

Introduction

Welcome to the latest in our series of regular alerts containing a round-up of news from our capital markets practice. We advise companies, financial advisers and underwriters on all aspects of capital markets and public M&A transactions in all the principal markets of the UK, US, Continental Europe and Asia Pacific. We would be delighted to discuss with you any issues arising out of the items covered in this update.

Capital Markets Union: Commission Green Paper

The European Commission has published the Green Paper "*Building a Capital Markets Union*" to consult on its overall approach to creating a single market for capital for all member states by 2019.

The Commission's priority is to get Europe growing again and unlock investment in Europe's companies and infrastructure. The intention is to build a true single market for capital – a Capital Markets Union for all 28 Member States.

The Green Paper states that, compared to other parts of the world, European businesses remain heavily reliant on banks for funding and relatively less on capital markets. It argues that stronger capital markets would complement banks as a source of financing, and would:

- Unlock more investment for all companies, especially SMEs, and for infrastructure projects;
- Attract more investment into the EU from the rest of the world; and
- Make the financial system more stable by opening up a wider range of funding sources.

In the next months, the EC will:

- Develop proposals to encourage high quality securitisation and free up bank balance sheets to lend;
- Review the Prospectus Directive to make it easier for firms, particularly smaller ones, to raise funding and reach investors cross border;
- Start work on improving the availability of credit information on SMEs so that it is easier for investors to invest in them;
- Work with the industry to put into place a pan European private placement regime to encourage direct investment into smaller businesses; and
- Support the take up of new European long term investment funds to channel investment in infrastructure and other long term projects.

The Green Paper marks the beginning of a three month consultation which ends on 13 May 2015. The feed-back will help the EC to develop an action plan to put in place the building blocks for a fully functioning Capital Markets Union by 2019.

A copy of the Green Paper is available on the [EC website](#).

Prospectus Directive: EC Consultation

The European Commission has published a consultation paper on the review of the Prospectus Directive. The Commission was required to assess the application of the Directive by 1 January 2016 but given the importance of making progress towards a Capital Markets Union, it has decided to bring forward the review. The review will seek to ensure that a prospectus is required only when it is truly needed, that the approval process is as smooth and efficient as possible, the information that must be included is useful and not burdensome to produce and that barriers to seeking funding across borders are reduced.

Responses are due by 13 May 2015.

A copy of the Consultation Paper is available on the [EC website](#).

Listing, Prospectus and Disclosure and Transparency Rules: Miscellaneous Changes

The FCA has published various amendments to the LRs, PRs and DTRs. In essence, the revised rules narrow the scope of circulars requiring prior FCA approval, clarify or update various existing rules and guidance and propose a new fee for reviewing a material change to a published investment policy.

A copy of the instrument is available on the [FCA website](#).

ESMA Report: Market Abuse Regulation

The European Securities and Markets Authority has published the first round of technical advice to the European Commission regarding the implementation of its new regulations on market abuse, in order to clarify certain rules surrounding manipulation and insider dealing.

A copy of the report is available on [ESMA's website](#).

UKLA Fees: Covering the Cost of Regulation

A Financial Conduct Authority discussion paper sets out options for how the FCA should recover the costs it incurs when carrying out its duties as the UK Listing Authority. Comments by 1 April 2015.

A copy of the discussion paper is available on the [FCA's website](#).

How We Can Help

We would be pleased to discuss with you in more detail any of the matters raised in this update.

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