

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (76) 565 final

Brussels, 3 November 1976

Amended proposal for a Directive coordinating
the conditions for admission of securities
to official stock exchange quotation

(presented to the Council by the Commission
In application of Article 149, para. 2)

Original proposal

New version

Proposal for a directive
coordinating the conditions for the
admission of securities to official
stock exchange quotation

Amended proposal for a directive
coordinating the conditions for the
admission of securities to official
stock exchange quotation

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

unchanged

Having regard to the Treaty
establishing the European Economic
Community and, in particular
Article 54 (3) (g),

Having regard to the Proposal from
the Commission,

Having regard to the Opinion of
the European Parliament;

Having regard to the Opinion of
the Economic and Social Committee,

Whereas the Sixth Council
Directive No of on the
coordination of the safeguards
required in the Member States to
protect the interests both of members
and of third parties concerning the
content, checking and distribution
of the prospectus to be published
when securities issued by companies
within the meaning of the second
paragraph of Article 58 of the Treaty
are admitted to official stock
exchange quotation, and the Council
Recommendation, of the same date,
have as their object the alignment
of the safeguards provided for the

unchanged

protection of the interests of investors; whereas they are also designed to facilitate the admission of securities from the same issuer to official quotation on several stock exchanges situated in the various Member States, and whereas, therefore, they contribute towards the establishment of a European capital market;

Whereas the coordination of the conditions for the admission or introduction of securities to the same official quotation on stock exchanges has the same objectives and therefore follows logically the introduction of a Community prospectus for admission to quotation; unchanged

Whereas the coordination is such as to make equivalent the protection of investors at Community level, by virtue of the more uniform safeguards which it will provide for them in each Member State; whereas it will facilitate the admission to official quotation of securities originating in other Member States and the quotation of the same security on several stock exchanges in the Community; whereas consequently it will allow greater interpenetration of national securities markets; unchanged

Whereas during the initial stage the coordination should be sufficiently flexible to take account unchanged

of the current divergences between the structures of securities markets in the Member States; whereas such flexibility is, moreover, necessary to enable the Member States to take account of the particular situations with which they would be confronted;

Whereas for these reasons unchanged harmonization should be limited in this first stage to the establishment of minimum conditions for the admission of securities to official quotation on stock exchanges of Member States;

Whereas although this proposal unchanged therefore does not provide for full coordination of the conditions for admission to quotation, it nevertheless constitutes a first step towards subsequent closer alignment of the regulations of the Member States in this field;

HAS ADOPTED THIS DIRECTIVE: unchanged

./.

Section I : General provisions and field of application

Article 1

The Member States shall make the admission or introduction of securities to official quotation on a stock exchange situated within their territory subject to the provisions of Articles 3 to 19 inclusive of this Directive.

Article 2

For the purposes of this Directive:

- (a) "open-end collective investment undertakings" shall mean investment companies and unit trusts whose securities are or have been issued continuously or in closely spaced blocks and/or are at the request of the holders repurchased or redeemed, directly or indirectly, from the assets of these undertakings;
- (b) "closed investment companies" shall mean investment companies other than those referred to in (a) above;
- (c) "unit of account" shall mean the unit of account as defined by the decision of the Commission of 18 December 1975 (1).

Article 2

unchanged

- "collective investment undertakings" shall mean investment companies and unit trusts whose securities are or have been issued continuously or in closely spaced blocks and/or are at the request of the holders repurchased or redeemed, directly or indirectly, from the assets of these undertakings;
- (b) deleted
- (c) "unit of account" shall mean the unit of account as defined by the Commission Decision of 18 December 1975 (1) or by any subsequent Commission Decision modifying or replacing the said Decision of 18 December 1975.

(1) O.J. No. L 237, 19.12.1975

Article 3

1. Securities issued by open-end collective investment undertakings shall not fall within the scope of this Directive.

2. This Directive shall also not relate to the admission of securities issued by a Member State or its regional and local authorities to official quotation on a stock exchange situated within the territory of that Member State.

Article 4

1. The admission of securities to official stock exchange quotation shall be subject to the conditions listed in Schedules A and B, annexed to this Directive which relate to shares and debt securities respectively.

2. The issuers of a security admitted to official quotation shall observe the obligations listed in Schedules C and D, annexed to this Directive which relate to shares and debt securities respectively.

3. Certificates representing shares may be admitted only if the issuer of the shares represented fulfils the conditions provided for in Schedule A, points I.1 to I.3 and if the certificates representing the

Article 3

unchanged

2. This Directive shall also not relate to the admission of securities issued by a Member State to official quotation on a stock exchange situated within its territory.

Article 4

unchanged

unchanged

3. Certificates representing shares may be admitted only if the issuer of the shares represented fulfils the conditions provided for in Schedule A, points I.1 to I.3 A and if the certificates representing the shares

shares fulfil the conditions provided for in Schedule A, points II.1 to II.6.

4. The issuer of certificates representing shares admitted to official quotation shall ensure that the obligations provided for in Schedule C, points 2 to 3, are observed and provide, on the shares represented and their issuer, all the information required by Schedule C, points 3 to 6.

Article 5

1. Subject to the prohibition provided for in Article 6 and those provided for in Schedules A and B, the Member States may make the admission of securities to official quotation subject to more rigorous conditions than those listed in Schedules A and B or to additional conditions, provided that they are of general application and that they have been publicly brought into force prior to the request for admission to official quotation to which they relate.

2. The Member States may, within the same limits as those provided for in paragraph 1 above, make the issuers of a security admitted to official quotation subject to more

fulfil the conditions provided for in Schedule A, points II.1 to II.6.

unchanged

Article 5

1. Subject to the prohibitions provided for in Articles 6 and 8 (1) and in Schedules A and B, the Member States may make the admission of securities to official quotation subject to more rigorous conditions than those listed in Schedules A and B or to additional conditions, provided that they are of general application and that they have been publicly brought into force prior to the request for admission to official quotation to which they relate.

unchanged

rigorous obligations than those listed in Schedules C and D or to additional obligations.

Article 6

unchanged

The Member States shall not make the admission to official quotation of securities subject to the condition that these securities be admitted to official stock exchange quotation in a Member State.

Article 7

unchanged

Where a Member State applies one of the optional derogations provided for in Schedules A and B to the conditions for admission to official quotation listed there, this application shall be general.

Article 8

1. The Member States shall waive application of the conditions provided for in Schedule B, Section A.I (legal position of the undertaking - capacity of the undertaking to meet its commitments), where a request for admission to official quotation is made for debt securities issued by:

1. The Member States shall waive^{*} the conditions^{*} provided for in Schedule B, Section A.I (legal position of the undertaking - capacity of the undertaking to meet its commitments), any additional or more rigorous conditions falling within the scope of the said Section A.I and the obligation provided for in Schedule B, point A.3 (continuing information) where a request for admission to official quotation is made for debt securities issued by:

./.

* only affecting the English text

(a) public bodies of a Member State unchanged
which enjoy a State monopoly
in the exercise of their
activities;

(b) financial institutions of a Member State which issue on tap unchanged
or as repeat issues debt
securities admitted to official
quotation, on condition that
these financial institutions are
subject to a public statute or
to public supervision ensuring
the protection of the investor.

2. The Member States may waive deleted
application of the obligation
provided for under Schedule D,
point A.3 (continuing information)
where an application for admission
to official quotation is made for
debt securities issued by the bodies
or institutions referred to in
paragraph 1 above.

3. The Member States may waive unchanged
the conditions
provided for under Schedule B,
Section A.I (legal position of

quotation is made for debt securities issued by undertakings which are from a Member State and whose borrowings and interest payments are fully, unconditionally and irrevocably guaranteed by a Member State.

4. Where a Member State applies one of the optional derogations provided for in paragraphs 2 and 3 above, this application shall be general.

4. Where a Member State applies one of the optional derogations provided for in paragraph 3 above, this application shall be general.

Section II: Methods of control and powers of the competent authorities

Article 9

unchanged

1. The Member States shall designate the competent national authority or authorities to decide on the admission of securities to official quotation on a stock exchange situated within their territory. They shall inform the Commission accordingly, indicating, if appropriate, how the powers have been allocated.

2. The competent authorities may admit a security to official quotation only where they are satisfied that at least all the requirements imposed by this Directive are complied with.

3. The competent authorities shall be invested with all the authority and all the powers of verification necessary for their work. They shall have in particular the authority to require the issuer for whose

securities admission to official quotation is sought, to furnish any information and produce any documents and certificates which they consider necessary in order to decide on this application. For the same purpose, they shall also be empowered to require any audits or inspections which they consider appropriate. They must also have authority to check that an issuer meets the conditions provided for in Article 8 of this Directive with a view to obtaining the exemptions provided for in that Article.

Article 10

1. In the event of the rejection of an application for admission of a security to official quotation, the competent authorities shall give explicit reasons for this decision to the applicant.

2. Each Member State shall provide for a right of appeal to the courts against a decision to refuse an application.

Article 11

Notwithstanding Articles 5 and 10 respectively, the Member States may invest the competent authorities with powers, to be invoked only for the purpose of protecting the investor:

(a) to make an application for the admission of a security to official quotation subject to any special condition which they consider appropriate and of which the applicant has been explicitly informed;

Article 10

In the event of the rejection of an application for admission of a security to official quotation, the competent authorities shall give explicit reasons for this decision to the applicant.

Deleted (see new Article 16 (A))

Article 11

Notwithstanding Article 5, the Member States may invest the competent authorities with powers, to be invoked only for the purpose of protecting the investor, to make an application for the admission of a security to official quotation subject to any special condition which they consider appropriate and of which the applicant has been explicitly informed and for which full reasons have been given.

(b) to reject an application for the admission of a security to official quotation without giving explicit reasons for the rejection to the applicant.

Article 12

The competent authorities may not admit to official quotation a security already officially quoted in another Member State, where the issuer is failing to comply with the obligations resulting from admission in that other Member State.

Article 13

The competent authorities shall inform the public where an issuer of officially quoted securities is failing to comply with the obligations resulting from admission.

Article 14

1. The competent authorities shall request an issuer whose securities are admitted to official quotation to provide them without delay with all the information which they consider appropriate in order to protect the investor and ensure the smooth operation of the market. The issuer shall be required to provide this information to the competent authorities.

deleted

Article 12

The competent authorities may not admit to official quotation a security already officially quoted in another Member State, where the issuer is failing to comply, in that other Member State, with the obligations under this Directive.

Article 13

The competent authorities shall inform the public of any serious failure by an issuer of officially quoted securities to comply with the obligations resulting from admission.

Article 14

unchanged

2. In the case referred to in paragraph 1 above and, more generally, where the competent authorities consider that particular circumstances resulting from the situation or operations of the issuer or from the dealings in his officially quoted securities require certain information to be passed on to the public, they shall invite the issuer to publish this information in the form and within the time-limits which they consider appropriate and, if necessary, shall act in place of the issuer so as to ensure such publication under conditions of professional secrecy.

Article 15

1. The competent authorities may suspend a quotation, where the smooth operation of the market is or may become temporarily jeopardized, or where such suspension is in the interest of the investor.

2. The competent authorities may discontinue a quotation altogether, where they are convinced that, because of particular circumstances, normal and regular dealings in the relevant security are not possible.

2. In the case referred to in paragraph 1 above and, more generally, where the competent authorities consider that particular circumstances resulting from the situation or operations of the issuer or from the dealings in his officially quoted securities require certain information to be passed on to the public, they shall invite the issuer to publish this information in the form and within the time-limits which they consider appropriate, provided that such publication does not involve the disclosure of information covered by business secrecy.

unchanged

Article 16

The competent authorities may, in unchanged exceptional cases, establish official quotation of a security without application where there is in fact a market in the security, if it is in the interest of the investor to make the relevant dealings subject to the disciplines and controls of official quotation.

Article 16 A

Each Member State shall make provision for issuers to bring appeal proceedings before the courts against decisions taken by the competent authorities under Articles 10, 15(2) and 16.

Article 17

Where application for admission relates to certificates representing shares, the application shall be considered only if the competent authorities take the view that the issuer of these certificates provides proper safeguards for the protection of the investor.

unchanged

Section III: Methods of publishing the information to be made available to the public

Article 18

1. The information which issuers of a security admitted to official quotation on a stock exchange situated within a Member State are required to

unchanged

make available to the public in accordance with the provisions of Schedules C and D shall be published in one or more newspapers distributed throughout the country or shall be made available to the public in the form of notices to be displayed in places indicated by announcements to be published in one or more newspapers distributed throughout the country.

2. The information referred to in paragraph 1 above shall be published in the language or languages of the Member State in which this information must be made public.

Section IV: Procedures for cooperation between Member States

Article 19

1. Where official quotation of a security is applied for simultaneously in respect of several stock exchanges situated in different Member States, the competent authorities of the Member States concerned shall establish between themselves all the contacts necessary to ensure maximum coordination of the conditions and formalities required for the admission of the security concerned.

Article 19

1. Where official quotation of a security is applied for at close intervals in respect of several stock exchanges situated in different Member States, the competent authorities of the Member States concerned shall establish between themselves all the contacts necessary to ensure maximum coordination of the conditions and formalities required for the admission of the security concerned.

./.

2. In the event of an application unchanged
being made for the admission to
official quotation on a stock exchange
situated within a Member State of a
security admitted to official quotation
in another Member State, the competent
authorities of the Member State where
the request is made shall contact the
competent authorities of the Member
State in which the security is already
quoted with the aim, in particular,
of simplifying as far as possible the
conditions and formalities required
for the admission of the security
concerned and of ensuring that the
issuer carries out the obligations
incumbent upon him by virtue of the
admission of that security to official
quotation.

3. In the event of admission to
official quotation on a stock exchange
situated within a Member State being
sought for a security for which
admission to official quotation on a
stock exchange situated within another
Member State has been refused, the
competent authorities of the Member
State in which the application has
been made shall ask the competent
authorities in the other Member State
to give the reasons for this refusal.
The competent authorities questioned
shall communicate these reasons without
delay; the reasons shall be
communicated in such a way as to comply
with the requirements of professional
secrecy.

3. In the event of admission to
official quotation on a stock exchange
situated within a Member State being
sought for a security for which ad-
mission to official quotation on a
stock exchange situated within
another Member State has been refused
during the last three years, the
competent authorities of the Member
State in which the application has
been made shall ask the competent
authorities in the other Member
State to give the reasons for this
refusal. The competent authorities
questioned shall communicate these
reasons without delay; the reasons
shall be communicated in such a way
as to comply with the requirements
of professional secrecy.

Where official quotation of a security is applied for simultaneously in respect of several stock exchanges situated in different Member States, any competent authority intending to refuse the application shall without delay inform the competent authorities of the other Member States concerned of this intention and of the reasons for it; the reasons shall be communicated in such a way as to comply with the requirements of professional secrecy.

Where official quotation of a security is applied for at close intervals in respect of several stock exchanges situated in different Member States, any competent authority intending to refuse the application shall without delay inform the competent authorities of the other Member States concerned of this intention and of the reasons for it; the reasons shall be communicated in such a way as to comply with the requirements of professional secrecy.

4. In order to allow the competent authorities to exercise the powers provided for in this Article, any applicant for the admission of a security to official quotation on a stock exchange situated within a Member State must state whether a similar application is being or has already been made in another Member State.

unchanged

Section V: Contact Committee

Article 20

unchanged

1. A Contact Committee shall be set up attached to the Commission. Its function shall be:

- (a) to facilitate, without prejudice to the provisions of Articles 169 and 170 of the EEC Treaty, harmonized application of the directive through regular meetings dealing in particular with practical problems arising;

(b) to facilitate the establishment of a concerted attitude between the Member States on the more rigorous or additional conditions and obligations which they may require pursuant to Article 5 of this directive and on the information received by the Commission pursuant to Article 22;

(c) to advise, if necessary, the Commission on the supplements, amendments or adjustments to be made to the directive pursuant to Article 21.

2. The Contact Committee shall be composed of representatives of the Member States and representatives of the Commission. The Chairman shall be a representative of the Commission. The Commission's services shall provide the Secretariat.

3. The Committee shall be convened by the Chairman, either on his own initiative or at the request of one of the members.

Article 21

unchanged

1. For the purpose of adjusting, in the light of the requirements of the economic situation, the minimum market capitalization provided for in the first paragraph of Schedule A, point I, 2, the representative of the Commission shall submit to the Committee proposals for the measures to be taken. The Committee shall deliver its opinion within the period laid down by the Chairman.

Its decisions shall require forty-three votes in favour, the votes of the Member States being weighted as provided for in Article 14 of the Act concerning the Conditions of Accession and the Adjustments to the Treaties.

2. (a) The Commission shall adopt the measures envisaged where these are in accordance with the opinion of the Committee.

(b) Where the measures envisaged are not in accordance with the opinion of the Committee or where the Committee has not delivered an opinion, the Commission shall without delay lay before the Council a proposal concerning the measures to be taken. The Council shall act by a qualified majority.

(c) Where the Council fails to act within three months of receipt of a proposal, the measures proposed shall be adopted by the Commission.

Article 22

1. The competent authorities shall be required to inform the Commission of any decision, together with the reasons, to refuse an application for admission to official quotation on a stock exchange situated within their territory of a security issued within another Member State.

Article 22

1. The competent authorities shall be required to inform the Commission of any decision, together with the reasons, to refuse an application for admission to official quotation on a stock exchange situated within their territory of a security issued within another Member State. In the same way, the competent authorities shall inform the

./.

Commission of any decision to suspend or terminate the listing of a security admitted to official quotation on a stock exchange situated within their territory, together with the reasons therefor.

2. The Commission shall inform the Contact Committee of this refusal. The deliberations of the Committee on the matter shall be covered by the obligation of professional secrecy.

2. The Commission shall communicate these decisions to the Contact Committee. Any discussion by the Committee of such a communication shall be covered by the obligation of professional secrecy.

Section VI: Final provisions

Article 22 A

Within four years of the entry into force of this Directive, the Commission shall submit to the Council a proposal for a Directive dealing with a second stage of coordination of listing conditions, with the aim of ensuring that the admission of a security to official quotation on a stock exchange situated in one Member State will entitle it to be admitted to official quotation on the other stock exchanges of the Community.

This proposal for a Directive shall also deal with the coordination of formal admission procedures.

unchanged

Article 23

1. Within twelve months of notification to them of this Directive, the Member States shall put into effect all measures

necessary for complying with its provisions and shall inform the Commission immediately of such measures.

2. The Member States shall communicate to the Commission the texts of the essential provisions of national law which they adopt in the areas covered by this Directive.

Article 24

unchanged

This Directive is addressed to the Member States.

For the Council

The President

ANNEX I

SCHEDULE A

CONDITIONS FOR THE ADMISSION OF SHARES TO OFFICIAL
QUOTATION ON STOCK EXCHANGES OF MEMBER STATES
OF THE EUROPEAN COMMUNITIES

I. Conditions relating to companies for whose shares quotation is sought

1. Legal position of the company

The legal position of the company must be in conformity with the laws and regulations to which it is subject, as regards both its formation and its operation under the memorandum and articles of association.

Proof that this condition is fulfilled need not be provided where securities of the company are already officially quoted on the same stock exchange.

1. Legal position of the company

unchanged

This condition is deemed to be fulfilled where securities of the company are already officially quoted on the same stock exchange.

2. Minimum capital of company

The foreseeable market capitalization of the shares for which admission is sought, or, if it is impossible to establish this amount, the net assets of the company must be at least one million units of account.

unchanged

Member States may, however, by way of derogation from the first paragraph, provide that shares may be admitted to official quotation even when the condition laid down in that paragraph is not fulfilled, provided that the competent

authorities have ascertained that there will be an adequate market for these shares.

A higher expected market capitalization or higher net assets may be required by a Member State for admission to official quotation only if another regulated, recognized and open market exists in this State which operates normally and has less stringent requirements in this matter than those referred to in the first paragraph.

The condition laid down in the first paragraph is not applicable in the case of the admission to official quotation of a further block of shares of the same class as those already admitted.

3. The company's profit-making capacity

The company must give proof of its profit-making capacity for the previous two closed financial years and provide satisfactory evidence that it will maintain a profit-making capacity for the current financial year and the following financial year.

In the event of the conversion, merger, splitting up or re-organization of companies, the profit-making capacity as defined in the first paragraph is assessed in the light of the situation of the company or companies involved in

3. The company's profit-making capacity

The general position of the company must not indicate that its profit-making capacity is in doubt.

these transactions and/or the situation of the company or companies resulting from the transactions.

Member States may, however, notwithstanding the first paragraph, provide that shares issued by a company may be admitted to official quotation even when the conditions laid down in that paragraph are not fulfilled:

- (a) where the company has not yet made up accounts for two financial years but is able to provide satisfactory evidence that it will have a profit-making capacity for the current financial year and the following financial year;
- (b) where the company, because of the nature of its activities, will not have a profit-making capacity until the more distant future, but is able to provide satisfactory evidence that it will realise this profit-making potential;
- (c) in the case of a closed investment company.

The exceptions provided for at (a) and (b) above may not be allowed by Member States in which another regulated, recognised and open market exists which operates normally and whose requirements as regards profit-making capacity do not prevent the shares in question

being admitted to this market; this does not apply if the company shows that it cannot raise its capital other than by having its shares admitted to official quotation and that it is in the public interest that the capital be raised.

The conditions laid down in the first paragraph are not applicable in the case of the admission to official quotation of a further block of shares of the same class as those already admitted.

3 A. Publication of balance sheets

The Company shall have published or filed its balance sheets for the two financial years prior to the application for listing (or have observed equivalent conditions of publicity - filing with certain authorities - in compliance with the Council Directive of 9 March 1968 on the coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, with a view to making such safeguards equivalent throughout the Community).

Member States may however waive this requirement when:

- (a) the company has not yet completed two financial years, but is able to show that it cannot raise its

capital otherwise than by means of the admission of its shares to official quotation;

- (b) the case concerns a closed-end collective investment undertaking;
- (c) admission to official quotation is essential to protect investors;
- (d) the company has not yet completed two financial years and is the product of an operation of transformation, amalgamation, splitting or restructuring of companies.

II. Conditions relating to the shares for which quotation is sought

1. Legal position of the shares unchanged

The legal position of the shares must be in conformity with the laws and regulations to which they are subject.

2. Negotiability of the shares unchanged

The shares must be freely negotiable.

Member States may treat as freely negotiable shares, shares which are not fully paid up, if arrangements have been made to ensure that negotiability of these shares is not hampered and dealing is made transparent by providing the public with all appropriate information.

For shares which may be acquired only subject to approval, Member

States may, by way of derogation from the first paragraph, admit them to official quotation only if the use of the approval clause does not interfere with dealing.

3. Public issue preceding admission unchanged

In the case of public issue preceding admission to official quotation, the first quotation may be made only after the closure of the period during which applications for subscription may be submitted.

4. Distribution of shares

A sufficient number of shares must be distributed to the public in the Member State in which admission to official quotation is applied for, at the latest at the time of admission.

This condition is not applicable where the shares in question are to be distributed to the public through the stock exchange. In this case, admission to official quotation may be granted only if the competent authorities are convinced that a sufficient number of shares will be distributed through the stock exchange within a short period.

Where admission to official quotation is sought for a further block of shares of the same class, the competent authorities may assess

4. Distribution of shares

A sufficient number of shares must be distributed to the public (including institutional investors) in the Member State in which admission to official quotation is applied for, at the latest at the time of admission.

unchanged

unchanged

whether a sufficient number of shares has been distributed to the public by reference to all the shares issued and not only this further block.

Where the shares in question are already officially quoted in one or more other States, Member States may, by way of derogation from the first paragraph, admit the shares to official quotation if a sufficient number of shares is distributed to the public in at least one of the States in which the share are officially quoted.

However, if the shares are distributed in one or more other Member States, or if they are admitted to official quotation in one or more non-Member States, the competent authorities may, by way of derogation from the first paragraph, provide for their admission to official quotation if a sufficient number of shares is distributed to the public in these Member States as a whole or in the non-Member State or States where they are quoted.

Shares will not be deemed to be distributed in sufficient number if the shares of the same class held by the public do not represent at least 25% of the subscribed capital of the company. However, Member States may authorize the competent authorities to consider that a sufficient number is distributed even if this percentage is not attained, where, in view of the large number of shares of the same class and the extent of their distribution to the public, they feel that the market will operate properly with this lower percentage.

5. Quotation of shares of the same class unchanged

The application for admission to official quotation must be for all the shares of the same class already issued.

By way of derogation from the first paragraph, Member States may provide that the condition laid down in that paragraph does not apply to applications for admission not covering all the shares of the same class, where the shares of this class for which admission is not sought belong to blocks serving to maintain control of the company or are not negotiable for a certain time under agreements, provided that the public is informed of such situations and that there is no danger of prejudicing the interests of the holders of the shares for which admission is sought.

6. Physical shape, substance or appearance unchanged

For shares issued by companies from another Member State, it is necessary and sufficient that their physical shape, substance and appearance comply with the standards laid down in this other Member State. Where the physical shape, substance or appearance do not conform to the provisions in force in the Member State in which quotation is applied for, the competent authorities of this State will make this known to the public.

The physical shape, substance and appearance of shares issued by companies from non-member States must be such as to ensure that investors' interests are safeguarded.

7. Quotation in the country of origin or in the country in which the major proportion of the shares is held

Shares of companies from non-member states must have been admitted to official quotation either in the country of origin or in the country in which the major proportion of the shares is held.

Member States may, however, by way of derogation from the first paragraph, provide that shares may be admitted to official quotation even when the condition laid down in that paragraph is not fulfilled, provided that the competent authorities have ascertained that the reason why the shares are not quoted in the country of origin or in the country in which the major proportion is held is not the need to protect the interests of investors.

7. Quotation in the country of origin or in the country in which the major proportion of the shares is held

unchanged

Member States may, however, by way of derogation from the first paragraph, provide that shares may be admitted to official quotation even when the condition laid down in that paragraph is not fulfilled, provided that the competent authorities have ascertained that the absence of quotation in the country of origin or in the country in which the major proportion is held is not the result of a decision rejecting the application on the grounds of the need to protect the interests of investors.

SCHEDULE B

CONDITIONS FOR THE ADMISSION OF DEBT SECURITIES
TO OFFICIAL QUOTATION ON STOCK EXCHANGES OF
MEMBER STATES OF THE EUROPEAN COMMUNITIES

A. Admission to official quotation of debt securities issued by an undertaking

I. Conditions relating to undertakings for whose debt securities quotation is sought

1. Legal position of the undertaking

The legal position of the undertaking must be in conformity with the laws and regulations to which it is subject, as regards both its formation and its operation under the memorandum and articles of association.

Proof that this condition is fulfilled need not be provided where securities of the undertaking are already officially quoted on the same stock exchange.

2. Capacity of the undertaking to meet its commitments

The undertaking must provide sufficient evidence that it is able to meet the commitments resulting from the issue of the loan stock for which quotation is sought.

1. Legal position of the undertaking

unchanged

This condition is deemed to be fulfilled where securities of the undertaking are already officially quoted on the same stock exchange.

2. Capacity of the undertaking to meet its commitments

The general position of the undertaking must not indicate that it might not be able to meet the commitments resulting from the issue of the loan stock for which quotation is sought.

II. Conditions relating to the debt securities for which quotation is sought

1. Legal position of debt securities unchanged

The issue concerned must conform to the laws and regulations to which it is subject.

2. Negotiability of debt securities unchanged

The securities must be freely negotiable.

Member States may treat as freely negotiable securities, securities which are not fully paid up, if arrangements have been made to ensure that negotiability of these securities is not hampered and dealing is made transparent by providing the public with all appropriate information.

3. Public issue preceding admission unchanged

In the case of public issue preceding admission to official quotation, the first quotation may be made only after the closure of the period during which applications for subscription may be submitted. This provision is not applicable in the case of tap issues of debt securities when the closure date of the subscription period is not fixed.

4. Distribution of debt securities

A sufficient number of securities must be distributed to the public in the Member State in which admission to official quotation is applied for, at the latest at the time of admission.

This condition is not applicable where the securities in question are to be distributed to the public through the stock exchange. In this case, admission to official quotation may be granted only if the competent authorities are convinced that a sufficient number of securities will be distributed through the stock exchange within a short period.

Where admission to official quotation is sought for debt securities issued on tap or as repeat issues by financial institutions, the competent authorities may assess whether a sufficient number of securities has been distributed to the public by reference to all the securities issued and not only the new issue.

Where the securities in question are already officially quoted in one or more other States, Member States may, notwithstanding the first paragraph, admit the securities to official quotation if a sufficient number of securities is distributed to the public in at least one of the States in which the securities are officially quoted.

4. Distribution of debt securities

A sufficient number of securities must be distributed to the public (including institutional investors) in the Member State in which admission to official quotation is applied for, at the latest at the time of admission.

unchanged

unchanged

However, if the securities are distributed in one or more other Member States, or if they are admitted to official quotation in one or more non-member States, the competent authorities may, by way of derogation from the first paragraph, provide for their admission to official quotation if a sufficient number of securities is distributed to the public in these Member States as a whole or in the non-member State or States where they are quoted.

Securities will not be deemed to be distributed in sufficient number if the securities relating to the same loan issue and held by the public do not represent at least 25% of the amount of the issue. However, Member States may authorize the competent authorities to consider that a sufficient number is distributed even if this percentage is not attained, where, in view of the large number of securities relating to the same loan issue and the extent of their distribution to the public, they feel that the market will operate properly with this lower percentage.

5. Quotation of debt securities relating to the same loan issue

The application for admission to official quotation must be for all the securities relating to the same loan issue.

6. Physical shape, substance and appearance of debt securities

1. For securities issued by undertakings from another Member State, it is necessary and sufficient that their physical shape, substance and appearance comply with the standards laid down in this other Member State. Where the physical shape, substance or appearance do not conform to the provisions in force in the Member

Securities will not be deemed to be distributed in sufficient number if the securities relating to the same loan or the same issue and held by the public do not represent at least 25% of the amount of the loan. However, Member States may authorize the competent authorities to consider that a sufficient number is distributed even if this percentage is not attained, where, in view of the large number of securities relating to the same loan or the same issue and the extent of their distribution to the public, they feel that the market will operate properly with this lower percentage.

5. Quotation of debt securities relating to the same loan or the same issue

The application for admission to official quotation must be for all the securities relating to the same loan or the same issue.

unchanged

State in which quotation is applied for, the competent authorities of this State will make this known to the public.

2. However, the physical shape, substance and appearance of securities issued in a single Member State must conform to the standards in force in this Member State.

3. The physical shape, substance and appearance of securities issued by undertakings from non-Member States must be such as to ensure that investors' interests are safeguarded.

III. Other conditions

1. Minimum amount of the loan unchanged

The amount of the loan may not be less than 200 000 units of account. This provision is not applicable in the case of tap issues where the amount of the loan is not fixed.

2. Convertible debentures or debentures with warrants attached Convertible debentures, exchangeable debentures and debentures with warrants attached

Convertible debentures or debentures with warrants attached may be admitted to official quotation only if the related shares are already quoted on the same stock exchange or are to be admitted simultaneously.

Convertible debentures, exchangeable debentures or debentures with warrants attached may be admitted to official quotation only if the related shares are already quoted on the same stock exchange or are to be admitted simultaneously.

However, Member States may, notwithstanding the first paragraph, provide for the admission to official quotation of convertible debentures or debentures with warrants attached even when the condition laid down in that paragraph is not fulfilled, provided that the competent authorities have ascertained that holders have at their disposal all the information necessary to form an opinion concerning the value of the shares to which these debentures relate, where:

- (a) when the debentures are admitted to official quotation, these shares are already officially quoted on another stock exchange in the same Member State, or on a stock exchange in another Member State or on a stock exchange in a non-Member State, provided that this latter stock exchange, in the view of the competent authorities, offers investors every guarantee; or
- (b) although these shares are not officially quoted when the debentures are admitted, an application for official quotation will be made, not later than the opening date of the conversion or subscription period, in the Member State, in which the application for the admission of the debentures to official quotation is made and

However, Member States may, notwithstanding the first paragraph, provide for the admission to official quotation of convertible debentures, exchangeable debentures or debentures with warrants attached even when the condition laid down in that paragraph is not fulfilled, provided that the competent authorities have ascertained that holders have at their disposal all the information necessary to form an opinion concerning the value of the shares to which these debentures relate, where:

- unchanged
- (b) although these shares are not officially quoted when the debentures are admitted, an application for official quotation will be made, not later than the opening date of the conversion, exchange or subscription period, in the Member State in which the application for the admission of the debentures to official quotation is made and the

the competent authorities have ascertained that no obstacle exists to their subsequent admission to official quotation.

B. Admission to official quotation of debt securities issued by the central government or regional or local authorities of another State or by a public international organization

1. Capacity to meet commitments resulting from the loan

Central governments, regional or local authorities and public international organizations must provide sufficient evidence that they are able to meet the commitments resulting from the issue of the loan stock for which admission to quotation is sought.

Proof that this condition is fulfilled need not be provided by Member States.

Member States may, notwithstanding paragraph 1, provide that the condition laid down in that paragraph does not apply to non-Member States and public international organizations, where their competent authorities have ascertained that these issuers offer investors every guarantee.

competent authorities have ascertained that no obstacle exists to their subsequent admission to official quotation.

B. Admission to official quotation of debt securities issued by the central government of another State, by a regional or local authority or by a public international organization

1. Capacity to meet commitments resulting from the loan

The general position of central governments, regional or local authorities and public international organizations must not indicate that they might not be able to meet the commitments resulting from the issue of the loan stock for which admission to quotation is sought.

This condition is deemed to be fulfilled by Member States.

unchanged

./.

2. Negotiability of debt securities unchanged

The securities must be freely negotiable.

3. Public issue preceding admission unchanged

In the case of public issue preceding admission to official quotation, the first quotation may be made only after the closure of the period during which applications for subscription may be submitted. This provision is not applicable where the closure date of the subscription period is not fixed.

4. Distribution of debt securities

A sufficient number of securities must be distributed to the public in the Member State in which admission to official quotation is applied for, at the latest at the time of admission.

This condition is not applicable where the securities in question are to be distributed to the public through the stock exchange. In this case, admission to official quotation may be granted only if the competent authorities are convinced that a sufficient number of securities will be distributed through the stock exchange within a short period.

4. Distribution of debt securities

A sufficient number of securities must be distributed to the public (including institutional investors) in the Member State in which admission to official quotation is applied for, at the latest at the time of admission.

unchanged

Where the securities in question are already officially quoted in one or more other States, Member States may, by way of derogation from the first paragraph, admit the securities to official quotation if a sufficient number of securities is distributed to the public in at least one of the States in which the securities are officially quoted.

Securities will not be deemed to be distributed in sufficient number if the securities relating to the same loan issue and held by the public do not represent at least 25% of the amount of the issue. However, Member States may authorize the competent authorities to consider that a sufficient number is distributed even if this percentage is not attained, where, in view of the large number of securities relating to the same loan issue and the extent of their distribution to the public, they feel that the market will operate properly with this lower percentage.

5. Quotation of debt securities relating to the same loan issue

The application for admission to official quotation must be for all the securities relating to the same loan issue.

However, if the securities are distributed in one or more other Member States, or if they are admitted to official quotation in one or more non-Member States, the competent authorities may, by way of derogation from the first paragraph, provide for their admission to official quotation if a sufficient number of securities is distributed to the public in these Member States as a whole or in the non-Member State or States where they are quoted.

unchanged

unchanged

6. Physical shape, substance and appearance of debt securities unchanged

For securities issued by the central government or regional or local authorities of a Member State, it is necessary and sufficient that their physical shape, substance and appearance comply with the standards laid down in that Member State. Where the physical shape, substance or appearance does not conform to the provisions in force in the Member State in which quotation is applied for, the competent authorities of this State will make this known to the public.

The physical shape, substance or appearance of securities issued by the central government or regional or local authorities of a non-member State or by a public international organization must be such as to ensure that investors' interests are safeguarded.

SCHEDULE C

OBLIGATIONS OF COMPANIES WHOSE SHARES ARE ADMITTED
TO OFFICIAL QUOTATION ON A STOCK EXCHANGE
OF A MEMBER STATE OF THE EUROPEAN COMMUNITIES

1. Quotation of newly issued shares
of the same class

Without prejudice to the provisions of Schedule A, II, 5, paragraph 2, in the case of a new issue of shares of the same class as those already officially quoted, the company is required to apply for admission to the same official quotation for these new shares, either a year after their issue at the latest or when they become freely negotiable.

2. Treatment of shareholders

(a.) The company must ensure that holders of shares of the same class are given equal treatment in respect of all the rights attaching to these shares. This does not prevent limits being placed on the number of votes that an individual shareholder may have at the general meeting under national laws or the memorandum and articles of association of the company.

1. Quotation of newly issued shares
of the same class

Without prejudice to the provisions of Schedule A, II, 5, paragraph 2, in the case of a new public issue of shares of the same class as those already officially quoted, the company is required to apply for admission to the same official quotation for these new shares, either a year after their issue at the latest or when they become freely negotiable.

unchanged.

(b) The company must ensure that on each stock exchange in a Member State on which its shares are officially quoted, all the necessary information and facilities are available without any cost to shareholders, to enable these to exercise their rights. In particular, it must:

- enable shareholders to vote by proxy;
- publish notices concerning the allocation and payment of dividends, the holding of meetings, the issue of new shares, allotment, subscription, renunciation and conversion operations;
- designate as its agent a financial institution at which shareholders may exercise their financial rights.

3. Alteration of the memorandum or articles of association unchanged

(a) A company from a Member State planning to alter its memorandum or articles of association must communicate the plans of such alterations to the competent authorities of this Member State if its shares are quoted there or, otherwise, to those of the Member State in which the major proportion of its shares are officially traded.

A company from a non-member State planning such alterations must communicate the plans to the competent authorities of the Member State in which the major proportion of its shares are officially traded.

(b) These plans must be communicated to the competent authorities at the latest when the general meeting which is to decide on the proposed alterations of the memorandum or articles of association is called.

4. Continuing information

The company must periodically, and half-yearly at least, make available to the public sufficient information to enable the public to evaluate the assets and financial position of the company and the general progress of its business, without prejudice to the publication of the annual accounts and annual report, and consolidated accounts and annual report of the group, as required by national law.

5. Additional information

The company must inform the public without delay of major new developments in its sphere of activity which are not public knowledge and which may, by virtue of their effect on its assets and financial position or on the general progress of its business, lead to

4. Continuing information

The company must periodically, and half-yearly at least, make available to the public sufficient information to enable the public to evaluate the financial position of the company and the general progress of its business, without prejudice to the publication of the annual accounts and annual report, and consolidated accounts and annual report of the group, as required by national law.

5. Additional information

The company must inform the public as soon as possible of major new developments in its sphere of activity which are not public knowledge and which may, by virtue of their effect on its assets and financial position or on the general progress of its business, lead to

large movements in the prices of its shares.

large movements in the prices of its shares.

The competent authorities may, however, exempt the company from this requirement, if the disclosure of particular information would be of such a nature as to prejudice the legitimate interests of the company and its shareholders.

(b) The company must inform the public without delay of any changes in the rights attaching to the various classes of shares.

unchanged

(c) The company must inform the public of any changes in the information published previously on the structure of the major holdings of its capital, as soon as such changes come to its notice.

unchanged

6. Equivalence of information

6. Equivalence of information

(a) A company whose shares are officially quoted on stock exchanges in different Member States must ensure that equivalent information is made available to each of these markets.

unchanged

(b) A company whose shares are officially quoted on stock exchanges in one or more Member States and in one or more non-member States, must make available to the markets of the

(b) A company whose shares are officially quoted on stock exchanges in one or more Member States and in one or more non-member States, must make available to the markets of the

Member State or States in which its shares are quoted the same information as is available to the markets of the non-member State or States in question.

Member State or States in which its shares are quoted equivalent information to that which it makes available to the markets of the non-member State or States in question.

SCHEDULE D

OBLIGATIONS OF ISSUERS WHOSE DEBT SECURITIES ARE ADMITTED
TO OFFICIAL QUOTATION ON A STOCK EXCHANGE OF A
MEMBER STATE OF THE EUROPEAN COMMUNITIES

A. Debt securities issued by an
undertaking

1. Treatment of holders

- (a) The undertaking must ensure that all holders of securities relating to the same loan issue are given equal treatment in respect of all the rights attaching to these securities.

- (b) The undertaking must ensure that on each stock exchange in a Member State on which its debt securities are officially quoted, all the necessary information and facilities are available without any cost to holders, to enable these to exercise their rights. In particular, it must:

- publish notices concerning the holding of meetings of the holders of debt securities, the payment of interest, the exercise of any conversion, subscription or renunciation rights, and redemption;

A. Debt securities issued by an
undertaking

1. Treatment of holders

unchanged.

unchanged

- publish notices concerning the holding of meetings of the holders of debt securities, the payment of interest, the exercise of any conversion, exchange, subscription or renunciation rights, and redemption;

-- designate as its agent a unchanged
financial institution at which
the holders of debt securities
may exercise their financial
rights.

2. Alteration of the memorandum or unchanged
articles of association

- (a) An undertaking from a Member
State planning to alter its
memorandum or articles of
association must communicate
the plans of such alterations
to the competent authorities of
this Member State if its debt
securities are quoted there or,
otherwise, to those of the
Member State in which the major
proportion of its debt
securities are officially traded.

An undertaking from a non-
member country planning such
alterations must communicate the
plans to the competent
authorities of the Member State
in which the major proportion of
its debt securities are
officially traded.

- (b) These plans must be communicated
to the competent authorities at
the latest when the general
meeting which is to decide on
the proposed alterations of the
memorandum or articles of
association is called.

3. Continuing information

The undertaking must periodically, and half-yearly at least, make available to the public sufficient information to enable the public to evaluate the assets and financial position of the undertaking and the general progress of its business, without prejudice to the publication of the annual accounts and annual report, and consolidated accounts and annual report of the group, as required by national law.

4. Additional information

(a) The undertaking must inform the public without delay of major new developments in its sphere of activity which are not public knowledge and which may, by virtue of their effect on its assets and financial position or on the general progress of its business, lead to large movements in the prices of its debt securities. As regards index-linked debt securities and those whose interest rate depends on a given parameter, the undertaking must also publish information about the application of the index-linked criteria and of the parameter for determining the interest rate.

3. Continuing information

The undertaking must periodically, and half-yearly at least, make available to the public sufficient information to enable the public to evaluate the financial position of the undertaking and the general progress of its business, without prejudice to the publication of the annual accounts and annual report, and consolidated accounts and annual report of the group, as required by national law.

4. Additional information

(a) The undertaking must inform the public as soon as possible of major new developments in its sphere of activity which are not public knowledge and which may, by virtue of their effect on its assets and financial position or on the general progress of its business, lead to large movements in the prices of its debt securities.

The competent authorities may, however, exempt the undertaking from this requirement, if the disclosure of particular information would be of such a nature as to prejudice the legitimate interests of the undertaking.

As regards index-linked debt securities and those whose interest rate depends on a given parameter, the undertaking must also publish information about the application of the index-linked criteria and of the parameter for determining the interest rate.

(b) The undertaking must inform the public without delay of new loan issues and in particular of guarantees they may carry. unchanged

(c) Where the debt securities officially quoted are convertible debentures or debentures with warrants attached, the undertaking must inform the public without delay of any changes in the rights attaching to the various classes of shares.

(c) Where the debt securities officially quoted are convertible debentures, exchangeable debentures or debentures with warrants attached, the undertaking must inform the public without delay of any changes in the rights attaching to the various classes of shares.

5. Equivalence of information

(a) An undertaking whose debt securities are officially quoted on stock exchanges in different Member States must ensure that equivalent information is made available to each of these markets.

5. Equivalence of information

unchanged

./.

(b) An undertaking whose debt securities are officially quoted on stock exchanges in one or more Member States and in one or more non-member States, must make available to the markets of the Member State or States in which its debt securities are quoted, the same information as is available to the markets of the non-member State or States in question.

(b) An undertaking whose debt securities are officially quoted on stock exchanges in one or more Member States and in one or more non-member States, must make available to the markets of the Member State or States in which its debt securities are quoted equivalent information to that which it makes available to the markets of the non-member State or States in question.

B. Debt securities issued by the central government or regional or local authorities of a foreign State or by a public international organization

B. Debt securities issued by the central government of another State, by a regional or local authority, or by a public international organization

1. Treatment of holders

1. Treatment of holders

(a) Central governments, regional or local authorities and public international organizations must ensure that all holders of securities relating to the same loan issue are given equal treatment in respect of all the rights attaching to these securities.

(a) Unchanged in the English translation (in the original version of the French text the clause began "L'Etat, ses collectivités publiques territoriales" which in the amended version reads "L'Etat, les collectivités publiques territoriales...").

(b) Central governments, regional or local authorities and public international organizations must ensure that on each stock exchange in a Member State on which their debt securities are officially quoted, all the necessary information and facilities are available without any cost to holders, to enable these to exercise their rights. In particular, they must:

- publish notices concerning the holding of meetings of the holders of debt securities, the payment of interest and redemption; unchanged

- designate as their agent a financial institution at which the holders of debt securities may exercise their financial rights. unchanged

2. Equivalence of information unchanged in English translation (as in B 1 (a) and (b) above).

(a) Central governments, regional or local authorities and public international organizations whose debt securities are officially quoted on stock exchanges in different Member States must ensure that equivalent information is made available to each of these markets.

(b) Central governments, regional or local authorities and public international organizations whose debt securities are officially quoted on stock exchanges in one or more Member States and in one or more non-member States, must make available to the markets of the Member State or States in which their debt securities are quoted, the same information as is available to the markets of the non-member State or States in question.

(b) Central governments, regional or local authorities and public international organizations whose debt securities are officially quoted on stock exchanges in one or more Member States and in one or more non-member States, must make available to the markets of the Member State or States in which their debt securities are quoted equivalent information to that which they make available to the markets of the non-member State or States in question.