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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

No. Cion doc.: COM(2015) 583 final

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL on the prospectus to be published when securities are
offered to the public or admitted to trading
- General approach
= Statements

1. The following statement is to be entered into the minutes of the Permanent Representatives Committee meeting of 8 June 2016:

STATEMENT BY CYPRUS, FRANCE, GREECE, ITALY AND SPAIN

Cyprus, France, Greece, Italy and Spain appreciate the Presidency's efforts to reach a compromise and agree with the general purpose aimed to be achieved by this proposal. However, they regret that the new threshold of ten million Euros (€10.000.000), introduced in Article 3(2) of the compromise text, might have significant negative impact to the protection of investors. The proposal tries to minimize costs in order to facilitate access to the capital markets, but Cyprus, France, Greece, Italy and Spain consider that this is achieved at the expense of the level of investor protection. The proposal does allow Member States to set their own national thresholds below ten million Euros (€10.000.000). However, this feature will potentially lead to fragmentation and divergences in the EU market for prospectuses and a general lack of harmonization across EU Member States, depending on how each Member State decides to exercise the relevant discretion provided.

Cyprus, France, Greece, Italy and Spain are of the opinion that a lower harmonized threshold that would cater for all member states' market conditions, would promote investor protection and would be in line with the spirit of the initiative of the Capital Markets Union.

Cyprus, France, Greece, Italy and Spain would appreciate if the abovementioned elements are taken into account by the upcoming Presidency in its negotiations with the European Parliament, on the basis of this negotiating mandate, with a view to reaching an agreement at first reading.

2. The following statement is to be entered into the minutes of the Permanent Representatives Committee meeting of 8 June 2016 and into the minutes of the Council (ECOFIN) of 17 June 2016:

STATEMENT BY ITALY

Italy welcomes the Presidency's efforts to improve the Prospectus discipline so as to better balance investor protection and issuer obligations.

Italy, however, wishes the provisions on Summary were further and more deeply considered in the forthcoming negotiations with the European Parliament in order to achieve stronger convergence between the section concerning the securities and the key information document (KID) as far as packaged retail and insurance-based investment products (PRIIPs) and, where relevant, other complex non-equity securities are concerned. Likewise, the delivery of the Summary to retail investors should be considered as an additional investor protection measure, particularly when the KID is not required.
