



Listed companies & corporate financing Equity issuance

## Equity issuance

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Before securities can be issued to the public or financial instruments admitted to trading on a regulated market, the AMF has to approve the relevant prospectus. Articles 212-1 et seq. of the General Regulation are supplemented by European Regulation No. 809/2004/EC, which sets out the structure and content of the information to be given in the prospectus, and by AMF Instruction DOC-2005-11, which gives details of the review procedure, the equivalence conditions for certain documents and the procedure for waiving the prospectus requirement where applicable.

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### When to prepare a prospectus

A prospectus is a document that companies have to submit for AMF approval before their securities can be issued to the public or admitted to trading on a regulated market. This applies to:

- shares and other securities affording direct or indirect access to share capital or voting rights
- debt securities
- all equivalent instruments issued under foreign law.

The cases in which a prospectus can be waived are set out in Article 212-4 (disposal or issuance) and Article 212-5 (admission to trading) of the AMF General Regulation. Even in the event of a waiver, a disclosure document subject to AMF inspection is made available to the public.

### Prospectus contents

#### What the prospectus contains

The prospectus contains all the information that investors require to make an informed assessment of the assets and liabilities, financial position, results and future prospects of the issuer and any guarantors of the financial instruments being offered to the public or admitted to trading, as well as the rights attaching to those securities and the way they are being issued. The type of information depends on the particular nature of the issuer and of the financial instruments it wants to offer to the public or have admitted to trading on a regulated market.

The prospectus can be drawn up as a single document with a summary (art. 212-7 to 212-11, General Regulation) or several separate documents, i.e. a securities note, summary and registration document.

Prospectuses are prepared using one of the formats and modules shown in Articles 4 to 20(a) of Regulation (EC) No. 809/2004 of 29 April 2004 or one of the combinations described in Article 21 of the Regulation for different categories of financial instrument. The information to be given in the prospectus is specified in Annexes I to XVII of the Regulation according to the type of issuer and category of financial instruments. In addition, the European Securities and Markets Authority has prepared special formats for certain activities.

#### Prospectus supplement

If a material change or recent development that could affect investors' assessment occurs after the AMF has issued its approval, a supplement has to be drawn up and submitted to the AMF for approval.

Once the supplement has been published, investors may have a right of withdrawal for a period of at least two days.

### Passport for marketing inside the European Union

Companies may make an issue in one or more Member States on the basis of a standalone prospectus and a base prospectus. This means that a prospectus can be passported into any country in the European Economic Area under the following principles:

- a prospectus approved by the competent supervisory authority of a Member State is valid for an offering or admission to trading on a regulated market in France, provided the AMF has received an approval certificate from that authority. This "inbound" certificate is available on the AMF website using the "Decisions and financial disclosures" advanced search function;
- a prospectus approved by the AMF is valid in one or more Member States provided their authorities have received an "outbound" approval certificate from the AMF (art. 212-39, General Regulation).

### Procedures for filing and reviewing a prospectus

#### Documents to provide when filing

The persons or entities referred to in Article 211-1 of the AMF General Regulation seeking regulatory approval for a prospectus are required to file five copies of a draft version compliant with Regulation (EC) No 809/2004 of 29 April 2004, together with an electronic version and the documentation needed to examine the application, the content of which is laid down in AMF Instruction DOC-2005-11.

#### Review period

Once a standalone or a base prospectus has been filed, the AMF sends the issuer a notice once the file is complete. It announces its approval within ten trading days (or 20 days for an initial public offering).

The deadline is reduced to five working days for issuers that have already provided comprehensive information by previously drafting a registration document and registering or filing it with the AMF.

In practice, and provided the issuer makes contact ahead of time with the AMF, review times can be further shortened for routine issues – for example, issuance and/or admission of ordinary bonds used for conventional refinancings – by regular issuers that have provided up-

Mentions légales:

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to-date information through a registration document or recent prospectus. A special procedure designed for this purpose is described in AMF Instruction DOC-2005-11.

## Prospectus distribution, advertising

The prospectus is made available to the public before the securities are issued or, in the case of an issue subject to General Meeting approval, at the same time as the other materials are provided to shareholders.

The prospectus must be effectively distributed in one of the following ways:

1. published in one or more national or widely read newspapers;
2. made available free of charge at the company's registered office, the market operator or a financial intermediary;
3. posted on the company's website and, where appropriate, the websites of financial intermediaries (if they have a site)
4. posted online by the market operator.

If methods 1 or 2 are used, the company must post the prospectus on its website, if it has one. In the case of methods 2 to 4, the company publishes a summary of the prospectus in one or more national newspapers or in a press release. This release, disseminated effectively and in full, must state as a minimum where investors can get the prospectus. In every case, the AMF posts the prospectus on its own website.

The company can also rely on advertising, provided it abides by strict rules.

All print or broadcast advertisements have to be submitted to the AMF before they are distributed or aired (art. 212-28, General Regulation). They must clearly state that a prospectus has been or will be published and indicate where and how investors can obtain it. If the prospectus has already been authorised, the company must give the issue date and the authorisation number.

All advertisements must contain a notice drawing attention to the section of the prospectus on risk factors.

As a rule, any arguments put forward for promotional purposes must be consistent with the information in the prospectus (art. 212-29, General Regulation).

## Read more

- [AMF Policy](#)
- [Commission Regulation \(EC\) n°809/2004 of 29 April 2004](#)
- [Preparing an initial public offering \(IPO\)](#)

## Also

- [ESMA website](#)

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