, provided that the other shareholders are offered an exit arrangement. — If the shares have also been listed for at least 12 months on another regulated and sufficiently liquid market that offers, in Euronext Amsterdam's opinion, adequate safeguards for the protection of investors and the proper functioning of the market.
Different rules for non-domestic issuers	Foreign issuers that are incorporated under the laws of another EU Member State will not have to comply with the Dutch rules on notifying changes in voting rights and/or capital. The financial disclosure obligations are not applicable to foreign issuers of securities which have been admitted to trading on the regulated market of Euronext Amsterdam and for whom the Netherlands is not their home Member State. Other differences are highlighted above.

Amsterdam

NYSE Alternext Amsterdam

Type	Non-regulated market.
Key matters requiring shareholder approval	The Alternext Rules do not specify any particular matters that require shareholder approval. Under Dutch company law, board decisions causing a significant change in the identity or character of a Dutch public company require the approval of the general meeting of shareholders. These decisions include (i) the transfer of the entire or nearly the entire business to a third party, (ii) the entering into and termination of joint ventures and (iii) the acquisition or disposal of interests with a value of one-third or more of the balance sheet total. Shareholders in a Dutch public company also decide on the remuneration policy of the board of management; the audit of the annual accounts and the adoption thereof; liquidation, merger or demerger; issues of shares or the transfer of the right to subscribe for shares to another corporate body; the repurchase and cancellation of shares; amendments to the company's articles of association; and the appointment of a representative of the company when board members are conflicted.
Corporate governance structures and codes	Companies listed on Alternext Amsterdam are generally not required to comply with any particular code of corporate governance because the Dutch corporate governance code applies only to Dutch companies listed on a regulated market or with a balance sheet value of more than EUR 500 million. However, as the Code sets out widely supported views on corporate governance it is expected to become a blueprint for corporate governance for other companies as well.
Relations with shareholders	The CARD and the TD are not applicable. Under Alternext Rules, however, the issuer must publish a notice whenever a person, acting alone or in concert, exceeds or falls below 50% or 95% of the voting rights. Notice of general meetings must be posted online without delay together with all documents sent to shareholders. In addition, shareholders in Dutch companies enjoy certain protections under corporate law. They include the right to ask the court to annul a legal merger or demerger and the right (of shareholders representing at least 10% of the issued capital) to request the court to order an independent inquiry into the policy and the conduct of business of the company. Shareholders representing 1% of the issued capital of a Dutch public company or holding shares with a market value of at least EUR 50 million have the right to add items to the agenda of any general meeting.
Publication of financial information	Neither the CARD nor the TD is applicable. Issuers must publish an annual report containing the annual financial statements (which may be prepared in accordance with local GAAP) duly audited and in consolidated form (where appropriate) together with a management discussion and analysis within four months of the financial year-end. Issuers must publish a half-yearly report covering the first six months of the year within four months of the end of the second quarter.
Restrictions on dealings in company's securities by directors etc.	Issuers are subject to the MAD. All Dutch and non-EU companies must adopt a code on insider dealings in accordance with a model prescribed by the AFM. The issuer must also keep a record of all persons who may have insider knowledge.

Documents that need to be approved by regulator	The prospectus (and any supplement) in the event of a public offering; and the offer document when the issuer makes a public takeover bid.
Threshold for mandatory offers	None, because Alternext is not a regulated market. There are no provisions in the Alternext Rules limiting the measures a company may take to protect itself from hostile takeovers.
De-listing requirements	Securities can be delisted from Alternext in the following circumstances: — when the shares are admitted to trading on another market of Euronext; — at the request of a person or a group of persons holding 100% of the shares; or — if a person or group of persons holding 95% of the voting rights makes an offer to buy out minority shareholders that is open for a period of at least ten business days, at a price that an independent expert has advised is fair and reasonable.
Different rules for non-domestic issuers	None.

Brussels

NYSE Euronext Brussels

Type	Regulated market.
Key matters requiring shareholder approval	A capital increase or decrease, merger, splitting, change of corporate purpose, amendments to the articles of association, and an issue of convertible bonds or debentures with subscription rights.
Corporate governance structures and codes	Recommendations on corporate governance are contained in the Belgian Corporate Governance Code, which was last updated in 2009 by the Corporate Governance Committee. Some corporate governance recommendations have, however, recently been inserted into the Belgian Company Code: (i) the obligation to establish an audit and remuneration committee, (ii) the appointment of truly independent non-executive directors and (iii) the filing of the remuneration report together with the annual accounts. These obligations have become mandatory.
Relations with shareholders	Equal treatment of all securities holders who are in the same position. An issuer must announce: — any amendment to the rights and obligations attached to the issuer's securities; — any amendment to the articles of association; and — all special reports drafted by the board of directors. In accordance with the TD, shareholders are obliged to inform the CBFA and the issuer of the number and percentage of existing voting rights that they hold in the issuer when such voting rights reach, exceed or fall below 5%, 10%, 15%, 20% and so on, by increments of 5%, of the total existing voting rights. As soon as a shareholder notifies such an interest, the issuer must disclose the information to the market. The articles of association of an issuer governed by Belgian law may, however, require shareholders to notify their interests at additional and/or lower thresholds, in which case the issuer must make public those thresholds and also notify them to the CBFA.
Publication of financial information	Issuers must publish annual and half-yearly financial results, and quarterly interim management statements, in accordance with the TD. They can also publish a "preliminary" statement of their annual results, containing the key information that will be contained in the annual results proper.

Restrictions on dealings in company's securities by directors etc.

In accordance with the MAD, PDMRs within an issuer and, where applicable, persons closely associated with them, must notify the CBFA of all transactions conducted on their own account relating to shares in the issuer, or to derivatives or other financial instruments linked to them. The CBFA will then publish details of the transaction on its website (the issuer itself need not do so).

Generally, a transaction must be notified to the CBFA within five business days. But notification can be postponed as long as the aggregate consideration for transactions carried out during the current calendar year by the PDMR himself and by any persons closely connected with him does not exceed EUR 5,000. If and when this threshold is exceeded, all transactions carried out previously must be notified within five business days of the transaction that caused the threshold to be crossed. If the aggregate consideration for all transactions carried out during a calendar year remains below EUR 5,000, the transactions must be notified before 31 January of the following year.

Documents that need to be approved by regulator

As well as any prospectus, all advertisements, brochures, posters and any other documents to be used for marketing purposes must be cleared in advance by the CBFA.

Threshold for mandatory offers

A mandatory takeover bid must be made if a person directly or indirectly acquires more than 30% of the voting rights in the target company.

De-listing requirements

Subject to the approval of the CBFA, shares can be delisted:

— where the securities are admitted to listing on another market managed by a market operator from the Euronext group;
— at the request of a person or a group of persons holding 100% of the shares; or
— when a person or group of persons holding 95% of the voting rights makes an offer to buy out minority shareholders that is open for a period of at least ten business days at a price that an independent expert has advised is fair.

Different rules for non-domestic issuers

Foreign issuers from a non-EEA state whose securities are admitted to trading on a regulated market must prepare their consolidated annual accounts in accordance with IFRS unless the accounting standards of their home country are recognized as equivalent to IFRS or, exceptionally, they are permitted to report under their national accounting standards for a transitional period.

Brussels

NYSE Alternext Brussels

Type	Non-regulated market.
Key matters requiring shareholder approval	A capital increase or decrease, merger, splitting, change of corporate purpose, modification of the articles of association, or an issue of convertible bonds or debentures with subscription rights.
Corporate governance structures and codes	Recommendations on corporate governance are contained in the Belgian Corporate Governance Code, which was last updated in 2009 by the Belgian Corporate Governance Committee.
Relations with shareholders	Equal treatment of all securities holders who are in the same position. Issuers must publish information about general meetings and the right of shareholders to participate, and information about the payment of dividends, an issue of new shares and the exercise of any conversion rights (as if the TD applied). Shareholders must inform the CBFA and the issuer of the number and percentage of existing voting rights that they hold in the issuer when such voting rights reach, exceed or fall below 25%, 30%, 50%, 75% and 95% of the total existing voting rights, irrespective of the reason for reaching, exceeding or falling below such thresholds. The issuer must in turn announce details to the market. The articles of association of an issuer governed by Belgian law may, however, require shareholders to notify their interests at additional and/or lower thresholds (down to 3%), in which case the issuer must make public those thresholds.
Publication of financial information	Issuers must publish annual and half-yearly financial results as if the TD applied. Quarterly interim management statements are not required. They can also publish a preliminary statement of their annual results, containing the key information that will be contained in the annual results proper.
Restrictions on dealings in company's securities by directors etc.	In accordance with the MAD, PDMRs within an issuer and, where applicable, persons closely associated with them, must notify the CBFA of all transactions conducted on their own account relating to shares in the issuer, or to derivatives or other financial instruments linked to them. The CBFA will then publish details of the transaction on its website (the issuer itself need not do so). Generally, a transaction must be notified to the CBFA within five business days. But notification can be postponed as long as the aggregate consideration for transactions carried out during the current calendar year by the PDMR himself and by any persons closely connected with him does not exceed EUR 5,000. If and when this threshold is exceeded, all transactions carried out previously must be notified within five business days of the transaction that caused the threshold to be crossed. If the aggregate consideration for all transactions carried out during a calendar year remains below EUR 5,000, the transactions must be notified before 31 January of the following year.
Documents that need to be approved by regulator	Prospectuses.

Threshold for mandatory offers	A mandatory takeover bid must be made if a person directly or indirectly acquires more than 30% of the voting rights in the target company.
De-listing requirements	Subject to the approval of the CBFA, shares can be delisted: — when the securities are admitted to listing on another market managed by a market operator from the Euronext group; — at the request of a person or a group of persons holding 100% of the shares; or — when a person or group of persons holding 95% of the voting rights makes an offer to buy out minority shareholders that is open for a period of at least ten business days at a price that an independent expert has advised is fair.
Different rules for non-domestic issuers	None.

Budapest

Equities Category "A" and "B" – premium and standard segments

Type

Regulated market. The obligations described below apply to issuers with equities listed in Category A or Category B (the premium and standard segments of the Budapest Stock Exchange (BSE)).

Key matters requiring shareholder approval

Under the listing rules, only a de-listing requires shareholder approval (other than where such de-listing follows a squeeze-out).

In addition to matters covered by the 2nd Company Law Directive, Hungarian company law requires a shareholders' decision for the following:

- approval and amendment of the articles of association;
- change of operating form;
- transformation or termination of the company without succession;
- appointment and dismissal of the members of the management board, the members of the supervisory board and the auditor, and establishing their remuneration;
- approval of the annual report;
- payment of interim dividends (except in certain circumstances);
- conversion of certificated shares into dematerialised shares;
- alteration of the rights attached to a series of shares, and the conversion of categories or classes of shares;
- issue of convertible bonds or bonds with subscription rights (except in certain circumstances);
- the adoption of certain schemes to remunerate executive officers, supervisory board members and executive employees; and
- election of members to the audit board.

Corporate governance structures and codes

Under Hungarian law and the listing rules of the BSE, listed companies must publish a corporate governance report on a yearly basis, which has to be approved together with the annual report by the annual general meeting of shareholders.

The report must contain a summary of the company's corporate governance practice in the previous financial year and a completed questionnaire based on the Corporate Governance Recommendations prepared and published by the BSE. This regime works on a "comply or explain" basis.

Domestic companies have the opportunity to choose between a one-tier (unitary) and two-tier (dual-board) structure.

Relations with shareholders

Equal treatment of shareholders.

Apart from their property (financial) rights, every shareholder has (inter alia) the right to participate in the general meeting, to exercise their rights through representatives, to vote, to request information and to make remarks and proposals. Shareholders holding at least 1% of the voting rights have the right to put an issue onto the agenda, and to request the judicial review of resolutions adopted by the general meeting.

The acquisition or disposal of shares to which voting rights are attached (directly or indirectly) triggers a notification obligation for shareholders whose shareholdings reach, exceed or fall below the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45% and 50%. Above the 50% threshold, reaching, exceeding or falling below 75%, 80%, 85% and 90% triggers a notification obligation. Above the 90% threshold, each increase or decrease of 1% must be reported. The notification must be sent to the issuer and the HFSA (by the shareholder or the holder of voting rights) without delay and within not less than two calendar days.

Publication of financial information

Issuers must publish annual and half-yearly financial results, and quarterly interim management statements, in accordance with the TD. Except for the consolidated group accounts, which must be prepared under IFRS, financial information can be prepared under domestic GAAP or IFRS.

There is no obligation to publish quarterly results, but most companies within equities Category A voluntarily publish a quarterly statement.

Restrictions on dealings in company's securities by directors, etc.

Under the Hungarian Capital Markets Act, executive employees of the issuer are not allowed to enter into any transaction involving securities issued by their employer:

— from the end of a financial year until the publication of the annual results for that year (except in the case of a public offering);
— within the 15 day period preceding the publication of the half-yearly results;
— within the 15 day period preceding the publication of the quarterly interim management report; and
— within the three-day period preceding disclosure (to the HFSA) of any contract that the issuer is required to disclose.

Although in general executive officers and supervisory board members of an issuer must report transactions in the issuer's securities in accordance with the TD, they are not required to report if the total value of such transactions does not exceed HUF 1 million within a calendar year.

Documents that need to be approved by regulator

Prospectuses.

Offer documents relating to a takeover.

Threshold for mandatory offers

According to the Hungarian Capital Markets Act, any acquisition of a participating interest in a company must be approved by the HFSA in advance if:

— it is for the acquisition of more than 25% of the voting rights and there is no shareholder in the company (other than the buyer) who holds more than 10% of the voting rights; or
— it is for the acquisition of more than 33% of the voting rights.

De-listing requirements

As a general rule, the issuer may initiate the de-listing procedure with a resolution by a general meeting of shareholders, adopted with at least 75% of the votes present at a quorate general meeting. Such de-listing resolution must be filed with the HFSA and the BSE on the following business day, must be sent to the registered shareholders within five business days and must also be published on the website of the issuer and in one national printed newspaper. The shareholders of the issuer who did not vote in favour of the de-listing will have a statutory put option right within a 60-day period after the publication of the de-listing resolution and the issuer must buy those shares for a minimum price guaranteed in the law. As an exemption under the general rule, after a successful squeeze-out process, de-listing may take place in an expedited administrative BSE procedure after filing certain documents with the BSE.

Different rules for non-domestic issuers

Issuers not falling under the scope of the Capital Markets Act must publish their financial reports and other regular and extraordinary disclosures in line with the Publication Bylaws of the BSE, in accordance with and by the deadline specified in the laws of the Member State of the European Union in which their seat is registered.

Frankfurt

Regulated Market

Type	Regulated market.
Key matters requiring shareholder approval	Under the German stock corporation law, shareholder approval in general meeting is required for certain important decisions on, inter alia, — appointment of the supervisory board members (**Aufsichtsrat**); — allocation of net profits (payment of dividends) (**Bilanzgewinn**); — appointment of the auditor; — changes to the articles of association (**Satzung**); — increases or reductions in share capital; — liquidation of the company; — transfer of the company's entire assets; — issue of debt instruments; and — any other issues or decisions that the articles of association stipulate require shareholder approval. According to the German Federal Court (**Bundesgerichtshof**), the executive board (**Vorstand**) is obliged to ask the shareholders' meeting for approval of fundamental decisions that are likely to have considerable impact on the company's assets even if they are not mentioned as requiring shareholders' approval in the articles of association or the Stock Corporation Act (**Aktiengesetz**). Such circumstances include proposals to spin off a major part of the business of a stock company into another, newly incorporated company.
Corporate governance structures and codes	The German Corporate Governance Code (**Deutscher Corporate Governance Kodex**) contains recommendations and suggestions for managing and supervising German stock corporations, focusing on companies listed on a stock exchange. The German Corporate Governance Code does not apply to foreign entities. There is no obligation to comply with the recommendations and suggestions of the code. However, German securities law requires the management board to make an annual declaration that it follows and will follow the recommendations or which of the recommendations were or will not be followed and why (comply or explain).
Relations with shareholders	Shareholders must be treated equally. Shareholders holding an aggregate of 5% of the registered share capital are entitled to convene a general meeting. Any person whose shareholdings (direct shareholdings and attributable shareholdings of other persons) reach, exceed or fall below the threshold of 3%, 5%, 10%, 15%, 25%, 30%, 50%, or 75% of the voting rights in a listed stock company must, without undue delay but within four trading days at the latest, notify the company as well as BaFin of such fact as well as of the percentage of the total voting rights that he holds. (This rule reflects the TD but is super-equivalent in requiring a notification at 3%.) The company must, without undue delay but within three trading days at the latest, publish such notice. If a threshold of 10% or more is reached, the acquirer must disclose the intentions behind the acquisition and the origin of the funds used.

Publication of financial information	An issuer must publish its annual statement of accounts and the management report without delay after its approval: — annual financial statements in accordance with IFRS or US GAAP (Prime Standard: in English or German, but issuers with registered offices outside Germany may prepare their statements in English only; General Standard: in English or German); — half-yearly financial results in accordance with IFRS or US GAAP (Prime Standard: in English or German, but issuers with registered offices outside Germany may prepare their statements in English only; General Standard: in English or German); and — quarterly financial reports in accordance with IFRS (Prime Standard only: in English or German, but issuers with registered offices outside Germany may prepare their statements in English only; General Standard: an interim report describing the relevant events and commercial operations in English or German)
Restrictions on dealings in company's securities by directors etc.	All dealings in the issuer's shares by PDMRs and certain persons connected to them (including sponsors, dependent children and controlled companies) must be notified to the issuer and BaFin (in accordance with the MAD). In turn, the company must publish such notification without undue delay
Documents that need to be approved by regulator	Documents setting out the terms of any takeover bid are subject to prior approval by the BaFin.
Threshold for mandatory offers	Any party whose share of the voting rights, either by itself or when combined with voting rights of other persons with whom it is acting in concert, reaches or exceeds 30% of the voting shares of a company after admission to trading is required to publish this fact, including the percentage of voting rights held, and subsequently, unless an exemption from this requirement is granted, has to submit a mandatory public takeover offer to all shareholders of the company.
De-listing requirements	Under German law neither the listing nor de-listing of shares requires approval by the shareholders' meeting. However, according to the German Federal Court (Bundesgerichtshof) a de-listing of all admitted shares requires approval by at least 75% of the shareholders' meeting. The FSE requires the issuer to announce the de-listing six months ahead in order to give shareholders time to sell. In addition, the company or a majority shareholder is obliged to offer to purchase to minority shareholders' shares at market value.
Different rules for non-domestic issuers	None. For Prime Standard issuers, ad hoc announcements of developments that could affect the issuer's share price must be made in English as well as German.

London

Official List (or Main Market)

Type	Regulated market. The rows below describe the continuing obligations of an issuer with shares admitted to the Premium segment.
Key matters requiring shareholder approval	Under the listing rules, the following matters require shareholder approval: — major (Class 1) transactions (i.e. which broadly affect at least 25% of the group's gross assets, profits or its market capitalisation); — transactions with parties who are in some way "connected" to the issuer (e.g. directors, 10%+ shareholders, and their respective associates) (related party transactions); — reverse takeovers (i.e. broadly, when the issuer acquires a business larger than itself); — transfer of equity shares from the Premium to the Standard segment; — certain employee share schemes and long-term incentive schemes. Subject to certain exceptions, shareholder approval is also required prior to the grant to a director or employee of an option or warrant over shares in the issuer if the price per share payable on exercise is less than market value; and — de-listing, other than following a takeover or restructuring. In addition to matters covered by the 2nd Company Law Directive, under UK company law shareholder approval is required for: — a change to the issuer's constitution; — a change to the company's name; or — the payment of a final dividend.
Corporate governance structures and codes	Issuers must report in their annual report and accounts on the extent to which they have complied during the year with the "UK Corporate Governance Code" (formerly known as the Combined Code on Corporate Governance) published by the UK's Financial Reporting Council and endorsed by UK institutional shareholders and the FSA. This rule applies to all issuers: overseas issuers can no longer simply comply with the corporate governance code of their country of incorporation, and explain any material differences from the UK Corporate Governance Code. Domestic issuers invariably have a unitary board structure comprising both executive and non-executive directors. The UK Corporate Governance Code is primarily concerned with the responsibilities of non-executive directors, particularly their role in monitoring and constructively challenging the decisions of the executive directors. Most issuers also comply with guidelines published by institutional investor bodies such as the Association of British Insurers (ABI) and the National Association of Pension Funds (NAPF), which impose limits on, for example, the percentage of shares that can be issued non-pre-emptively (e.g. to new investors), and the discount to market price; the number of shares that the issuer can buy back; and the remuneration and severance packages that can be awarded to executive directors.

Relations with shareholders

Equal treatment in accordance with the CARD.

It is almost always the case that each ordinary share carries one vote that can be exercised without restriction.

Under UK company law, shareholders in a UK-incorporated issuer have the following basic rights (in addition to the pre-emption rights described in Section 2 of this Guide):

- With the approval of 75% of a company's shareholders, a special resolution can be passed directing the board of directors to do or not do any particular thing.
- Any director can be removed from the board by means of an ordinary resolution (which requires a simple majority of shareholders to approve it). In principle, a company's articles of association may specify that directors can be removed with the sanction of a lesser percentage of shareholders, or of a particular investor, but this is rare for listed companies. Most listed company articles also allow shareholders to put forward a director and appoint him to the board by ordinary resolution.
- Shareholders with 5% or more of the total voting rights, or 100 shareholders who each hold an average GBP 100 (EUR 118) or more of paid up capital, may put a resolution at any general meeting, and require the company to circulate a statement in support of the resolution to all the members.
- Shareholders with 5% or more of a company's paid up share capital can force the directors to convene a shareholders' meeting to consider any resolution put by the requesting shareholders (such as a resolution to remove one or all of the directors).

Any person who, together with his associates, acquires or sells shares which take his holding to, above or below 3% or any whole percentage point above this must notify the UKLA and the company, and in turn the company must notify the market, in each case within a few days. This rule is based on the TD but is super-equivalent in requiring notifications to be made at 3% and every whole percentage above that, rather than 5%, 10%, 15% etc as under the TD.

Publication of financial information

Issuers must publish annual and half-yearly financial results, and quarterly interim management statements, in accordance with the TD. Annual results must include a report on the directors' remuneration packages and certain specific information about the remuneration and service contracts of executive directors. Many issuers also choose to announce a preliminary statement of their annual financial results, containing the key figures but without most of the notes and additional information, that will later be included in the annual results.

Restrictions on dealings in company's securities by directors etc.

All issuers must adopt a "code of dealings" at least as rigorous as the "Model Code" annexed to the listing rules, which restricts directors and certain senior employees from dealing in the company's shares during "close periods" prior to the announcement of quarterly, half-yearly and annual results and at any time when there exists any unpublished price-sensitive information relating to the company (whether or not the director who is proposing to deal knows of the information himself). Any dealings by such persons must be notified to the company, which must in turn announce details to the market.

Documents that need to be approved by regulator

Prospectuses.

Circulars sent to shareholders containing details of a Class 1 transaction, or a transaction with a related party, that shareholders are being asked to approve.

Circulars relating to any matter or transaction that has "unusual features".

Circulars relating to the purchase of own shares from a related party or that would result in 25% or more of the company's issued share capital being bought in.

Circulars relating to a proposal to transfer equity shares from the Premium to the Standard segment.

Circulars relating to certain other "non-routine" matters.

Offer documents published in connection with a takeover are not approved by the FSA, but the Panel on Takeovers and Mergers (which regulates UK takeovers) scrutinises all aspects of takeover activity and can require parties to publish a correction or clarification of any statement or position, and can impose sanctions on parties which fail to include all information specified by the Takeover Code.

Threshold for mandatory offers

The requirement for a mandatory offer is triggered where a person acquires interests in shares which take his aggregate holding to 30% or more of the voting rights in a company, or when an aggregate holding which is already over 30% is increased.

De-listing requirements

To transfer its equity shares from the Premium to the Standard segment, an issuer must make an announcement of the proposed transfer and send a circular convening a shareholders' meeting. At least 75% of those shareholders who attend and vote in person or by proxy must approve the transfer. The transfer cannot occur until at least 20 business days after shareholder approval is given.

To de-list its equity shares from the Official List entirely, an issuer must normally convene a shareholders' meeting and obtain the approval of at least 75% of those who attend and vote in person or by proxy. For this purpose, the issuer must send a circular to its shareholders, and make an announcement, giving details of the proposed cancellation. Cancellation cannot take effect until at least 20 business days after shareholder approval is obtained. There is no requirement for the majority shareholder or the company to provide the minority with an exit (e.g. by offering to buy their shares).

No shareholder approval or circular is required for a cancellation if:

— the issuer will continue to have shares listed on another EEA regulated market;
— all or a majority of the issuer's equity shares have been acquired through a takeover offer;
— the issuer's share capital has been restructured by a court-approved scheme of arrangement; or
— the issuer is on the brink of insolvency.

In each such case, the issuer will need to make an announcement stating when cancellation will occur, which must be at least 20 business days later.

Different rules for non-domestic issuers

Issuers incorporated in Switzerland, and US-incorporated issuers that comply with the periodic disclosure requirements of Section 13(a) of Securities Exchange Act of 1934 and the rules thereunder governing financial reporting by US issuers, are exempt from the obligation to publish annual and half-yearly financial results, and quarterly interim management statements, in accordance with the TD. This is because such issuers are subject to rules considered by the UKLA to be equivalent.

The rules on notifying major shareholdings do not apply to overseas issuers incorporated in another EEA state (which will instead be subject to equivalent rules imposed by their home country under the TD) or to overseas issuers whose home Member State is the UK that are incorporated in the US, Japan, Israel or Switzerland (which are subject to rules considered by the UKLA to be equivalent). For other non-EEA issuers whose home Member State is the UK, persons with an interest in the company's shares must notify the company and the UKLA of their holdings on the basis of the thresholds in the TD (5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%), rather than the super-equivalent thresholds (3% and every whole percentage above that) referred to above. Notification must be made within four trading days, instead of two for other issuers.

Overseas issuers are not required by the listing rules to obtain shareholder approval for employee share schemes or long-term incentive schemes.

An issuer whose registered office is not in the UK, Channel Islands or Isle of Man is not subject to the UK Takeover Code. But in order to attract institutional investors, such overseas issuers often include provisions in their constitution that give shareholders rights similar to key rights provided by the Takeover Code (including the obligation for a major shareholder to make a mandatory offer in the circumstances described above).

Similarly, in order to attract institutional investors, non-EEA issuers sometimes add into their constitutional documents provisions that are designed to provide investors with rights similar to those they would have enjoyed under UK company law (see Relations with shareholders above).

London

AIM

Type

Non-regulated market.

The TD and the MAD do not apply to AIM, but the AIM Rules impose obligations on issuers, their directors and shareholders that are similar to key provisions in those Directives: for example, issuers must announce inside information as quickly as possible, and must publish annual and half-yearly financial results; directors must announce details of any dealings in their company's shares; and shareholders must notify the company, and in turn the company must notify the market, if their holdings reach or exceed 3% or any whole percentage above that. In addition, AIM companies must report their financial results in accordance with IFRS.

Key matters requiring shareholder approval

Under the AIM Rules, the following matters require shareholder approval:

— reverse takeovers;
— acquisitions or disposals that result in a fundamental change in the business, board of directors or voting control of the issuer; and
— de-listing, other than following a takeover or when the issuer is transferring to a comparable market.

A company whose primary business is investing funds in other securities, businesses or assets also requires shareholder approval for:

— any material change to its investing policy; or
— an acquisition that departs materially from its investing policy.

In addition to matters covered by the 2nd Company Law Directive, under UK company law shareholder approval is required for:

— a change to the issuer's share capital, or constitution;
— a change to the company's name; or
— the payment of a final dividend.

Corporate governance structures and codes

AIM companies are not required to comply with any particular code of corporate governance, but in order to attract investors and demonstrate their suitability for AIM, many AIM companies comply with those parts of the UK Corporate Governance Code (formerly the Combined Code on Corporate Governance) that they consider appropriate.

If the issuer's major shareholders are members of the ABI or the NAPF, the issuer may also comply with the guidelines published by those bodies.

Relations with shareholders

There are few specific requirements under the AIM Rules, but UK company law gives basic protections to shareholders against dilution and unfair prejudice.

It is almost always the case that each ordinary share carries one vote that can be exercised without restriction.

Under UK company law, shareholders have the following basic rights (in addition to the pre-emption rights described in Section 2 of this Guide):

- With the approval of 75% of a company's shareholders, a special resolution can be passed directing the board of directors to do or not do any particular thing.
- Any director can be removed from the board by means of an ordinary resolution (which requires a simple majority of shareholders to approve it). In principle, a company's articles of association may specify that directors can be removed with the sanction of a lesser percentage of shareholders, or of a particular investor, but this is rare for AIM companies. Most AIM company articles also allow shareholders to put forward a director and appoint him to the board by ordinary resolution.
- Shareholders with 5% or more of the total voting rights, or 100 shareholders who each hold an average GBP 100 (EUR 118) or more of paid up capital, may put a resolution at any general meeting, and require the company to circulate a statement in support of the resolution to all the members.
- Shareholders with 5% or more of a company's paid up share capital can force the directors to convene a shareholders' meeting to consider any resolution put by the requesting shareholders (such as a resolution to remove one or all of the directors).

Any person who, together with his associates, acquires or sells shares which take his holding to, above or below 3% or any whole percentage point above this must notify the company, and in turn the company must notify the market, in each case within a few days.

Publication of financial information

The TD does not apply to AIM. Annual results must be published within six months of financial year-end; half-yearly results must be published within three months. All financial results must be prepared under IFRS.

No remuneration report is required.

Quarterly results are not usually published.

Restrictions on dealings in company's securities by directors etc.

All issuers must adopt a code of dealings that prevents all directors and those employees who are likely to possess price-sensitive information from dealing in the issuer's shares during close periods prior to the announcement of annual and half-yearly results and at any other time when the company has unpublished price-sensitive information. Any dealings by such persons must be notified to the company, which must in turn announce details to the market.

Documents that need to be approved by regulator

None, except where (unusually) a prospectus is required.

Offer documents published in connection with a takeover are not approved by the FSA, but the Panel on Takeovers and Mergers (which regulates UK takeovers) scrutinises all aspects of takeover activity and can require parties to publish a correction or clarification of any statement or position, and can impose sanctions on parties which fail to include all information specified by the Takeover Code.

Threshold for mandatory offers

The requirement for a mandatory offer is triggered when a person acquires interests in shares that take his aggregate holding to 30% or more of the voting rights in a company, or where an aggregate holding which is already over 30% is increased

De-listing requirements	The issuer must announce its intention to cancel the listing, giving reasons, and cancellation cannot take effect for at least 20 business days. Except when the shares will continue to be tradable on another significant market, or when at least 75% of the issuer's shares have been acquired through a takeover offer, the issuer must also convene a shareholders' meeting and obtain the approval of at least 75% of those who attend and vote in person or by proxy. If shareholder approval is required, cancellation cannot take effect until at least five business days after the approval is obtained.
Different rules for non-domestic issuers	All issuers are required to announce certain details when a person's interest in the issuer's shares reaches or exceeds 3% or any whole percentage point above this. If an issuer's domestic law does not require holders of interests in the issuer's shares to notify it when their holding reaches such a level, and to provide the details required by the AIM Rules, an issuer incorporated outside the UK is expected to impose such obligations on shareholders by means of provisions in its constitution. An issuer whose registered office is not in the UK, Channel Islands or Isle of Man is not subject to the UK Takeover Code. But in order to attract institutional investors, such issuers sometimes include provisions in their constitution that give shareholders rights similar to key rights provided by the UK Takeover Code (including the obligation for a major shareholder to make a mandatory offer in the circumstances described above).
Other	An issuer must announce all major transactions and those entered into with a party connected to the issuer.

Madrid, Barcelona, Valencia and Bilbao

Spanish Stock Exchange – secondary market

Type	Regulated market. The same continuing obligations apply to companies listed on the First, Second and New Market segments of the Secondary Market.
Key matters requiring shareholder approval in public limited companies	Under Spanish company law, the following matters require shareholder approval in public limited companies: — the creation of types of shares that carry greater rights than ordinary shares; — the company's acquisition of its own shares or those issued by its controlling company; — approval of annual directors' report and accounts and the determination of how profits or losses are to be allocated; — amendments to the company's articles of association and, particularly, any capital increase or decrease, or any significant changes in the controlling structure of the company; — the appointment and dismissal of directors, and delegation to the directors of the authority to resolve, at their discretion, to increase the capital up to a pre-authorised amount; — a decision to bring legal proceedings against a director; — the issue of bonds and the basis and terms of their issue and any right to convert into shares; — the disapplication of shareholders' pre-emption rights; — appointment of the company's auditors; — distribution of interim dividends to shareholders; — reorganisation of the company, — its merger and split-off; and — dissolution and liquidation of the company.
Corporate governance structures and codes	Companies with shares listed on the Spanish Stock Exchange must publish a Corporate Governance Report on a yearly basis, which must follow the template approved by the CNMV. The report must state whether the issuer complies with the Recommendations of the Unified Corporate Governance Code, or an explanation of why not (under the "comply or explain" principle of the Corporate Governance Recommendations). Domestic issuers have a unitary board structure: the Unified Corporate Governance Code contemplates the creation of several board committees responsible for particular aspects of corporate governance (remuneration committee, audit committee, appointments committee). It also recommends that management bodies have more non-executive than executive directors and that, among the non-executives, there is a balance between those who are independent from the executives and those who are not.

Relations with shareholders

Every listed company must have an official website disclosing the company's financial results and certain other information on the company and on its ongoing reporting obligations specified by Spanish law.

From the time when a general shareholders' meeting is called by the board of directors of the company, any shareholder may obtain from the company, at its corporate address, free of charge and without delay, the documents that are to be submitted for approval by the shareholders' meeting, including the management report and any auditor's report.

Shareholders in Spanish listed companies must notify the CNMV, the securities market and the company of any acquisition or transfer of shares which gives rise to an increase or decrease of their voting rights that reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% or 90% of the total share capital (for some cases the threshold goes down to 1%).

Any shareholders' agreement must be notified to the issuer.

The issuer must notify the CNMV of any acquisition of its own shares that exceeds 1% of the total share capital of the company.

Publication of financial information

Issuers must publish annual and half-yearly results, and quarterly interim management statements, in accordance with the Spanish regulations (which reflect the TD).

Restrictions on dealings in company's securities by directors etc.

All issuers must adopt an Internal Code of Conduct that is in line with the General Code of Conduct and the principles of conduct rules of the Spanish Securities Market Act. It must govern, amongst other things, how dealings in the company's shares entered into by its employees, directors or representatives are to be authorised and disclosed to the Spanish market.

Directors and managers must notify the issuer of their interests in the company's securities and any dealings.

Documents that need to be approved by regulator

The following documents must be filed with the CNMV:

— an Internal Code of Conduct.
— regulations governing the organisation and functioning of the board of directors, which have to be approved by the board of directors of the company and communicated to the CNMV;
— regulations governing the organisation and running of general shareholder meetings, which must be approved by the general shareholders' meeting and communicated to the CNMV; and
— a corporate governance report.

Threshold for mandatory offers

A mandatory offer is triggered when a person acquires control of a listed company. For this purpose, control is deemed to have been obtained by a natural or legal person when:

— At least 30% of the company's voting rights are acquired. The following shall be taken into account: (i) direct or indirect acquisitions of shares or securities conferring voting rights; (ii) agreements concluded for the purpose of gaining control of the company ("acting in concert"); and (iii) voting rights held through pledges, usufruct or any other contractual means.
— Having acquired less than 30%, the person appoints, within the 24 months following the acquisition, a number of members of the board of directors who, when added to those already appointed, represent more than 50% of the members of the board of directors of the company (i.e. obtains board control).

De-listing requirements	Generally, the company itself or any other person or entity authorised by the general shareholders' meeting must make an offer to all shareholders of the company to acquire their shares on terms and at a price that are considered by an independent expert to be fair. The de-listing procedure involves: (i) an announcement of the proposed offer and de-listing; (ii) an application to the CNMV to approve the offer; (iii) approval of the offer by the CNMV; (iv) publication of the offer; and (v) acceptance of the offer and de-listing.
Different rules for non-domestic issuers	No specific rules apply to non-domestic issuers that have shares admitted to trading on the Secondary Market of the Spanish Stock exchange and that have chosen Spain as their home Member State.

Milan

Borsa Italiana – MTA

Type	Regulated market.
Key matters requiring shareholder approval	The Borsa Italiana Rules do not specify matters that require shareholder approval. Under Italian company law, the following matters require shareholder approval: — reverse takeovers (i.e. broadly when the issuer acquires a business larger than itself); — de-listing; — changes to the issuer's share capital; and — a buyback of the issuer's own shares.
Corporate governance structures and codes	The board of directors of the issuer must disclose in the annual report transactions with parties who are in some way "connected" to the issuer (e.g. directors, joint venture partners and subsidiaries). Most issuers comply with the Self-regulation Code (Codice Preda) on corporate governance, published by the Corporate Governance Committee of Borsa Italiana S.p.A., which is primarily concerned with the responsibilities of non-executive directors, and particularly their role in monitoring and constructively challenging the decisions of the executive directors. Issuers that intend to be listed on the STAR segment of the market must adopt the Self-regulation Code in relation to the appointment of an investor relations expert with appropriate qualifications and to the composition of the board of directors and the role and functions of non-executive and independent directors.
Relations with shareholders	Equal treatment in accordance with the CARD. In accordance with the MAD, significant shareholders (whose shareholdings are equal to or greater than 10% of the share capital of a listed issuer), as well as those who control a listed issuer, are subject to transaction reporting in the same way as directors and senior managers.
Publication of financial information	Issuers must publish half-yearly financial results (within four months) and quarterly reports (within 45 days, with some exceptions) and independently audited full-year financial reports (within six months from the end of the accounting period). Annual results must include a report on the directors' remuneration packages if the issuer has complied with the Self-regulation Code.

Restrictions on dealings in company's securities by directors etc.

All issuers must adopt a code of internal dealings which restricts directors and certain senior employees from dealing in the company's shares during the 15 days preceding a meeting of the board of directors called to approve periodic financial statements (e.g. prior to the announcement of quarterly, half-yearly and annual results) and at any time when there exists any unpublished price-sensitive information relating to the company (whether or not the director who is proposing to deal has such information himself). Any dealings by such persons must be notified to the company, which must in turn announce details to the market.

These restrictions do not apply to the take-up of pre-emption rights to subscribe for new shares, or to the exercise of stock options or a sale of the resulting shares where the sale is made immediately after the option is exercised. Nor do they apply if the director or employee concerned demonstrates to the company that he is in exceptional circumstances of personal necessity.

Documents that need to be approved by regulator

Prospectuses.

Circulars sent to shareholders containing details of certain categories of transaction, or a transaction with a related party, that shareholders are being asked to approve.

Circulars relating to any matter or transaction that has "unusual features".

Circulars relating to the company purchasing its own shares from a related party or that would exceed 20% of the company's issued share capital.

Circulars relating to a proposal to transfer equity shares from one segment of the MTA to another segment.

Circulars relating to certain other "non-routine" matters such as a decrease, merger or splitting of the company's share capital.

Circulars relating the adoption of the market conduct rules (codice di autodisciplina).

Offer documents published in connection with a takeover.

Threshold for mandatory offers

The requirement for a mandatory offer is triggered when a person acquires interests in shares that take his aggregate holding to 30% or more of the voting rights in a company.

De-listing requirements

In order to be delisted, the issuer must obtain approval from its shareholders at an extraordinary general meeting, and must file a written request with the Borsa Italiana attaching: (i) the shareholders' resolution; (ii) a statement of admission to trading on another Italian or EU market; and (iii) expert advice on the fact that takeover bid rules will apply on the new market, or a favourable opinion issued by CONSOB confirming the existence of equivalent measures aimed at protecting investors.

Within ten days, the Borsa Italiana must fix the de-listing date (which cannot be earlier than three months) and the date must be disclosed to the public without delay.

Different rules for non-domestic issuers

Foreign issuers (EU and non-EU) whose shares are listed solely on organised Italian markets must make public information equivalent to that required under Italian law for listed companies, in particular in relation to:

— mergers, spin-offs and share capital increases when the company receives non-cash consideration;
— acquisitions and disposals;
— related party transactions;
— other amendments to the articles of association;
— the issue of bonds;
— decisions to reduce the share capital due to losses;
— the allocation of assets to a specific business project;
— the Borsa Italiana requirements for extraordinary corporate actions;
— the allocation of shares to corporate officers, employees and their associates; and
— compliance with codes of conduct and governance practices.

Such information must be disclosed in accordance with the corporate system in force in the country in which the registered office of the issuer is located.

Milan

AIM Italia

Type	Non-regulated market.
Key matters requiring shareholder approval	Under the AIM Rules, the following matters require shareholder approval: — reverse takeovers; — acquisition or disposals that result in a fundamental change in the business, board of directors or voting control of the issuer; and — de-listing, other than following a takeover or when the issuer is transferring to a comparable market. Italian company law requires shareholder approval for the following: — changes to the issuer's share capital, or constitution; — proposals to buy back the company's own shares; and — the payment of final dividends.
Corporate governance structures and codes	AIM companies are not required to comply with any particular code of corporate governance, but in practice may comply voluntarily with the Code of Conduct issued by the Borsa Italiana.
Relations with shareholders	There are few specific requirements under the AIM Rules, but domestic company law gives basic protections to shareholders against dilution and unfair prejudice. It is almost always the case that each ordinary share carries one vote that can be exercised without restriction.
Publication of financial information	Annual results to be published within six months of financial year-end; half-yearly results within three months. Currently can be prepared under or US GAAP or IFRS. No remuneration report required. Quarterly results are usually published.
Restrictions on dealings in company's securities by directors etc.	All issuers must adopt a code of dealings that prevents all directors and those employees who are likely to possess price-sensitive information from dealing in the issuer's shares during close periods prior to the announcement of annual and half-yearly results and at any other time when the company has unpublished price-sensitive information. Any dealings by such persons must be notified to the company, which must in turn announce details to the market.
Documents that need to be approved by regulator	None, except when (unusually) a prospectus is required.

Threshold for mandatory offers	Although AIM is not within the scope of the Takeovers Directive, the Italian rules on takeovers apply to offers for companies that are listed on AIM. The requirement for a mandatory offer is triggered when a person acquires interests in shares which take his aggregate holding to 30% or more of the voting rights in a company, or where an aggregate holding that is already over 30% is increased.
De-listing requirements	In order to be delisted, the issuer must obtain approval from its shareholders at an extraordinary general meeting, and must file a written request with the Borsa Italiana attaching: (i) the shareholders' resolution; (ii) a statement of admission to trading on another Italian or EU market; and (iii) expert advice on the fact that takeover bid rules will apply on the new market, or a favourable opinion issued by CONSOB confirming the existence of equivalent measures aimed at protecting investors. Within ten days, the Borsa Italiana must fix the de-listing date (which cannot be earlier than three months) and the date must be disclosed to the public without delay.
Different rules for non-domestic issuers	None.

Moscow

RTS and MICEX

Type	Regulated market.
Key matters requiring shareholder approval	Under Russian Joint Stock Company Law, the shareholders can take decisions on, inter alia: — determining the quantity, face value and category (type) of announced shares and the rights conferred by such shares; — appointing members of the board of directors (supervisory board); — appointing the executive board (or the general director), unless the company's charter specifies that such appointments can be made by the board of directors (supervisory board); — paying dividends; — appointing the auditor; — amending the charter; — increasing the share capital, including the issue of new shares, unless the charter specifies that such appointments can be made by the board of directors (supervisory board); and — liquidation or reorganisation.
Corporate governance structures and codes	Issuers may adhere to the Corporate Code of Conduct of 5 April 2002 approved by the Russian securities markets regulator, although the Code does not have the binding force of law. It is recommended that stock exchanges include compliance with the Code as a listing requirement (for example, both the MICEX and the RTS have recommended the Corporate Code of Conduct for their issuers).
Relations with shareholders	Apart from the right to dividends, shareholders have the right to participate in meetings of shareholders, at which each share has one vote. Shareholders holding not less than 10% of voting shares can demand a meeting of shareholders be convened. Each shareholder has the right to take part in a shareholders' meeting. Each shareholder may demand copies of the principal documents and information on certain affairs of the company. Shareholders have the right to challenge decisions of a meeting of shareholders in a court. The executive board must present the annual statement of accounts and a management report at the shareholders' meeting. A shareholder must notify the issuer and the securities market regulator if its holding reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75%. This must be done no later than five days after the entry is made on the relevant custody account. The issuer must in turn publish details on a news channel within one day and on its website within two days.

Publication of financial information	An issuer must publish: — annual reports and accounts; and — quarterly reports. Depending on the circumstances, financial information may also need to be published: — if an event occurs that could materially influence the value of the issuer's securities; — if a significant event occurs (e.g. if the issuer's assets, net profits or losses increase or decrease to a material extent); or — if the issuer enters into a transaction the value of which exceeds 10% of the issuer's assets.
Restrictions on dealings in company's securities by directors etc.	There are no statutory restrictions on dealing in a company's securities as long as the directors, auditors and state officers do not take advantage of any inside information.
Documents that need to be approved by regulator	The application and decision to issue shares; prospectuses.
Threshold for mandatory offers	A mandatory offer is required when any person together with his affiliates obtains more that 30% of the voting shares in an open joint stock company.
De-listing requirements	De-listing under Russian law can be understood to mean "de-listing from a quotation list". Even if a stock is delisted from a quotation list, it can still be traded on the stock exchange as a security that is admitted to trading without being listed. In a de-listing procedure, a Russian company is not obliged to change its corporate status from a public (OJSC) to a private company (CJSC). Each Russian stock exchange is expected to have its own de-listing rules, which must comply with certain mandatory requirements specified by Russian law. Among other things, shares must be de-listed: — at the issuer's request; — if a share issue is declared invalid; — if all the shares of a relevant type or category are cancelled; — if the issuer is wound up as result of its reorganisation or liquidation; — if the issuer commits repeated breaches of the securities legislation; or — if the aggregate value of the shares in the issuer traded over the last month falls below the threshold for the relevant quotation list: A1 – RUB 50 million (approximately EUR 1.226 million); A2 – RUB 5 million (approximately EUR 122,000); B – RUB 3 million (approximately EUR 73,000); and I – RUB 1 million (approximately EUR 24,000). To initiate the de-listing process, the CEO of an issuer must make a signed application to the stock exchange. Current legislation and court practice does not make clear whether it is the shareholders in general meeting or the board of directors that is entitled to take a decision to de-list an issuer's shares. However, most practitioners consider that the decision cannot be taken solely by the CEO; as a minimum, approval of the relevant management body is required (which could be the management body that decided to list the shares). If a de-listing is connected to a major transaction, or a transaction with a related party, additional approval may be required.
Different rules for non-domestic issuers	None except those described in the equivalent row of the Moscow table in Section 2 of this Guide.

Paris

NYSE Euronext Paris

Type	Regulated market.
Key matters requiring shareholder approval	Under French company law the following matters require shareholder approval: — amendment of the articles of association; — approval of annual financial statements; — payment of final dividends; — appointment or dismissal of directors; — capital increase or cancellation; — listing; — transactions with parties who are in some way connected to the issuer (e.g. directors; shareholders with at least 10% of the voting rights); and — allotment of bonus shares.
Corporate governance structures and codes	Public limited companies (SA) and limited share partnerships (SCA) that have offered their shares to the public must publish: — a report by the chairman of the board of directors on the manner in which the board's work has been prepared and organised and on the internal control procedures implemented by the company; and — a management report. Other companies must publish a chairman's report but need not publish a management report.
Relations with shareholders	Equal treatment in accordance with the CARD. Shareholders in a French issuer must notify the AMF and the issuer in the required form when the percentage of the issuer's share capital that they hold reaches, exceeds or falls below any of the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% and 95%. Notification must be carried out by the close of trading on the fourth trading day after the threshold has been reached. On receipt, the AMF publishes the information received. When the 10%, 15%, 20% or 25% threshold is reached, the shareholder must declare to the issuer and the AMF its objectives for the next six months (by the close of trading on the fifth trading day after the threshold has been crossed).
Publication of financial information	Issuers must disclose: — the annual report with annual financial statements certified and consolidated where appropriate; — the half-yearly report; and — the amount of the quarterly turnover.

Restrictions on dealings in company's securities by directors etc.	Managers of a listed company must notify the AMF of all acquisitions, transfers, subscriptions and exchanges of the company's shares made by members of the board of directors, the executive board, the supervisory board or the general manager (and persons having a personal link with them).
Documents that need to be approved by regulator	Prospectuses. Offer documents relating to a public mandatory offer.
Threshold for mandatory offers	The requirement for a mandatory offer is triggered when a person acquires interests in shares that take his aggregate holding to 30% or more of the voting rights or of the capital of the company.
De-listing requirements	At the request of the issuer, Euronext Paris may remove any financial instrument from the list of financial instruments admitted to trading on the regulated market. On its own initiative, Euronext Paris can de-list a financial instrument if it is in the interests of the market to do so. Since 2007, the AMF has been unable to oppose a decision to de-list.
Different rules for non-domestic issuers	Foreign companies whose home Member State is France are generally subject to the same obligations as French issuers, and must disclose information in French, unless their securities are listed on the professional investor market.

Paris

NYSE Alternext Paris

Type	Non-regulated market.
Key matters requiring shareholder approval	Under French company law the following matters require shareholder approval: — amendment of the articles of association; — approval of annual financial statements; — payment of final dividends; — appointment or dismissal of directors; — capital increase or cancellation; — listing; — transactions with parties who are in some way connected to the issuer (e.g. directors; shareholders with at least 10% of the voting rights); and — allotment of bonus shares.
Corporate governance structures and codes	Public limited companies (SA) and limited share partnerships (SCA) that have offered their shares to the public must publish: — a report by the chairman of the board of directors on the manner in which the board's work has been prepared and organised and on the internal control procedures implemented by the company; and — a management report. Other companies must publish a chairman's report but need not publish a management report.
Relations with shareholders	Equal treatment in accordance with the CARD. Shareholders in a French issuer must notify the AMF and the issuer in the required form when the percentage of the issuer's share capital that they hold reaches, exceeds or falls below any of the following thresholds: 50% and 95%. Notification must be made by the close of trading on the fourth trading day after the threshold has been reached. On receipt, the AMF publishes the information received.
Publication of financial information	Issuers must disclose: — the annual report with annual financial statements certified and consolidated where appropriate; — the half-yearly report; and — the amount of the quarterly turnover.
Restrictions on dealings in company's securities by directors etc.	Managers of issuers that have offered shares to the public must notify the AMF of all acquisitions, transfers, subscriptions and exchanges of the company's shares made by members of the board of directors, the executive board, the supervisory board or the general manager (and persons having a personal link with them).
Documents that need to be approved by regulator	Prospectuses in the case of a public offering. Offer documents when a single investor, or a group of investors acting in concert, holds a majority of the voting rights or share capital in the issuer and must make a public mandatory offer to acquire the other shares.

Threshold for mandatory offers

The requirement for a public mandatory offer is triggered when a person acquires interests in shares that take his aggregate holding to 50% or more of the voting rights or of the capital of the company.

De-listing requirements

At the request of the issuer or on its own initiative, Euronext Paris can de-list any financial instrument admitted to trading on Alternext.

In addition, securities admitted to trading on Alternext can be delisted:

- at the request of an administrator appointed by the court to oversee the winding-up of the issuer or the partial or total disposal of its business;
- at the request of a person or a group of persons holding 100% of the securities; or
- when a person or group of persons holding 95% of the voting rights makes an offer to buy out minority shareholders that is open for a period of at least ten business days at a price that, according to an independent expert, is fair.

Different rules for non-domestic issuers

Foreign companies whose home Member State is France are generally subject to the same obligations as French issuers.

Paris

Marché Libre OTC

Type	Non-regulated market.
Key matters requiring shareholder approval	Under French company law the following matters require shareholder approval: — amendment of the articles of association; — approval of annual financial statements; — payment of final dividends; — appointment or dismissal of directors; — capital increase or cancellation; — listing; — transactions with parties who are in some way connected to the issuer (e.g. directors; shareholders with at least 10% of the voting rights); and — allotment of bonus shares.
Corporate governance structures and codes	Public limited companies (SA) and limited share partnerships (SCA) that have offered their shares to the public must publish: — a report by the chairman of the board of directors on the manner in which the board's work has been prepared and organised and on the internal control procedures implemented by the company; and — a management report. Other companies must publish a chairman's report but need not publish a management report.
Relations with shareholders	Equal treatment in accordance with the CARD.
Publication of financial information	None required.
Restrictions on dealings in company's securities by directors etc.	No restrictions.
Documents that need to be approved by regulator	Prospectuses in the case of a public offering.
Threshold for mandatory offers	None specified.

De-listing requirements

At the request of the issuer or on its own initiative, Euronext Paris can de-list any financial instrument admitted to trading on the **Marché Libre**.

In addition, securities admitted to trading on the **Marché Libre** can be delisted:

- at the request of the receiver if the issuer enters compulsory administration; at the request of the liquidator if the issuer is to be wound up; or as soon as Euronext Paris is informed of an official order for a disposal plan;
- at the request of a person or group of persons who hold 100% of the company's securities;
- if a person, or a group of persons acting in concert, owns 95% of the capital or voting rights and has made an offer to buy out the other shareholders (whether or not the 95% holding was achieved as a result of the offer). The offer must be open for at least 25 trading days and must be disseminated to all shareholders, regardless of the form in which they hold their shares, and must be accompanied by certain information; or
- the company has been merged into another company and therefore has been dissolved.

Different rules for non-domestic issuers

Foreign companies whose home Member State is France are generally subject to the same obligations as French issuers.

Prague

Prague Stock Exchange – regulated market and free market

Type	Regulated market.
Key matters requiring shareholder approval	Under Czech law, shareholders must approve any decision to: — modify the articles of association of the company; — increase or reduce the registered capital, or to set off against an amount due from a shareholder for his shares an amount owed by the company to that shareholder; — issue bonds; — elect or remove members of the board of directors, unless the articles of association of the company state that such members can only be elected or removed by the supervisory board; — elect or remove members of the supervisory board and other management bodies; — approve the company's ordinary, extraordinary and consolidated financial statements and, when required by law, interim financial statements, and to decide on the distribution of profits and the making good of losses; — determine the financial remuneration of members of the board of directors and the supervisory board; — apply for the listing of the company's securities, or to cancel their listing; — wind up the company and to decide on the appointment or removal of a liquidator, including his remuneration, and on the distribution of any assets left after the liquidation process; — effect a merger, transfer of business assets to a sole shareholder or a division, or to change (convert) the issuer's legal form; — conclude a contract for the transfer or lease of the whole or part of an enterprise, and any decision to conclude such a contract or lease with a connected person; — approve a transaction made in the name of the company before its incorporation; and — approve a controlling agreement, an agreement on profit transfer or a silent partnership agreement, and any amendment to it.
Corporate governance structures and codes	There is no prescribed corporate governance code, but on admission the issuer must state with which corporate governance recommendations it intends to comply.
Relations with shareholders	Equal treatment in accordance with the CARD. Any shareholder can challenge the validity of a resolution proposed in a general meeting of shareholders.

Publication of financial information	Each year, an issuer must provide the PSE with a calendar of dates showing when it expects to publish its preliminary results, annual report, half-yearly results and other key financial information. The calendar must be provided within the first 30 days of each financial year and before any financial information for that year is published. Issuers must publish preliminary financial results that include at least certain key items from the balance sheet and profit and loss account. In accordance with the TD, an issuer must publish: — consolidated annual results within four months of the financial year-end; — consolidated half-yearly results, prepared in accordance with IAS 34, within two months of the end of the first half of the financial year; and — quarterly reports on key changes in the issuer's financial position. In addition, at any time when the PSE considers it necessary to protect investors and the smooth functioning of the market, it can require an issuer to publish further information about its business results and financial situation.
Restrictions on dealings in company's securities by directors etc.	None.
Documents that need to be approved by regulator	Prospectus. Takeover offer document. Securities auction order.
Threshold for mandatory offers	A mandatory offer is required when any person obtains control over a stock company. "Control over a company" is defined as holding at least 30% of the voting rights. A mandatory public offer must also be made where a shareholder acquires between two-thirds and three-quarters of all voting rights in the target company. The offer must be made within 30 days of the threshold being reached, and must be open for at least four weeks. No further shares in the target company can usually be acquired. The offeror must demonstrate that it has sufficient resources to satisfy the consideration. The consideration can either be in the form of cash or shares in the bidder, or both. A court-registered expert must confirm that the price is "adequate" in the context of the value of the target's shares (taking into account the weighted average of prices at which shares in the target have been traded over the past six months).
De-listing requirements	An issuer's shares will be de-listed on its request if: — the decision to de-list was validly taken in accordance with the issuer's national law and was approved at a general meeting of shareholders; and — the issuer has made an offer to buy all the shares held by minority shareholders that complies (for Czech issuers) with the Czech Commercial Code or (for foreign issuers) with equivalent provisions of the issuer's national law.
Different rules for non-domestic issuers	None.

Prague

Prague Stock Exchange – MTF market

Type	Non-regulated market.
Key matters requiring shareholder approval	Under Czech law, shareholders must approve any decision to: — modify the articles of association of the company; — increase or reduce the registered capital, or to set off against an amount due from a shareholder for his shares an amount owed by the company to that shareholder; — issue bonds; — elect or remove members of the board of directors, unless the articles of association of the company state that such members can only be elected or removed by the supervisory board; — elect or remove members of the supervisory board and other management bodies; — approve the company's ordinary, extraordinary and consolidated financial statements and, when required by law, interim financial statements, and to decide on the distribution of profits and the making good of losses; — determine the financial remuneration of members of the board of directors and the supervisory board; — apply for the listing of the company's securities, or to cancel their listing; — wind up the company and to decide on the appointment or removal of a liquidator, including his remuneration, and on the distribution of any assets left after the liquidation process; — effect a merger, transfer of business assets to a sole shareholder or a division, or to change (convert) the issuer's legal form; — conclude a contract for the transfer or lease of the whole or part of an enterprise, and any decision to conclude such a contract or lease with a connected person; — approve a transaction made in the name of the company before its incorporation; — approve a controlling agreement, an agreement on profit transfer or a silent partnership agreement, and any amendment to it.
Corporate governance structures and codes	There is no prescribed corporate governance code.
Relations with shareholders	Equal treatment in accordance with the CARD. Any shareholder can challenge the validity of a resolution proposed in general meeting of shareholders.
Publication of financial information	Although the TD does not apply, issuers must publish financial results according to similar rules: — consolidated annual results within four months of the financial year-end; — consolidated half-yearly results, prepared under IAS 34, within two months of the end of the first half of the financial year; and — quarterly reports on key changes in the issuer's financial position.
Restrictions on dealings in company's securities by directors etc.	None.

Documents that need to be approved by regulator	Prospectus (if published). Security information document (when shares are admitted to the MTF market or offered to investors but no prospectus is required).
Threshold for mandatory offers	None.
De-listing requirements	An issuer's shares will be de-listed on its request if: — three years have elapsed since the shares were admitted to listing; — the decision to de-list was validly taken in accordance with the issuer's national law; and — the issuer has made an offer to buy all the shares held by minority shareholders that complies (for Czech issuers) with the Czech Commercial Code or (for foreign issuers) with equivalent provisions of the issuer's national law.
Different rules for non-domestic issuers	None.

Vienna

Vienna Stock Exchange – Official Market and Second Regulated Market

Type	Regulated Market.
Key matters requiring shareholder approval	Under Austrian law various matters are subject to shareholder approval, including the appointment of the members of the supervisory board (**Aufsichtsrat**), the allocation of profits and the appointment of the annual auditor. Additionally, Austrian mandatory law stipulates that the following measures, inter alia, require a majority of at least 75% (which may not be reduced by the articles of association) of the share capital present at the shareholders' meeting: — a change in the company's business purpose; — an increase in share capital when shareholders' pre-emption rights are disapplied; — the approval of authorised or conditional capital; — a decrease of share capital; — the disapplication of pre-emption rights in respect of convertible bonds, participating bonds and participation rights; — the dissolution of the company, or continuation of the company if it has already been dissolved; — the transformation of the company into a limited liability company (**Gesellschaft mit beschränkter Haftung**); — the approval of a merger or a demerger; — the transfer of all the assets of the company; and — the approval of profit pools or agreements on the operation of the business. A majority of 90% of the entire share capital is required for an upstream merger pursuant to the Austrian Transformation Act (**Umwandlungsgesetz**), with certain exceptions, for a spin-off disproportionate to shareholdings pursuant to the Austrian Spin-Off Act (**Spaltungsgesetz**) or for a squeeze-out pursuant to the Austrian Act on the Squeeze-out of Minority Shareholders (**Gesellschafter-Ausschlussgesetz**).
Corporate governance structures and codes	The Austrian Code of Corporate Governance (**Corporate Governance Kodex**) provides Austrian corporations with a framework for the management and control of enterprises. The Code of Corporate Governance primarily applies to Austrian listed companies. It is based on the provisions of Austrian corporation law, securities law and capital markets law as well as on the principles set out in the OECD Principles of Corporate Governance. Austrian companies admitted to the Prime Market segment are required to make a public declaration of their commitment to the Austrian Code of Corporate Governance, to have their adherence to its rules monitored by an external institution on a regular and voluntary basis, and to report the findings to the public.

Relations with shareholders

The Joint Stock Corporation Act contains provisions that protect the rights of individual shareholders. In particular, all shareholders must, under equal circumstances, be treated equally, unless the affected shareholders have consented to unequal treatment. As above, measures affecting shareholders' rights, such as capital increases and the exclusion of pre-emption rights, generally require a shareholders' resolution.

A shareholder or a group of shareholders with an aggregate shareholding of at least 10% of the share capital is, inter alia, entitled to:

— put a resolution to the shareholders' meeting that a special auditor should be appointed to investigate any aspect of the company's establishment or management that took place in the previous two years and, if such a resolution is not passed, to apply to the court for appointment of such a special auditor;
— veto the appointment of a special auditor and request the court to appoint another special auditor;
— request the court to revoke the appointment of members of the supervisory board for cause;
— request the adjournment of the shareholders' meeting if the annual financial statements are found to be incorrect by the shareholders who request the adjournment;
— request the assertion of damage claims on behalf of the company against members of the management board, members of the supervisory board or certain third parties, if the claim is not obviously unfounded.

A shareholder or a group of shareholders with an aggregate shareholding of at least 5% of the share capital is, inter alia, entitled to:

— request the convening of a shareholders' meeting, or to ask the court to convene a shareholders' meeting, if the management board or the supervisory board does not comply with the request;
— apply for an audit of the annual financial statements during liquidation; and
— contest the validity of a resolution of the shareholders' meeting, if such resolution provides for amortisation, accumulated depreciation, reserves and accruals exceeding the limits set by law or the articles of association of the company.

When a shareholders' meeting of a listed joint stock corporation has been announced, any shareholder or group of shareholders with an aggregate shareholding of at least 1% of the share capital is entitled to propose additional resolutions and/or amendments to any tabled resolution, and to request that the proposed amendments or additional resolutions, including reasons for them, are made available on the company's website.

When shares of an issuer are bought or sold, those persons buying or selling must inform the issuer, the VSE and the Financial Market Authority within two trading days if, as a result of the transaction, the voting rights held by that person reach, exceed or fall below 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90% of the total number of voting rights.

Publication of financial information

In accordance with the Austrian Stock Exchange Act (which reflects the TD), an issuer whose home Member State is Austria must:

— publish its annual financial statements at the latest four months after the end of its financial year and keep them available for the general public for a period of five years;
— publish its half-yearly results at the latest two months after the end of the first half-year of the financial year.

These reports must be conveyed to the Austrian Financial Market Authority, the Oesterreichische Kontrollbank AG and the VSE.

An issuer admitted to the Prime Market segment must also issue interim statements covering the first three and nine months of the financial year at the latest within six weeks after the end of the reporting period. The reports must be provided to the VSE and be published on the issuer's website.

Prime Market issuers must prepare their financial statements under IFRS adopted pursuant to the IAS Regulation.

Restrictions on dealings in company's securities by directors etc.

Persons who hold a management position in an issuer, and persons who have a close relationship with an issuer, must immediately report to the Financial Market Authority (FMA) all trades concluded for their own account in equities and equity-like securities admitted to the regulated markets of the issuer or any related trades in derivatives or associated companies.

The report to the FMA must be made within five working days of the day the trade was executed, but may be deferred until the total volume of trades executed reaches EUR 5,000. If the threshold of EUR 5,000 is not reached by the end of the calendar year, the report may be omitted. Trades of persons having a close relationship with directors must be aggregated.

Documents that need to be approved by regulator

Documents setting out the terms of any takeover bid must be approved by the Austrian Takeover Commission (**Übernahmekommission**).

Any prospectus must be approved by the FMA.

Threshold for mandatory offers

A mandatory takeover bid is required when any person (or persons acting in concert) acquires a controlling stake in a company admitted to the Official Market or the Second Regulated Market. According to the Austrian Takeover Code (**Übernahmegesetz**), "controlling stake" is defined as at least 30% of the voting rights in the company.

De-listing requirements

The Austrian Joint Stock Corporation Act only provides for a voluntary de-listing for securities admitted to the Second Regulated Market, which must be announced and notified to the VSE at least one month in advance. There is no provision for voluntary de-listing of securities that are admitted to the Official Market.

Although the Austrian Joint Stock Corporation Act does not include an explicit requirement, Austrian experts consider that a de-listing requires the approval of shareholders holding a majority of at least 75% of the share capital present at a shareholders' meeting. However, there is no consensus on what is required. Whilst there is consensus that shareholders must be compensated in cash for the potential illiquidity of shares resulting from de-listing, details of the cash compensation (e.g. its calculation) are subject to interpretation, because there are no statutory rules addressing compensation in a de-listing.

Different rules for non-domestic issuers

Issuers admitted to the Prime Market segment:

- may apply for the permission of the VSE to publish interim reports, annual financial statements, corporate action timetables and ad hoc releases only in English;
- must disclose on their websites the provisions of company law that apply to them in relation to: (i) returning capital to shareholders; (ii) profit distributions to shareholders; (iii) changes to the articles of association; (iv) the exclusion of pre-emption rights; and (v) the company acquiring its own shares;
- must disclose on its website the percentage of own shares within two trading days after the acquisition or sale if these shares reach, exceed or fall below the threshold of 5%;
- whose registered office is in another EU Member State must notify the VSE when, as a result of a transaction, the voting rights held by a person reach, exceed or fall below 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90% of the total number of voting rights; and
- that are subject to the company law of another EU or EEA Member State must comply with Code of Corporate Governance recognised in the relevant economic area and must include a declaration of commitment to the relevant code in their annual financial report or in a corporate governance statement, and must publish this on their website.

Warsaw

Warsaw Stock Exchange – Main Floor

Type	Regulated Market.
Key matters requiring shareholder approval	Under Polish law, matters that require shareholders' approval include: a capital increase, merger, demerger, substantial change of registered activity, amendments to the articles of association, an issue of convertible bonds or debentures, the buyback and cancellation of shares, dematerialisation and de-listing.
Corporate governance structures and codes	Issuers are strongly recommended to follow the WSE's Best Practice Code for Listed Companies. The Best Practice Code is "soft law", i.e. companies should explain annually any non-compliance with the Code, but no legal sanctions are imposed for non-compliance. Domestic issuers have a two-tier board structure comprising a management board and a supervisory board. The Best Practice Code is concerned with sound management, efficient monitoring and transparency in both tiers of the board. It is also concerned with the protection of shareholders' rights.
Relations with shareholders	An investor must notify the Polish Financial Supervision Authority (PFSA) and certain other bodies when its holding reaches or goes through 5% ,10%, 15%, 20%, 25%, 33%, 33$^{1/3}$% 50%, 75% or 90% of votes exercisable at a general meeting of shareholders. The notification requirement also applies when an investor comes to hold more than 10% of the total votes and his holding changes by at least 2% (or 5% on the parallel segment), or by at least 1% when a shareholder holds at least 33% of the total votes. A majority shareholder representing at least 90% of capital has the right to force the remaining minority shareholders to sell their shares to it (squeeze-out). Under Polish law, minority shareholders have a number of rights, including: (i) shareholders with at least 5% can convene a general meeting and add matters to its agenda; (ii) shareholders holding at least 5% are entitled to request the appointment of an auditor to examine particular issues relating to the operations or establishment of the company; (iii) shareholders with at least 10% have the right to force a shareholder with at least 90% of the votes in the company to buy all of their shares (reverse squeeze-out); (iv) shareholders with at least 20% of the share capital can request an election of supervisory board members in separate groups (group voting); and (v) any shareholder is entitled to bring an action to challenge a resolution of a general meeting of shareholders on the grounds that it was invalid or should be annulled.
Publication of financial information	In accordance with the TD, issuers must submit current reports on any significant events, as well as unaudited quarterly, audited half-yearly and audited yearly financial reports containing certain information specified by law. Financial statements must usually be prepared in accordance with IFRS (Polish issuers) or the national GAAP of the issuer's state of registration.

Restrictions on dealings in company's securities by directors etc.

Any person who obtains inside information by virtue of being a member of an issuer's management or supervisory board, or a shareholder or an employee is restricted from dealing in the company's shares.

The members of the management board and supervisory board, agents, attorneys-in-fact of the issuer, the issuer's employees, auditors or other persons related to the issuer may not trade in shares of the issuer during the so-called "closed periods" ahead of the publication of financial results (two weeks before the publication of quarterly reports; one month before the publication of half-yearly reports; and two months before the publication of annual reports).

In addition, management board members and supervisory board members must disclose any transactions involving securities of the issuer if the value of such transactions exceeds an equivalent of EUR 5,000.

Documents that need to be approved by the regulator

Prospectuses

Threshold for mandatory offers

Polish securities law sets various thresholds that trigger an obligation to announce a takeover offer (tender offer). When an investor intends to acquire shares representing more than:

— 10% of the voting rights within a period of less than 60 days (in the case of an investor holding less than 33% of the voting rights);
— 5% of the voting rights within a period of less than 12 months (in the case of an investor holding at least 33% of the voting rights);
— 33% of the voting rights; or
— 66% of the voting rights,

in each case the investor can acquire those shares only if he makes an offer to all of the other shareholders to buy their shares on the same terms. In the case of an acquisition of more than 33%, or more than 66%, of the voting rights in a public company, the acquirer must make an offer to all of the other shareholders offering to purchase at least 66%, or 100% respectively, of the total voting rights in the company. There are plans to abolish the 5%, 10% and 66% thresholds and instead to introduce a single threshold of 33% at which a tender offer will be required.

De-listing requirements

In principle, only a shareholder can propose to re-materialise an issuer's shares and de-list them. To do so, the shareholder must make a tender offer for all of the remaining shares. The general shareholders' meeting has to approve such re-materialisation by a majority of 80% of votes cast in the presence of shareholders representing at least 50% of the share capital.

Different rules for non-domestic issuers

No significant differences.

Warsaw

NewConnect

Type	Non-regulated market.
Key matters requiring shareholder's approval	Under Polish law, matters that require shareholders' approval include: a capital increase, merger, de-merger, substantial change of registered activity, amendments to the articles of association, the issue of convertible bonds or debentures, the cancellation of shares, dematerialisation and de-listing.
Corporate governance structures and codes	Issuers are strongly recommended to follow the WSE's Best Practice Code for Companies Listed on NewConnect. The Best Practice Code is "soft law, so no legal sanctions are imposed for non-compliance.
Relations with shareholders	An investor must notify the Polish Financial Supervision Authority (PFSA) and certain other bodies when its holding reaches or goes through 5% ,10%, 15%, 20%, 25%, 33%, 33$^{1/3}$% 50%, 75% or 90% of the votes exercisable at a general meeting. The notification requirement also applies when an investor comes to hold more than 10% of the total votes and his holding changes by at least 2% (or 5% on the parallel segment), or by at least 1% when a shareholder holds at least 33% of the total votes. A majority shareholder representing at least 90% of capital has the right to force the remaining minority shareholders to sell their shares to it (squeeze-out). Under Polish law, minority shareholders may exercise a number of rights, including: (i) shareholders with at least 5% can convene a general meeting and add matters to its agenda; (ii) shareholders holding at least 5% are entitled to request the appointment of an auditor to examine particular issues relating to the operations or establishment of the company; (iii) shareholders holding at least 10% have the right to demand that another shareholder holding at least 90% of the votes in the company buys all of their shares (reverse squeeze-out); and (iv) shareholders representing at least 20% of the share capital can request the election of supervisory board members in separate groups (group voting). Any shareholder is entitled to bring an action to challenge a resolution of a general meeting on the grounds that it was invalid or should be annulled.
Publication of financial information	An issuer must submit current reports about any significant events, but fewer events require notification, and a limited amount of information is required, compared to the Main Floor of the WSE. The company is only required to publish audited annual reports and non-audited half-year reports. Annual financial reports must be published within six months of the end of the financial year and at least 15 days prior to the general shareholders' meeting at which the results are subject to approval. Quarterly financial reports must be published within 45 days of the end of the relevant quarter.

Restrictions on dealings in company's securities by directors etc.	Any person who obtains inside information by virtue of being a member of an issuer's management or supervisory board, or a shareholder or an employee is restricted from dealing in the company's shares. The members of the management board and supervisory board, agents, attorneys-in-fact of the issuer, the issuer's employees, auditors or other persons related to the issuer may not trade in shares of the issuer during the so-called "closed periods" ahead of the publication of financial results (two weeks before the publication of quarterly reports; one month before the publication of half-yearly reports; and two months before the publication of annual reports). In addition, management board members and supervisory board members must disclose any transactions involving securities of the issuer if the value of such transactions exceeds an equivalent of EUR 5,000.
Documents that need to be approved by the regulator	None, unless the issuer makes an offer to the public, in which case filing and prospectus approval is required.
Threshold for mandatory offers	None. The provisions on mandatory tender offers do not apply to NewConnect issuers.
De-listing requirements	Shares can be de-listed upon the issuer's request. The WSE can require certain conditions to be satisfied.
Different rules for non-domestic issuers	No significant differences.

Zurich

The SIX Swiss Exchange – Main Standard

Type	Non-regulated market.
Key matters requiring shareholder approval	Under Swiss company law, the general meeting of shareholders has the following powers which are inalienable: — the adoption and amendment of the articles of incorporation; — the election of members of the board of directors and the auditors; — approval of the annual report and of the consolidated accounts; — approval of the annual financial statements and the use of the balance sheet profits, including the declaration of dividends and profit-sharing by directors; — the release of members of the board of directors from liability or duties to the company; — the passing of other resolutions on matters that are by law or under the articles of incorporation reserved to the general meeting of shareholders.
Corporate governance structures and codes	Swiss company law and the SIX Directive on Information relating to Corporate Governance require issuers to publish certain information relating to corporate governance in a separate section of their annual report. The Directive applies to all issuers whose equity securities are listed on the SIX and whose registered office is within the territory of Switzerland. It also applies to issuers whose registered office is not in Switzerland but whose equity securities are listed on SIX and not in their home country.
Relations with shareholders	For issuers domiciled in Switzerland, shareholders must disclose their interest if it reaches, falls below or exceeds the threshold percentages of 3%, 5%, 10%, 15%, 20%, 25%, $33^{1/3}$%, 50% or $66^{2/3}$% of the voting rights (irrespective of whether or not such voting rights can actually be exercised). These thresholds are slightly different to those in the TD. Unlike some other jurisdictions, once a holder has exceeded the 3% threshold, a further notification is required only if the holding falls below 3% or reaches any of the higher percentage thresholds. Rights granted to shareholders under Swiss company law include: — rights of control (e.g. to obtain access to legal documents, request information from the board of directors, or request a special audit); — to call a general meeting of shareholders – exercisable by one or more shareholders who together hold at least 10% of the share capital; — to propose resolutions – exercisable by shareholders holding shares with a par value of CHF 1 million or that represent at least 10% of the share capital; — to remove members of the board of directors and the auditors; and — to take legal action to challenge resolutions of the general meeting.

Publication of financial information

Under the SIX Listing Rules, issuers are obliged to publish an annual business report within four months of the end of the financial year and a half-yearly financial report within three months of the end of the relevant period. The financial statements of the issuer must be drawn up in accordance with a financial reporting standard that is recognised by the SIX Regulatory Board.

In addition, the annual as well as the half-yearly reports must be submitted electronically to the SIX on the day of publication at the latest.

Issuers may, but are not obliged, to publish quarterly statements of their financial results (in which case such statements must be drawn up in accordance with the same accounting standards as the half-yearly results).

Issuers of equity securities must either comply with IFRS or US GAAP.

Restrictions on dealings in company's securities by directors etc.

There is no absolute prohibition on directors dealing in their company's securities.

Under the SIX Directive on the Disclosure of Management Transactions (which imposes rules similar to those applicable to directors and senior managers under the MAD), members of the board of directors and the senior management of an issuer are required to disclose certain transactions in the equity securities of an issuer or related financial instruments ("management transactions") if they have a direct or indirect effect on the director or manager's wealth (unless the director or manager was unable to influence the transaction). Such transactions include the direct or indirect sale or purchase of:

(i) equity securities of, or similar shares in, the issuer;
(ii) conversion, purchase or sale rights that provide for or permit actual delivery of rights as per (i) above or conversion, purchase or sales rights from the issuer; and
(iii) other financial instruments that provide for or permit a cash settlement and contracts for difference the performance of which depends (at least to a significant extent) on rights described in (i) and (ii) above.

Disclosure must be made (a) to the issuer and (b) by the issuer, to the SIX and the public. An issuer's transactions in its own equity securities or related financial instruments are not subject to the reporting obligation.

The Directive applies to all issuers whose equity securities are listed on the SIX and whose registered office is within the territory of Switzerland. It also applies to issuers whose registered office is not in Switzerland but whose equity securities are listed on the SIX and not in their home country.

It is an offence for a member of the board of directors or management to obtain for himself or another person a pecuniary benefit by exploiting his knowledge of a relevant fact the disclosure of which is likely to significantly influence the price of the company's shares on a stock exchange.

Documents that need to be approved by regulator

None, apart from prospectuses.

Threshold for mandatory offers

Under the Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, an obligation to make a mandatory offer is triggered when a person directly, indirectly or acting in concert with third parties, acquires equity securities that take its aggregate holding to $33^{1/3}$% or more of the voting rights in a company (irrespective of whether or not such voting rights are exercisable). In its articles of association, a company may raise this threshold to 49% of the voting rights (opting-up) or may provide that a purchaser shall not be bound by the obligation to make a mandatory offer (opting-out).

De-listing requirements

On an application by the issuer, which must be filed with the SIX at least 20 stock exchange days prior to the announcement of the de-listing, the SIX Regulatory Board decides on the announcement date of the de-listing and the last trading day. The application must be filed together with a draft de-listing notice and other documents supporting the application (e.g. the offer prospectus and related documents if de-listing is to take place subsequent to a successful tender offer relating to equity securities in the issuer). Except in special circumstances, it is within the board of directors' competence to decide on a de-listing.

If no exemption applies that would allow shortening of such period by up to five days (e.g. a merger or winding-up, or a tender offer), a listing must be maintained for another three months from the publication of the de-listing notice (continued listing period). If on the de-listing day more than 5% of the outstanding equity securities are still held by the public, off-exchange trading must be maintained for no more than six months.

Different rules for non-domestic issuers

Non-domestic issuers whose primary listing is with the SIX must comply with the same continuing obligations as domestic issuers.

For non-domestic issuers whose equity securities are secondarily listed on the SIX, certain exemptions apply. For example, the annual as well as the half-yearly financial statements must be drawn up in accordance with the financial reporting standards of the primary exchange. Further, information on significant events that could potentially affect the price of the issuer's equity securities must be published in accordance with the regulations of the primary exchange. However, the issuer must ensure that the relevant information is provided to both the primary exchange and the SIX at the same time. Generally, the issuer must ensure that all information that is disclosed under the primary exchange's regulations is also disclosed to investors in Switzerland.

Zurich

The SIX Swiss Exchange – Domestic Standard

Type	Non-regulated market.
Key matters requiring shareholder approval	Under Swiss company law, the general meeting of shareholders has the following powers which are inalienable: — the adoption and amendment of the articles of incorporation; — the election of members of the board of directors and the auditors; — approval of the annual report and consolidated accounts; — approval of the annual financial statements and the use of balance sheet profits, including the declaration of dividends and profit-sharing by directors; — the release of members of the board of directors from liability or duties to the company; and — the passing of other resolutions on matters that are by law or under the articles of incorporation reserved to the general meeting.
Corporate governance structures and codes	Swiss company law and the SIX Directive on Information relating to Corporate Governance require issuers to publish certain information relating to corporate governance in a separate section of their annual report. Under the SIX Directive on the Disclosure of Management Transactions, members of the board of directors and the senior management of an issuer must disclose certain transactions in the equity securities of the issuer ("management transactions") if they have a direct or indirect effect on the director or manager's wealth or are materially based on his decision. Such transactions include the direct or indirect sale or purchase of: (i) listed equity securities of the issuer; (ii) convertibles and options relating to such equity securities; and (iii) other financial instruments the value of which is substantially determined by the issuer's equity securities. Disclosure must be made (a) to the issuer and (b) by the issuer, to the SIX and the public. The Directive applies to all issuers whose equity securities are listed on the SIX and whose registered office is within the territory of Switzerland. It also applies to issuers whose registered office is not in Switzerland but whose equity securities are listed on the SIX and not in their home country.
Relations with shareholders	For issuers domiciled in Switzerland, shareholders must disclose their interest if it reaches, falls below or exceeds the threshold percentages of 3%, 5%, 10%, 15%, 20%, 25%, $33^{1/3}$% , 50% or $66^{2/3}$% of the voting rights (irrespective of whether or not such voting rights can actually be exercised). These thresholds are slightly different to those in the TD. Unlike some other jurisdictions, once a holder has exceeded the 3% threshold, a further notification is required only if the holding falls below 3% or reaches any of the higher percentage thresholds.

Rights granted to shareholders under Swiss company law include:

— rights of control (e.g. to obtain access to legal documents, request information from the board of directors, or request a special audit);
— to call a general meeting of shareholders – exercisable by one or more shareholders who together hold at least 10% of the share capital;
— to propose resolutions – exercisable by shareholders holding shares with a par value of CHF 1 million or that represent at least 10% of the share capital;
— to remove members of the board of directors and the auditors; and
— to take legal action to challenge resolutions of the general meeting.

Publication of financial information

Under the SIX Listing Rules, issuers are obliged to publish an annual business report within four months of the end of the financial year and a half-yearly financial report within three months of the end of the relevant period. The financial statements of the issuer must be drawn up in accordance with a financial reporting standard that is recognised by the SIX Regulatory Board.

In addition, the annual as well as the half-yearly reports must be submitted electronically to the SIX on the day of publication at the latest.

Issuers may, but are not obliged, to publish quarterly statements of their financial results (in which case such statements must be drawn up in accordance with the same accounting standards as the half-yearly results).

Issuers of equity securities must either comply with Swiss GAAP FER, IFRS or US GAAP.

Restrictions on dealings in company's securities by directors etc.

There is no absolute prohibition on directors dealing in their company's securities.

Under the SIX Directive on the Disclosure of Management Transactions (which imposes rules similar to those applicable to directors and senior managers under the MAD), members of the board of directors and the senior management of an issuer are required to disclose certain transactions in the equity securities of an issuer or related financial instruments ("management transactions") if they have a direct or indirect effect on the director or manager's wealth (unless the director or manager was unable to influence the transaction). Such transactions include the direct or indirect sale or purchase of:

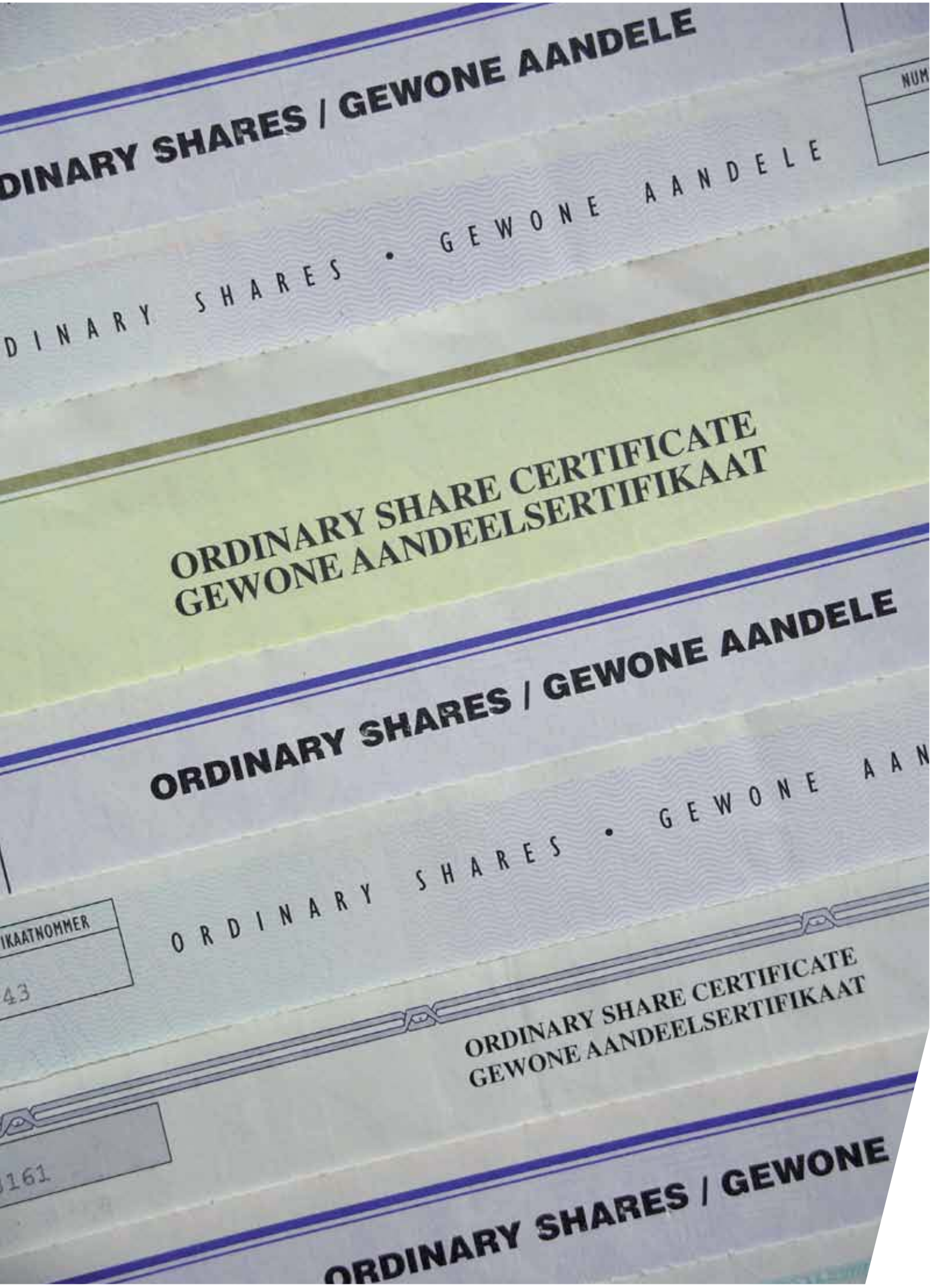
(i) equity securities of, or similar shares in, the issuer;
(ii) conversion, purchase or sale rights that provide for or permit actual delivery of rights as per (i) above or conversion, purchase or sales rights from the issuer; and
(iii) other financial instruments that provide for or permit a cash settlement and contracts for difference the performance of which depends (at least to a significant extent) on rights described in (i) and (ii) above.

Disclosure must be made (a) to the issuer and (b) by the issuer, to the SIX and the public. An issuer's transactions in its own equity securities or related financial instruments are not subject to the reporting obligation.

The Directive applies to all issuers whose equity securities are listed on the SIX and whose registered office is within the territory of Switzerland. It also applies to issuers whose registered office is not in Switzerland but whose equity securities are listed on the SIX and not in their home country.

It is an offence for a member of the board of directors or management to obtain for himself or another person a pecuniary benefit by exploiting his knowledge of a relevant fact the disclosure of which is likely to significantly influence the price of the company's shares on a stock exchange.

Documents that need to be approved by regulator	None, apart from prospectuses.
Threshold for mandatory offers	Under the Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, an obligation to make a mandatory offer is triggered when a person directly, indirectly or acting in concert with third parties, acquires equity securities that take its aggregate holding to 33 1/3% or more of the voting rights in a company (irrespective of whether or not such voting rights are exercisable). In its articles of association, a company may raise this threshold to 49% of the voting rights (opting-up) or may provide that a purchaser shall not be bound by the obligation to make a mandatory offer (opting-out).
De-listing requirements	On an application by the issuer, which must be filed with the SIX at least 20 stock exchange days prior to the announcement of the de-listing, the SIX Regulatory Board decides on the announcement date of the de-listing and the last trading day. The application must be filed together with a draft de-listing notice and other documents supporting the application (e.g. the offer prospectus and related documents if de-listing is to take place subsequent to a successful tender offer relating to equity securities in the issuer). Except in special circumstances, it is within the board of directors' competence to decide on a de-listing. If no exemption applies that would allow shortening of such period by up to five days (e.g. a merger or winding-up, or tender offer), a listing must be maintained for another three months from the publication of the de-listing notice (continued listing period). If on the de-listing day more than 5% of the outstanding equity securities are still in public hands, off-exchange trading must be maintained for no more than six months.
Different rules for non-domestic issuers	Non-domestic issuers whose primary listing is with the SIX must comply with the same continuing obligations as domestic issuers. For non-domestic issuers whose equity securities are secondarily listed on the SIX, certain exemptions apply. For example, the annual as well as the half-yearly financial statements must be drawn up in accordance with the financial reporting standards of the primary exchange. Further, information on significant events that could potentially affect the price of the issuer's equity securities must be published in accordance with the regulations of the primary exchange. However, the issuer must ensure that the relevant information is provided to both the primary exchange and the SIX at the same time. Generally, the issuer must ensure that all information that is disclosed under the primary exchange's regulations is also disclosed to investors in Switzerland.


DINARY SHARES / GEWONE AANDELE
DINARY SHARES • GEWONE AANDELE
ORDINARY SHARE CERTIFICATE
GEWONE AANDEELSERTIFIKAAT
ORDINARY SHARES / GEWONE AANDELE
ORDINARY SHARES • GEWONE AAN
IKAATNOMMER
43
ORDINARY SHARE CERTIFICATE
GEWONE AANDEELSERTIFIKAAT
0161
ORDINARY SHARES / GEWONE

Glossary

ABI	The Association of British Insurers, whose members between them own approximately 20% of the shares issued by companies listed in the UK.
AFM	The **Autoriteit Financiële Markten**, the Dutch financial markets authority.
AIM	The LSE's Alternative Investment Market, a non-regulated market.
AMF	The **Autorité des marchés financiers**, the French financial markets authority.
BaFin	The **Bundesanstalt für Finanzdienstleistungsaufsicht**, the German supervisory authority.
BSE	The Budapest Stock Exchange.
CARD	The EU Consolidated Admissions and Reporting Directive (2001/34/EC), described in paragraph 1.1 of Section 1 of this Guide.
CBFA	**The Commissie voor het Bank-, Financie- en Assurantiewezen / Commission Bancaire, Financière et des Assurances**, the Belgian banking, finance and assurance commission.
CNMV	**The Comisión Nacional del Mercado de Valores**, the supervisor of the Spanish securities markets.
CONSOB	**The Commissione Nazionale per le Società e la Borsa**, the public authority responsible for regulating the Italian securities market.
EEA	The European Economic Area, which consists of the EU Member States plus Iceland, Liechtenstein and Norway. The EEA Agreement, which entered into force on 1 January 1994, enables Iceland, Liechtenstein and Norway to enjoy the benefits of the EU's single market without the full privileges and responsibilities of EU membership. Most legislation made by the European Parliament and Council (including Regulations and Directives that relate to company law and securities markets) is binding on EEA members as well as EU Member States.
EU	The European Union, an economic and political confederation of European nations that share a common foreign and security policy and co-operate on justice and home affairs. The EU was created on 1 November 1993 by the Treaty on European Union (formerly known as the Maastricht Treaty). From 1 December 2009, the EU replaced and succeeded the European Community (EC). Currently, the 27 Member States of the EU are Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden and the UK.
FMA	The Austrian Financial Market Authority **(Finanzmarktaufsicht).**
FSFM	The Federal Service for Financial Markets, the Russian securities market regulator.
general meeting	A meeting of a company's shareholders.

HFSA	The Hungarian Financial Supervisory Authority.
IAS Regulation	EU Regulation No.1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, described in paragraph 1.10 of Section 1 of this Guide.
IFRS/IAS	International financial reporting standards issued or adopted by the International Accounting Standards Board (IASB), including international accounting standards (IAS) issued by the International Accounting Standards Committee that have been adopted by the IASB, that have also been adopted by the European Commission in accordance with the IAS Regulation, together with related guidance and interpretations adopted by the European Commission under the IAS Regulation.
IPO	An initial public offering of shares.
ISIN code (or number)	An International Securities Identification Numbering code (or number) that is assigned to a type of share or other security in order to identify it.
LSE	The London Stock Exchange.
MAD	The EU Market Abuse Directive (2003/6/EC), described in paragraph 1.2 of Section 1 of this Guide.
Member State	A Member State of the EU.
MICEX	The Moscow Interbank Currency Exchange.
MiFID	The EU Markets in Financial Instruments Directive (2004/39/EC), which in 2007 replaced the Investment Services Directive (93/22/EEC) (ISD). MiFID is described in paragraph 1.13 of Section 1 of this Guide.
MTA	The Mercato Telematico Azionario, the main market in Italy.
MTF	A multilateral trading facility – in the context of this Guide, a market for trading equity securities that is not a regulated market.
NAPF	The National Association of Pension Funds in the UK, whose members between them hold assets of around GBP 800 billion and account for approximately 20% of investment in companies listed in the UK.
NASDAQ	The NASDAQ national stock market of the NASDAQ OMX Group, Inc (a major US stock market).
OECD	The Organisation for Economic Co-operation and Development.
official listing	The CARD refers to shares being "officially listed", but the term now used in the MAD, PD and other Directives is "admitted to trading on a regulated market".
PD	The EU Prospectus Directive (2003/71/EC), described in paragraph 1.3 of Section 1 of this Guide.
PDMR	A person discharging managerial responsibilities, as defined in the MAD. Broadly speaking, it means a board-level director or a top-level manager.

PFSA	The Polish Financial Supervision Authority.
pre-emption right	The right, exercisable when a company proposes to issue new shares for cash, for every existing shareholder to be given the opportunity to subscribe on the same terms for such proportion of the new shares as equates to his existing holding. A shareholder who takes up his rights in full will keep the same percentage holding. The 2nd Company Law Directive requires EEA states to ensure that their national company law confers pre-emption rights on shareholders in public companies. Shareholders usually have the power, by means of a resolution passed at a general meeting, to disapply or waive pre-emption rights either to a specified extent (e.g. in respect of new shares representing up to a specified percentage of the company's existing share capital) or in respect of a particular proposed issue of shares (e.g. a placing to new investors).
primary and secondary markets	In a trading context, the primary market usually means offers of new securities in an IPO, rights issue or other offer to the public. The secondary market means buying and selling shares that are already in issue and traded on a stock exchange or an unofficial market. But in other circumstances, these terms are sometimes used to distinguish between main, or official, markets operated through a stock exchange (primary markets) and other, smaller, markets that may be off-exchange (secondary markets).
Prospectus Regulation	The EU Prospectus Regulation (809/2004), which accompanies the PD.
PSE	The Prague Stock Exchange.
regulated market	A market that is recognised by a Member State as complying with the relevant criteria in the MiFID. In most Member States, the main market (also known as the main market, official market or official list) is a regulated market; in some cases secondary, alternative or semi-official markets are also regulated markets. Issuers with equity shares admitted to trading on a regulated market must generally comply with at least the minimum standards imposed by the MAD, TD, PD, ToD and IAS Regulation.
regulator	The competent authority designated by a Member State to supervise particular companies or securities markets and to enforce rules relating to them.
RTS	The Russian Trading System.
SIX	The SIX Swiss Exchange.
TD	The EU Transparency Directive (2004/109/EC), described in paragraph 1.4 of Section 1 of this Guide.
ToD	The EU Takeovers Directive (2004/25/EC), described in paragraph 1.12 of Section 1 of this Guide.
UK	The United Kingdom of Great Britain and Northern Ireland.
UKLA	The UK Listing Authority, the regulator and competent authority in relation to securities admitted to the UK's official list (or Main Market).
VSE	The Vienna Stock Exchange (Wiener Börse).
WSE	The Warsaw Stock Exchange (Giełda Papierów Wartościowych).

Contributors

AUSTRIA
Vienna
CMS Reich-Rohrwig Hainz
Rechtsanwälte GmbH
Ebendorferstraße 3
1010 Vienna, Austria

Martin Zuffer
T +43 1 40443 1950
E martin.zuffer@cms-rrh.com

BELGIUM
Brussels
CMS DeBacker
Chaussée de La Hulpe 178
1170 Brussels, Belgium

Cedric Guyot
T +32 2 74369 65
E cedric.guyot@cms-db.com

Pierre-Axel Chabot
T +32 2 74369 39
E pierreaxel.chabot@cms-db.com

CZECH REPUBLIC
Prague
CMS Cameron McKenna v.o.s.
Palladium
Na Poříčí 1079/3a
110 00 Prague 1, Czech Republic

Helen Rodwell
T +420 2 96798 818
E helen.rodwell@cms-cmck.com

FRANCE
Paris
CMS Bureau Francis Lefebvre
1–3, villa Emile Bergerat
92522 Neuilly-sur-Seine Cedex, France

Jacques Isnard
T +33 1 4738 4113
E jacques.isnard@cms-bfl.com

Alain Couret
T +33 1 4738 4001
E alain.couret@cms-bfl.com

GERMANY
Frankfurt
CMS Hasche Sigle
Barckhausstraße 12–16
60325 Frankfurt, Germany

Andreas Zanner
T +49 69 71701 139
E andreas.zanner@cms-hs.com

HUNGARY
Budapest
Ormai és Társai
CMS Cameron McKenna LLP
YBL Palace
Károlyi Mihály utca 12
1053 Budapest, Hungary

Helen Rodwell
T +420 2 96798 818
E helen.rodwell@cms-cmck.com

ITALY
Rome
CMS Adonnino Ascoli & Cavasola Scamoni
Via Agostino Depretis, 86
00184 Rome, Italy

Paolo Bonolis
T +39 06 4781 51
E paolo.bonolis@cms-aacs.com

Emanuela di Muzio
T +39 06 4781 51
E emanuela.dimuzio@cms-aacs.com

THE NETHERLANDS
Amsterdam
CMS Derks Star Busmann N.V.
Mondriaan Tower – Amstelplein 8A
1096 BC Amsterdam, The Netherlands

Reinout Slot
T +31 20 3016 319
E reinout.slot@cms-dsb.com

POLAND
Warsaw
CMS Cameron McKenna
Dariusz Greszta Spółka Komandytowa
Warsaw Financial Centre
Ul. Emilii Plater 53
00-113 Warsaw, Poland

Dariusz Greszta
T +48 22 520 5672
E dariusz.greszta@cms-cmck.com

Beata Binek
T +48 22 520 5678
E beata.binek@cms-cmck.com

RUSSIA
Moscow
CMS, Russia
Gogolevsky Blvd., 11
119019 Moscow, Russia

David Cranfield
T +7 495 786 4030
E david.cranfield@cmslegal.ru

Andrey Zavalishin
T +7 495 786 4030
E andrey.zavalishin@cmslegal.ru

SPAIN
Madrid
CMS Albiñana & Suárez de Lezo, S.L.P.
Calle Génova, 27
28004 Madrid, Spain

Carlos Peña
T +34 91 4519 300
E cpena@cms-asl.com

Leticia Alcocer Ramón-Laca
T +34 91 4519 275
E leticia.alcocer@cms-asl.com

SWITZERLAND
Zurich
CMS von Erlach Henrici Ltd
Dreikönigstrasse 7
8022 Zurich, Switzerland

Stephan Werlen
T +41 44 2851 383
E stephan.werlen@cms-veh.com

UNITED KINGDOM
London
CMS Cameron McKenna LLP
Mitre House – 160 Aldersgate Street
London EC1A 4DD, United Kingdom

Gary Green
T +44 20 7367 2111
E gary.green@cms-cmck.com

Peter Bateman
T +44 20 7367 3145
E peter.bateman@cms-cmck.com

Daniel Winterfeldt
US securities
T +44 20 7367 2700
E daniel.winterfeldt@cms-cmck.com

The Editors are Reinout Slot, Daniel Winterfeldt and Peter Bateman.


CMS offices
Rio de Janeiro
Buenos Aires
Montevideo
Beijing
Shanghai
Aberdeen
Edinburgh
Moscow
Hamburg
Berlin
Amsterdam
Utrecht
London
Bristol
Antwerp
Duesseldorf
Leipzig
Warsaw
Cologne
Dresden
Brussels
Frankfurt
Prague
Kyiv
Luxembourg
Stuttgart
Paris
Strasbourg
Munich
Vienna
Bratislava
Zurich
Budapest
Ljubljana
Zagreb
Lyon
Milan
Belgrade
Bucharest
Sarajevo
Sofia
Rome
Tirana
Madrid
Seville
Marbella
Algiers
Casablanca