

The Capital Markets Union: an update on the European Commission's proposal for a new EU Prospectus Regulation

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In the [fifth issue of Lex et Brexit](#) (our fortnightly publication on Brexit developments), we examined the impact of Brexit on the prospectus regime in the EU and the implications Brexit may have on the European Commission's proposed Capital Markets Union action plan and associated proposal for a revised European prospectus regime (an initiative we discussed in our December 4, 2015 memo, [European Commission Proposal for a New EU Prospectus Regulation](#)). Against the backdrop of the European Commission reiterating the importance of proceeding with the Capital Markets Union action plan, we concluded that the UK's role in driving capital markets union and further harmonization of prospectus regulation may be greatly diminished.

Since then, on September 15, 2016, the [European Parliament adopted](#) amendments to the European Commission's proposed new EU Prospectus Regulation. The proposed new EU Prospectus Regulation is intended to replace the existing EU Prospectus Directive (Directive 2003/71/EC) and would be directly applicable across EEA member states without the requirement for individual member state implementing legislation.

Notable amendments adopted by the European Parliament to the proposed new Prospectus Regulation cover prospectus exemptions; prospectus summaries; risk factors; the general prospectus disclosure standard; the reduced disclosure regime for existing listed issuers and SMEs; and third country issuer representatives.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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