
TO : **Persons responsible for the prospectus and financial market participants**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **22 April 2021**

CIRCULAR NO. : **C443**

SUBJECT : **Guidelines on disclosure requirements under the Prospectus Regulation**

The Cyprus Securities and Exchange Commission (the 'CySEC') wishes to inform the persons responsible for the prospectus and the financial market participants, that it has adopted the European Securities and Markets Authority ('ESMA') [guidelines](#) on disclosure requirements under the Prospectus Regulation [Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC 'Regulation (EU) 2017/1129']].

These guidelines apply to the competent Authorities designated by each Member State and the market participants, including the persons responsible for the prospectus in accordance with Article 11(1) of the Regulation (EU) 2017/1129 and apply from **4 May 2021**.

It is noted that on 5th July 2019, with a Notification by the Minister of Finance (R.A.A. 227/2019), CySEC was designated as the competent Authority in the Republic of Cyprus, responsible for carrying out the duties resulting from Regulation (EU) 2017/1129 and for ensuring that its provisions are applied.

The purpose of the guidelines is to help the financial market participants to comply with the disclosure requirements set out in the Commission Delegated Regulation (EU) 2019/980¹ and to enhance consistency across the European Union in the way that the annexes of this delegated regulation are applied.

Moreover, the objectives of these guidelines are to establish consistent, efficient and effective supervisory practices among competent Authorities when assessing the completeness, comprehensibility and consistency of information in prospectuses as well as to ensure the common, uniform and consistent application of the disclosure requirements set out in the Commission Delegated Regulation (EU) 2019/980.

¹ Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the 'Commission Delegated Regulation (EU) 2019/980').

The guidelines address, inter alia, the following disclosure requirements of the said delegated regulation: Operating and financial review, Capital resources, Profit forecasts and estimates, Historical financial information, Pro forma financial information, Interim financial information, Working capital statements, Capitalisation and indebtedness, Remuneration, Related party transactions (See Part V of the guidelines).

It is clarified that these guidelines constitute an update and conversion of the document 'ESMA update of the CESR recommendations on the consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive', into guidelines, which is currently applicable when preparing a prospectus.

CySEC has adopted these guidelines and incorporated them in its procedure for examination of prospectuses and their supplements, as well as in the relevant checklists. CySEC expects persons responsible for the prospectus and the financial market participants, to comply with the guidelines when preparing a prospectus that will be submitted to CySEC.

Sincerely,

Demetra Kalogerou
Chairman of Cyprus Securities and Exchange Commission