

Corporate & Financial Weekly Digest

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Consultation on Implementation of Amendments to EU Prospectus Directive

On December 13, the UK Financial Services Authority (FSA) and HM Treasury published joint consultation paper (CP11/28) UK implementation of the Directive amending the EU Prospectus Directive and the EU Transparency Directive (2010/73/EU). The Amending Directive came into force on December 31, 2010, and must be implemented by EU member states by July 1, 2012. Two aspects of the Amending Directive (increasing the minimum number of investors and the minimum total consideration for an exemption from the obligation to produce a prospectus) were implemented in the UK in July 2011. The consultation paper sets out how the UK intends to implement the remaining provisions of the Amending Directive.

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These provisions include: (i) additional exemptions from the requirement for a prospectus and the thresholds that determine if a prospectus is required; (ii) amendments to the Prospectus Directive in relation to prospectus summaries, including the introduction of the concept of “key information” and the requirement for investors to be given “essential and appropriately structured” information for them to understand the nature of the risks posed by the issuer; and (iii) amendments to the Prospectus Directive in relation to the format and validity of prospectuses.

For more information, click [here](#).