



**LexisNexis**  
**The New Prospectus Regulation (2019)**  
9<sup>th</sup> October 2019

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**The New Prospectus Regulation (2019)**  
The law as stated during this webinar is up to date as of **8<sup>th</sup> October 2019**

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Introduction	
Background and key changes	6 – 7
Summaries	8 – 11
Risk factors	12 - 13
Advertisements	14 – 15
Profit estimates and forecasts	16 – 17
Incorporation by reference	18 – 19
Prospectus supplements	20 – 21
Brexit	22 - 23

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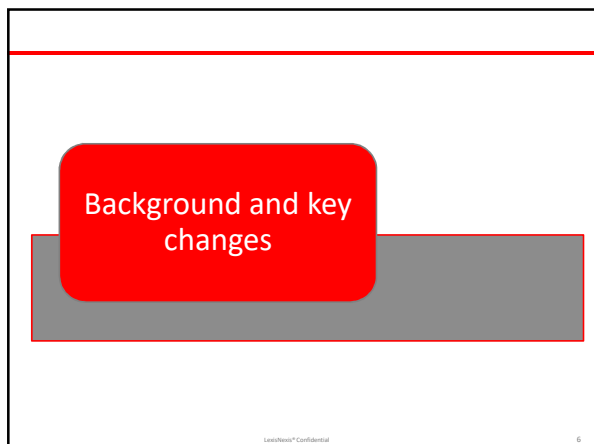
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### Background and key changes

- Fully in effect from 21 July 2019
- Grandfathered prospectuses
- Legislative framework
- Evolution not revolution
- Universal Registration Document

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### Summaries – when?

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### Summaries – when?

- Required for all prospectuses where the Prospectus Regulation applies
- Exemptions:
  - “wholesale listing exemption”: prospectus prepared for listing on a regulated market where denomination is at least EUR 100,000 (no change)
  - “qualified investors only listing exemption”: prospectus prepared for listing on a regulated market to which only qualified investors can have access (new)
- New exemption for base prospectuses
- Issue specific summary for Final Terms



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Summaries – what?

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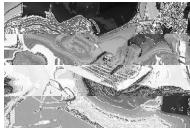
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Summaries – what?

- New prescriptive format and content
- Prescribed headings and legends
- 7 sides A4 (plus 1 per guarantor/extra if KID)
  - Previously: greater of 7% or 15 pages
- Key financial information
- Risk factors
  - No more than 15 in total
  - Must be the “most material”
- PRIIPs KID
- No separate liability if consistent and not misleading or inaccurate



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Risk Factors

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**Risk Factors**

- Specific, material and corroborated
- Probability/expected magnitude
- Categories – 10 per category
  - Most material first
- Mitigating language

- Consistency with Rule 144A/10b-5 standards
- Bail in/subordination risks



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**Advertisements**



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**Advertisements**

- Communication:
  - relating to a specific offer of securities to the public or to an admission to trading on a regulated market; and
  - aiming to specifically promote the potential subscription or acquisition of securities
- "Communication" vs "announcement"

- Depending on the nature of the advertisement, advertisements must be identified as such, must identify the website or include a hyperlink to the prospectus or information where the prospectus may be obtained
- New content requirements for retail advertisements
- No requirement to include a warning where a prospectus is not required



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Profit estimates and forecasts

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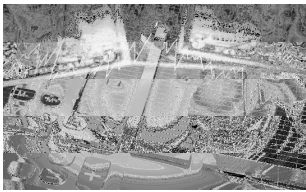
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Profit estimates and forecasts

- Report of auditor or accountant
- Private reports
- Preliminary results announcements



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Incorporation by Reference

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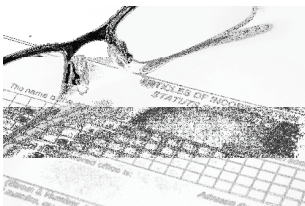
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### Incorporation by Reference

- Published previously to, or simultaneously with, prospectus
- Not necessary to be filed with competent authority
- All regulated information
- SEC and other filings
- Include hyperlinks



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## Prospectus Supplements

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### Prospectus Supplements

- No change as to when a supplement is required
- Clarity over termination of withdrawal rights:
  - Significant new factor, material mistake or material inaccuracy arose or noted before closing of the offer and delivery of the securities, whichever occurs first
- Purchased through financial intermediary:
  - inform investors of possibility of a supplement, where and when publication takes place and assist in exercising withdrawal rights
  - contact investors on day of publication
- Purchased directly from issuer; inform investors of possibility of a supplement, where publication takes place and their withdrawal rights



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Brexit

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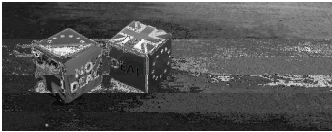
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Brexit

- Deal or no deal?
- No-deal legislation exists to preserve continuity
- Prospectuses passported into the UK
- Prospectuses passported out of the UK
- Dual approvals
- Parallel prospectuses
- Equivalence?



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On Demand Banking and Financial Services webinars

- Remuneration in the financial services industry – Available until 19<sup>th</sup> January 2020
- MiFID II: a follow up – Available until 9<sup>th</sup> February 2020
- Capital markets update 2018 – Available until 31<sup>st</sup> May 2020
- Demystifying blockchain: legal implications, complications, and concerns – Available until 22<sup>nd</sup> June 2020
- Collective investment schemes – Available until 13<sup>th</sup> September 2020
- Crowdfunding regulation – Available until 2<sup>nd</sup> November 2020
- Capital Requirements Directive IV (CRD IV) and Capital Requirements Regulation (CRR) – Available until 8<sup>th</sup> November 2020
- Update on derivatives and the new non-cleared margin rules – Available until 26<sup>th</sup> November 2020
- Fintech: risks and opportunities – Available until 11<sup>th</sup> December 2020
- The new EU Securitisation Regulation (2019) – Available until 4<sup>th</sup> March 2021
- Green Finance (2019) – Available until 12<sup>th</sup> June 2021
- The FCA's Senior Manager and Certification Regime (2019) – Available until 21<sup>st</sup> June 2021

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### Thank you and reminders

- This webinar is designed to help solicitors meet requirements A2 (Maintain competence and legal knowledge) and A4 (Draw on detailed knowledge/understanding) of the SRA's Statement of solicitor competence. You may also use the quiz, which can be accessed via the "Take a quiz" link on the webinar details page, to reinforce your understanding of the webinar content. You should answer 7 out of 10 questions correctly and will have two attempts at the quiz.
- Please submit feedback via the survey screen.
- This webinar will be archived immediately, and will be available to view on-demand for 24 months.
- A transcript of the webinar can be made available on request within 48 hours.
- You can use the training and evaluation record form which is included in the supporting materials for this webinar to log this training activity and how it relates to the continuing competences that the SRA requires from all solicitors.

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**Thank you for attending.**  
**We hope you've enjoyed this session.**



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