



**COUNCIL OF  
THE EUROPEAN UNION**



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PRESSE 219

### **Council confirms agreement with EP on transparency requirements for issuers of securities**

The Permanent Representatives Committee approved today, on behalf of the Council, a compromise reached with the European Parliament on updated transparency requirements for issuers of securities on regulated markets ([9841/13](#)).

The presidency will now confirm to the Parliament that the Council can agree to the compromise, enabling the directive, amending an existing directive, to be adopted at first reading. Agreement was reached at a "trilogue" meeting with the Parliament and the Commission on 14 May.

The so-called transparency directive<sup>1</sup>, adopted in 2004, is aimed at ensuring a high level of investor confidence through equivalent transparency for securities issuers and investors throughout the EU. It requires issuers of securities traded on regulated markets to publish periodic financial information about the issuer's performance over the financial year and on-going information on major holdings of voting rights.

The agreed improvements are aimed at:

- *simplifying certain obligations so as to make regulated markets more attractive for raising capital for small and medium-sized issuers.*

The new directive sets out to make obligations applicable to listed small and medium-sized issuers more proportionate, whilst guaranteeing the same level of investor protection, and to facilitate cross-border access to information;

- *improving legal clarity and effectiveness, notably with respect to the disclosure of corporate ownership.*

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<sup>1</sup> Directive 2004/109/EC

## **P R E S S**

The draft directive clarifies for instance provisions in relation to third country issuers, and eliminates administrative burdens that are now considered unnecessary. It reviews the definition of which types of financial instruments are covered, as well as the calculation of thresholds for the notification of major holdings;

- *providing for sanctions that are sufficiently dissuasive in the event of transparency requirements being breached.*

To ensure this, the text sets out to harmonise member states' legal frameworks for administrative sanctions, setting minimum common standards on certain key aspects of sanction regimes. (Criminal sanctions are not covered.)

The draft directive also includes a requirement for listed companies operating in the oil, gas and mineral extractive as well as the forestry industry, to disclose payments to governments in countries where they operate. This follows a commitment made by members of the G8 at Deauville in May 2011.

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