



# Public consultation on building a proportionate regulatory environment to support SME listing

Fields marked with \* are mandatory.

## Introduction

Please note that this consultation is also available in [German](#) and in [French](#).

### 1. Background of this public consultation

Newly listed small and medium-sized enterprises (SMEs) are a key motor of new investment and job creation. Companies recently listed outstrip their privately-owned counterparts in terms of annual growth and workforce increase<sup>1</sup>. The benefits of listing include a reduced dependency on bank financing, a higher degree of diversification of investors, easier access to additional equity capital and debt finance (through secondary offers) and higher public profile and brand recognition. In considering a listing, a firm needs to balance the economic advantages of being listed with both its initial and recurrent costs. From the investors' angle, small caps have a higher risk-return profile than large companies and allow for a higher level of portfolio diversification.

Despite the strong benefits of stock exchange listings, EU public markets for SMEs are struggling. Europe is producing only half of the SME IPOs that it generated before the financial crisis (300 on average from 2005-2007 vs. 172 in 2016). From 2005 to 2007, an average of EUR 11 billion was raised annually on European SME-dedicated Multilateral Trading Facilities (MTFs)<sup>2</sup> through initial public offerings (IPOs). This fell to EUR 2.8 billion on average from 2008 to 2015<sup>3</sup>. The situation is especially acute in some Central and Eastern Europe (CEE) Member States, where the market capitalisation of all listed companies can sometimes account for less than 10% of the GDP, and where the SME-dedicated MTF can sometimes count only one listed firm.

The funding gap at the IPO stage has wider consequences on the EU funding escalator. For example, ready access to public markets is an important consideration and can represent an "exit solution" for the investments of venture capital (VC) and private equity funds which back high growth companies at an early stage in their development. As the public markets for SMEs are weak, this deters VC funds from investing in the first place in SMEs. The low number of SME listings also decreases the number of companies that may graduate one day to the main (regulated) markets. Beyond equity markets, bond issuances are still far from widespread for the vast majority of SMEs, despite a number of specialised bond MTFs for smaller companies established in recent years<sup>4</sup>.

## 2. The CMU Mid-term Review and the focus on public markets for SMEs

From the outset, facilitating access to finance for SMEs has been a key goal of the Capital Markets Union (CMU) in order to support jobs and growth in the EU. Since the publication of the Capital Markets Union Action Plan in 2015, many actions were taken to develop adequate sources of funding for SMEs through all their stages of development. For instance, the Commission has taken forward a comprehensive package of legislative and non-legislative measures to scale up Venture Capital financing in Europe.

In June 2017, the CMU Mid-term Review<sup>5</sup> raised the Commission's level of ambition and strengthened its focus on capital-raising by SMEs on public markets. The Commission is now setting in motion several legislative and non-legislative actions aiming to revive the public markets for high growth SMEs. These measures intend to build upon the creation of the 'SME Growth Market' concept, a new type of MTF introduced by Markets in Financial Instruments Directive II<sup>6</sup> [\(and applicable as of January 2018\). The SME Growth Market framework was developed to acknowledge the special needs of SMEs entering the equity and bond market for the first time. Several EU Acts already refer to this new form of trading venues in order to provide alleviations and ease the listing of SMEs.](#)

The Commission has committed to conducting an impact assessment that will explore whether targeted amendments to relevant EU legislation could deliver a more proportionate regulatory environment to support SME listing on public markets. The objective of this work is to further alleviate the administrative burden on listed SMEs and revive the local ecosystems surrounding SME-dedicated markets, while keeping investor protection and market integrity unharmed. This workstream also aims to enhance the SME Growth Markets' prospects of success.

In the context of the CMU, progress has already been made in easing capital-raising by SMEs on public markets. The revised Prospectus Regulation<sup>7</sup> has created an alleviated 'EU Growth Prospectus'. The Commission is now working with the European Parliament, the Member States, and ESMA to put in place implementing measures on the content and format of this new form of prospectus.

However, more needs to be done on the regulatory side to ensure that SMEs can reap the full benefits of access to public markets, and especially to SME Growth Markets. In a resolution adopted on 19 January 2016, the European Parliament also called on the Commission and the Member States "to make active use of the SME Growth Market category in future financial services regulation". On 29 June 2017, the Council underlined that it *'welcome[d] the Commission's commitment to deliver a more proportionate regulatory environment to support SME listing on public markets, which – coupled with related non legislative actions – would further promote the development of equity capital markets across all Member States'*<sup>8</sup>.

The Commission has therefore committed to exploring avenues to tailor and complement the provisions applicable to the future 'SME Growth Markets' and their issuers. While MiFID II legislation will enter into force in January 2018, the provisions of the Market Abuse Regulation (MAR)<sup>9</sup> are already applicable to MTFs which may seek registration as SME Growth Markets. Lessons can be drawn from the experience of these MTF issuers in order to identify ways to improve and complement the SME Growth Market framework. Apart from reviewing the scope of the SME Growth Market concept and one operational provision (on tick sizes for SME Growth markets), this workstream does not entail revisiting the MiFID II /MiFIR<sup>10</sup> legislation.

### 3. Responding to this consultation and follow up to the consultation

In this context and in line with [Better Regulation principles](#), the Commission has decided to launch an open public consultation designed to gather evidence on regulatory barriers to SME listings.

This consultation document contains **two separate sections**.

The **first section** aims to capture views from all stakeholders on the main challenges that SME-dedicated markets are currently facing. Stakeholders' responses will help identify the main drivers behind the downward trend of SME IPOs and bond issuances and estimate their scale. The replies will also help the Commission determine the priorities for policy actions (including regulatory ones).

The **second section** will allow the Commission to assess the impact of possible changes to EU legislation on the basis of proposals already put forward by stakeholders in the context of previous public consultations (the [CMU public consultation \(Green Paper on building a Capital Markets Union\)](#), the [Call for evidence on the EU regulatory framework for financial services](#) and the [Public consultation on the capital markets union mid-term review 2017](#)) and technical workshops held in 2016 and 2017. This second section is therefore narrowly framed around a number of well-defined issues. Stakeholders are also invited to draw the attention of the Commission to any further regulatory impediments that would not be mentioned in this second part and that could be tackled through this initiative. The results should provide a basis for concrete and coherent action, by way of a legislative action if required.

While responding to the regulatory barriers consulted on, two principles should be kept in mind. First, this review of regulatory barriers to SME listing should not undermine investor protection and market integrity or aim to modify core principles of EU acts that were crucial in restoring confidence in financial markets (e.g. the extension of the market abuse regime to MTFs under MAR). Second, the focus of this public consultation is on "SME Growth Markets" as created by MiFID II and the companies that can be listed on those trading venues.

<sup>1</sup> For example, during the period 2006-2012, the annual turnover of companies listed on NASDAQ OMX's junior market - First North - grew by 25 %, compared to 10 % for private companies in the Nordics.

<sup>2</sup> A Multilateral Trading Facility (MTF) is a trading venue where companies may list their financial instruments, with lower regulatory requirements than on main regulated markets.

<sup>3</sup> AFME, The shortage of Risk Capital for Europe's High Growth Businesses, 2017

<sup>4</sup> OECD, Opportunities and Constraints of Market-based financing for SMEs, 2015

- 5 [Communication from the Commission on the mid-term review of the capital markets union action plan \(SWD\(2017\)224 final](#) and [SWD\(2017\)225 final](#) – 8 June 2017)
- 6 [Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments](#)
- 7 [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](#)
- 8 [Council conclusions on the Commission Communication on the mid-term review of the Capital Markets Union Action Plan](#) (11 July 2017)
- 9 [Regulation \(EU\) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse \(market abuse regulation\)](#)
- 10 [Regulation \(EU\) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse \(market abuse regulation\)](#)

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**Please note:** In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact [fisma-listing-smes@ec.europa.eu](mailto:fisma-listing-smes@ec.europa.eu).

More information:

- [on this consultation](#)
- [on the protection of personal data regime for this consultation](#) 

## 1. Information about you

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\* Are you replying as:

- a private individual
- an organisation or a company
- a public authority or an international organisation

\* Name of the public authority:

Autorité des marchés financiers (AMF)

Contact email address:

**The information you provide here is for administrative purposes only and will not be published**

fr.benois@amf-france.org

\* Type of public authority

- International or European organisation
- Regional or local authority
- Government or Ministry
- Regulatory authority, Supervisory authority or Central bank
- Other public authority

\*Where are you based and/or where do you carry out your activity?

France

\*Field of activity or sector (*if applicable*):

*at least 1 choice(s)*

- Accounting and auditing
- Broker/market-maker/liquidity provider
- Investment bank
- Credit rating agencies
- Insurance
- Pension provision
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- Financial research provider
- Other
- Not applicable



## Important notice on the publication of responses

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\* Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?

([see specific privacy statement](#) )

- Yes, I agree to my response being published under the name I indicate (*name of your organisation /company/public authority or your name if your reply as an individual*)
- No, I do not want my response to be published

## 2. Your opinion

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### I. Questions on challenges faced by public markets for SMEs

Extensive research and exchanges with stakeholders showed that three main drivers seem to explain the sluggish activity of EU public markets for SMEs.

*First, there is a weak pipeline of companies seeking a listing.* Many SMEs would still consider that the burden of being listed (such as admission and ongoing compliance costs) outweighs the benefits and therefore would not even consider this possibility. The lack of business education and awareness on alternative sources of finance would also constrain the supply of companies seeking a listing. Moreover, some owners are reluctant to raise equity finance on public markets by fear of losing control of their business to new shareholders.

*Second, the local ecosystems that are able to support companies at the IPO stage (i.e. the network of SME specialists surrounding the local exchanges) are under pressure in many Member States.* IPOs and debt offerings on public markets are the result of joint efforts between SMEs and investment banks, research analysts, brokers, market-makers, investors, credit rating agencies, lawyers and accountants specialised in SMEs and who support those companies at the IPO stage and throughout the floatation process. The decline of ecosystems seems to be particularly acute for equity brokers specialising in SMEs. Due to regulatory and technological changes, equity trading is focusing on large caps, thus leading to a decline in the liquidity of SME shares. This low liquidity can deter investors from investing in SME shares in the first place and drives the cost of capital up for SMEs. As liquidity is weak, brokers specialised in SMEs also experience a decline in their brokerage fees. One consequence of this decline in local ecosystems is the rise in the costs of SME IPOs, as SMEs are compelled to rely on larger market players' services when going public.

*Third, there is a lack of institutional and retail investors for SME financial instruments.* Several factors might explain this situation, such as regulatory barriers to investments in SMEs, lack of visibility of SMEs towards investors, lower investor confidence in this asset class and lack of tax incentives. As a small proportion of investment is effectively channelled into SME shares, there is little motivation for small companies to list their shares or bonds on a stock exchange.

In order to collect further evidence, the Commission is seeking general views on the main reasons behind the weakness of EU public markets for SMEs.

**Question 1. In your opinion, what is the importance of each of the factors listed below in explaining the weakness of EU SME-dedicated markets?**

Please rate each proposal from 1 to 5, 1 standing for "not important factor" and 5 for "very important factor".

	1 (not important factor)	2	3	4	5 (very important factor)	Don't know / no opinion / not relevant
Low number of companies coming to the public markets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decline of local ecosystems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>



	1 (completely irrelevant)	2	3	4	5 (highly relevant)	no opinion / not relevant
Availability of alternative sources of financing for SMEs (including bank finance) <b>for equity</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of alternative sources of financing for SMEs (including bank finance) <b>for bonds</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of awareness of SMEs on the benefits of public markets <b>for equity</b>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of awareness of SMEs on the benefits of public markets <b>for bonds</b>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
High (admission and ongoing) compliance costs due to regulatory constraints <b>for equity</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
High (admission and ongoing) compliance costs due to regulatory constraints <b>for bonds</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of preparation from companies' management as regards the implication of a listing <b>for equity</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of preparation from companies' management as regards the implication of a listing <b>for bonds</b>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reluctance of SMEs' owners to relinquish a stake in the capital of their company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what other factor(s) can explain the low number of SMEs seeking an admission of their shares or bonds to trading on EU public markets:

2.1 Please illustrate by providing evidence from your own jurisdiction:

From our experience, the relatively low number of SMEs seeking an admission of their shares or bonds to trading on EU public markets may first be explained by the abundance of alternative sources of financing in a low interest rate environment, such as banking credit, private equity, loan funds, equity and loan crowdfunding, or debt private placements. These funding channels, which may address different types of issuers and stages of development, are rather complementary than in direct competition. This can be illustrated by the following figures in France.

M€	2016	2017	
2016-2017			
Stock of banking credit to SMEs (1)	385 100	394 100	2,3%
Private equity investments (in all types of companies, at all stages)	12 395	6 395	
		(1st semester)	N.A.
Alternative funding, of which:	629	940	
49,4%			
- Online consumer credit	197	231	
17,3%			
- Online loan funds	84	215	x 2,6
- Crowdfunding (equity)	69	58	
-15,9%			
- Crowdfunding (bonds)	45	116	x 2,6
- Crowdlending	52	80	
53.8%			
Debt private placements (EuroPP)	5 400	N.A.	

(1): SMEs according to the European definition (up to 250 employees, EUR 50 million in turnover or EUR 43 million in total assets)

Sources : Banque de France, France Invest, Financement Participatif France, CACIB, Dealogic

Second, the profitability of market making activities in relation with SMEs' shares is closely linked to the overall market performance of the concerned shares. When carrying out its activity, the market maker usually maintains a long or flat inventory of shares, without any efficient tool for hedging the portfolio as very limited correlations can be found. The lower the liquidity, the lower the rotation rate of the inventory and the bigger the market maker's spreads. Most of the time, the profitability of the activity will only depend on the diversity and performance of the whole inventory, hence concentrating the business in a limited number of players. Concentration of the portfolio on a limited number of positions greatly increases the risk of adverse selection. The activity is then managed on a long period, with bull markets offsetting shorter bursts of bear markets.

Third, admission and listing compliance costs due to regulatory constraints are often seen as deterrent by SMEs, especially the cost of producing a prospectus, which may amount up to 15% of the offer. The complexity and volume of applicable rules, notably those related to market abuse, hinder their appropriation and understanding by issuers and add to compliance costs. To some extent, issuers may fear to be sanctioned for infringements of numerous rules they are not perfectly aware of.

In addition, due to the lack of a strong ecosystem, the companies' management may be sometimes not fully prepared for the listing and its implications, notably in terms of communication habits to the market. The IPO and its consequences need to be fully integrated in the SME's development, financial and communication strategy.

Finally, the apprehension to lose the majority or control of the voting rights (if not after the IPO, at least in the longer run), especially for family-owned companies, may also contribute, but probably to a lesser extent, to the low number of SMEs seeking an admission.

**Question 3. What are the main factors that inhibit institutional and retail investments in SME shares and bonds?**

Please rate each proposal by level of relevance from 1 to 5, 1 standing for "completely irrelevant" and 5 for "highly relevant".

	1 (completely irrelevant)	2	3	4	5 (highly relevant)	Don't know / no opinion / not relevant
Lack of visibility of SMEs (including lack of financial research and credit information) towards investors <b>for equity</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Lack of visibility of SMEs (including lack of financial research and credit information) towards investors <b>for bonds</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Differences in local accounting standards hindering cross-border investments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regulatory constraints on investors as regards investments in SMEs	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of liquidity on SME shares and bond markets <b>for equity</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of liquidity on SME shares and bond markets <b>for bonds</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of investor confidence in listed SMEs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of tax incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Other (please specify below)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what other factor(s) inhibit institutional and retail investments in SME shares and bonds:

### 3.1 Please illustrate by providing evidence from your own jurisdiction:

The AMF believes that attracting investors on EU SME Growth Markets is key. In that respect, the lack of visibility and liquidity of SMEs are significant barriers to the development of dedicated markets.

Financial and extra-financial reporting is a market-visibility issue for SMEs. To this end, the AMF, AFG (French asset management association) and SFAF (French society of financial analysts) published on February 2, 2017 a compilation of "key principles" to help SMEs meet financial analysts and institutional investors' expectations.

The AMF fears that the expected decrease in research related to new business models imposed by the MiFID II framework may have a significant negative impact on the EU SME-dedicated markets (please see our answer to question 32).

Finally, channeling more savings into listed SMEs and employee shareholding schemes might also be a way to foster EU SME Growth Markets.

### Question 4. In your opinion, what participants of the ecosystems surrounding local exchanges for SMEs are declining the most?

Please rate each proposal by level of relevance from 1 to 5, 1 standing for "completely irrelevant" and 5 for "highly relevant". Some options might not be mutually exclusive.

	1 (completely irrelevant)	2	3	4	5 (highly relevant)	Don't know / no opinion / not relevant
Brokers, market-makers, liquidity suppliers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial research providers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Credit Rating Agencies	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investor base	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investment banks	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Boutiques specialised in SMEs and offering several services (brokerage, research, underwriting...)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal and tax advisers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accountants	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Others (please specify below)



#### 4.1 Please illustrate by providing evidence from your own jurisdiction:

The AMF observes a decrease in investments in SMEs' shares and bonds. This trend could be notably driven by a lack of stable financial research (a substantial proportion of issuers listed on Eurolist C and Euronext Growth are not covered by any financial analyst) and information on credit risk, partly explained by the difficulty of covering fixed analysis costs on issuers with low free float (e.g. below EUR 50 million).

Anticipation is that MiFID 2 enforcement could in the short run enhance this tendency of lowering coverage with the consequence of increasing listing costs for SMEs as they may thus be directly challenged by potential investors seeking information research providers no longer provide.

Based on our knowledge, accountants and legal advisers are not "declining"; however the ones addressing small SMEs may be insufficiently sized or experienced to adequately manage an IPO process or a listed company.

### Question 5. What are the main reasons behind the decline of the ecosystems surrounding the local exchanges?

Please rate each proposal by level of relevance from 1 to 5, 1 standing for "completely irrelevant" and 5 for "highly relevant".

	1 (completely irrelevant)	2	3	4	5 (highly relevant)	Don't know / no opinion / not relevant
Impact of low level of liquidity on brokers' business models <b>for equity</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Impact of low level of liquidity on brokers' business models <b>for bonds</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Impact of low level of investors' appetite for SME instruments <b>for equity</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Impact of low level of investors' appetite for SME instruments <b>for bonds</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regulatory constraints on investment services providers specialised in SMEs	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of profitability of the SME segment <b>for equity</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Lack of profitability of the SME segment <b>for bonds</b>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify below)	<input type="radio"/>					
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## 5.1 Please illustrate by providing evidence from your own jurisdiction:

The high level of volatility implied by the lack of liquidity of SME shares participates in the decreasing attractiveness of these companies.

The current lack of profitability of the SME segment (except for some UCITS funds which have high long term returns) and the few number of “success stories” following IPOs could partly explain the relatively low level of investors’ appetite for SME shares. On the contrary, SMEs’ “high yield” bonds offer interesting risk /return profiles and have become more attractive for investors in the current low rates environment. Investments in bonds remain however restricted due to the limited level of information available on SMEs’ credit risk and the frequent reluctance to have a very significant exposure in “small” bond issuances (see below answer to question 28).

The present low rates environment could also participate in the decline in number of operations as bank financing is more accessible for SMEs, which are inclined to favor non-dilutive financing solutions.

Growing competition of private equity funds, structurally “cash rich” and looking for new opportunities offer alternative financing solutions to an IPO (sometimes through “dual tracks”) with constraints anticipated to be lighter than the ones associated with listing. These funds also prove reluctant to liquidate their positions on the market and hence tend not to channel their investments towards IPOs.

Another reason behind the decline of operations on SME bonds is due to the minimum amount that needs to be raised to absorb the cost of the issue (approx. EUR 10 million).

## II. Questions on specific regulatory barriers

The second part of the public consultation is divided into three sub-sections. The first sub-section identifies provisions that could be changed in order to encourage SME-dedicated MTFs to seek a registration as an ‘SME Growth Market’ (**A.**). The second sub-section examines provisions that could be potentially modified in order to alleviate the administrative burden on small issuers of debt and equity instruments, thus making the listing of companies on an SME Growth Market more attractive (**B.**). The last sub-section explores barriers that may put the local ecosystems surrounding the SME-dedicated markets (notably the brokerage ecosystem) under pressure (**C.**).

### A. Making a success of the ‘SME Growth Market’ concept

Criteria and requirements in relation to the ‘SME Growth Market’ should be set in a way that makes this segment attractive for issuers, investors and stock exchanges, while ensuring investor protection and market integrity. The Commission is seeking views to assess whether MiFID II rules on SME Growth Markets as currently framed are sufficiently well-calibrated to achieve their intended objectives.

#### A1. Definition of an SME Growth Market and SME Growth Market issuer (MiFID II – Articles 4 and 33)

The criteria defining an SME Growth Market should be well-calibrated in order to facilitate the registration of SME-dedicated MTFs as SME Growth Markets. In turn, if the SME Growth Market framework is widely used, this will allow many SMEs across the EU to benefit from the regulatory incentives embedded in the EU legislation for those issuers and the potential further alleviations envisaged in this document (see sub-section B. below).

An 'SME Growth Market' is currently defined as an MTF, where at least 50% of the issuers whose financial instruments are traded on the MTF are SMEs. MiFID defines an SME as a company that 'had an average market capitalisation of less than EUR 200 million on the basis of end-year quotes for the previous three calendar years'.

As regards the size threshold (i.e. EUR 200 million of market capitalisation), it should be noted that some EU Acts currently grant regulatory incentives to companies with a higher market capitalisation<sup>11</sup>. Furthermore, the definition of an SME under MiFID II does not correspond to the definition of small and midcaps used by asset managers of equity funds<sup>12</sup> and in indexes<sup>13</sup>. If the market capitalisation threshold is set at a too low level, the SME Growth Markets risk capturing only smaller companies and this could reduce the interest of institutional investors in the shares traded on those trading venues. On the contrary, if the threshold is set at a too high level, this could create regulatory arbitrage opportunities for larger companies.

As regards the requirement of having at least 50% of SME issuers, it can be important to ensure that a proportion of large companies can be admitted to trading on SME Growth Markets so that a sufficient level of liquidity and profitability of those platforms is ensured. This allows successful companies that were SMEs at the time of the IPO but whose market capitalisation has increased beyond the EUR 200 million threshold to remain listed on an SME Growth Market. However, if the market capitalisation threshold (i.e. EUR 200 million) was raised to a significant extent, the question would arise whether the proportion of SMEs (at least 50%) should also be raised to avoid any regulatory arbitrage by non-SME issuers.

<sup>11</sup> For instance, the alleviated 'EU Growth Prospectus', created by the revised Prospectus Regulation, is available (beyond SMEs) to companies listed on an SME Growth Market with a market capitalisation up to EUR 500 million.

<sup>12</sup> [See classification of Equity Funds by EFAMA](#)

<sup>13</sup> For instance, the median capitalisation of companies in the Morgan Stanley Capital International (MSCI) micro caps index is EUR 100 million; EUR 1 billion for companies included in the small caps index and EUR 6.4 billion in the midcaps index (Source: MiddleNext, The 2017 Small & Mid Cap Outlook).

## **Question 6. Given the considerations mentioned above, do you consider that the criteria used to define an SME Growth Market should be modified?**

An SME Growth Market is defined as a MTF, where at least 50% of the issuers whose financial instruments are traded on it are SMEs with a market capitalisation below EUR 200 million.



- Yes
- No
- Don't know / no opinion / not relevant

### 6.1 Please explain your reasoning:

Taking into account the aim of the public consultation, which is to attract investors on SME GM, the AMF suggests to modify the definition of SME GM to raise the capitalisation threshold from EUR 200 million (current threshold) to EUR 500 million. Such a threshold would also allow to better take into account the low level of free float of many SMEs.

In addition, as pointed out in the public consultation, some EU acts currently grant regulatory incentives to companies with a higher market capitalisation. For example, the EU Growth Prospectus is available to companies listed on a SME Growth Market with a market capitalisation of up to EUR 500 million.

The AMF believes that the capitalisation threshold of EUR 500 million together with the 50% ratio would be well-calibrated in order to facilitate the registration of SME-dedicated MTFs as SME Growth Markets and, at the same time, attract issuers and investors on SME GMs.

For the sake of clarity, the European criteria should not be aligned on specific funds' taxonomy and main indices' criteria, which have their own logic and may evolve over time.

### Question 7. Should the market capitalisation threshold of EUR 200 million defining SMEs under MiFID II be:

- raised (please specify an appropriate market capitalisation threshold)
- decreased (please specify an appropriate market capitalisation threshold)
- left unchanged
- replaced by another criterion (Please specify below – e.g. turnover, number of employees...)
- Other (please specify below)
- Don't know / no opinion / not relevant

### 7.1 Please explain your reasoning.

Where relevant, please specify appropriate market capitalisation thresholds or criteria to define an SME for the purpose of SME Growth Markets:

Listed issuers with a market capitalisation of more than EUR 200 million (for instance EUR 500 million) can economically be considered as "medium-sized" companies on certain markets, especially high growth companies which may progressively gain a market capitalisation which is not commensurate to their financial size.

As indicated above in response to question 6, the AMF believes that the current capitalisation threshold should be raised from EUR 200 million to EUR 500 million as it strikes the right balance between SME Growth Markets' original target and potential expansion of their listed companies.

### Question 8. Bearing in mind your answer to the previous question, should the proportion of SMEs on SME Growth Markets (currently 50%) be:

- Below 25%

- Between 25%-49%
- Unchanged (50%)
- Between 51%-74%
- 75% or above
- Don't know / no opinion / not relevant

### 8.1 Please explain your reasoning:

Markets dedicated to SMEs should logically include a majority of such issuers. The 50% threshold meets this objective while preserving the potential capitalisation growth of a substantial proportion of successful companies (i.e. enabling them to become larger companies) and their choice to remain listed on a non-regulated market.

### **A2. Definition of an SME debt issuer for the purpose of an SME Growth Market (MiFID II – Article 4)**

There are several markets across the EU specialised in SME bonds<sup>14</sup>. SMEs tapping the bond markets have an annual turnover between EUR 19 million and EUR 400 million and the typical minimum issuance size is around EUR 17 million<sup>15</sup>.

An issuer that has no equity instrument traded on any trading venue shall be deemed an SME according to level 2 of MiFID II<sup>16</sup> if it meets at least two of the following three criteria according to its last annual or consolidated account: (i) an average number of employees during the financial year of less than 250; (ii) a total balance sheet not exceeding EUR 43 million and (iii) an annual net turnover not exceeding EUR 50 million. Given these provisions, SME bond markets could face difficulty in registering as SME Growth Markets, as their issuers could most likely not meet the criteria set in MiFID II level 2, despite their relatively small size.

<sup>14</sup> SME Finance Guide, Association for Financial Markets in Europe (AFME), 2015

<sup>15</sup> Art. 77 of the Commission Delegated Regulation (EU) 2017/565

<sup>16</sup> An SME Growth Market is defined as a MTF where at least 50% of the issuers whose financial instruments are traded on it are SMEs with a market capitalisation below EUR 200 million

### **Question 9. Should the criteria used to define an SME Growth Market non-equity issuer be modified?**

- Yes
- No
- Don't know / no opinion / not relevant

### 9.1 Please explain your reasoning.

If you answered affirmatively, please provide appropriate criteria (turnover, outstanding issues of debt securities, size of the bond issuance...) and thresholds to define an SME Growth Market debt issuer:

The capitalisation criterion provided in Article 4.13 of MiFID 2 is not suitable for companies exclusively issuing non-equity securities.

Article 4.13 of MiFID should be supplemented by an alternative specific criterion, based on market aspects such as the outstanding amount of listed debt securities' for the past 12 months. A SME should then be defined as follows:

- companies that had an average market capitalisation of less than EUR 500 million on the basis of end-year quotes for the previous three calendar years; or
- companies issuing debt (with no equity securities listed) and the volume of issued and listed debt of which is less than EUR 100 million over the past 12 months. This amount is more accurate than a simple alignment on EUR 500 million used for the capitalisation threshold, considering the amount of individual bond issuances observed on this type of market.

### A3. Key adviser requirements

The vast majority of SME-dedicated MTFs across the EU require their issuers to be assisted by a key adviser<sup>17</sup>, i.e. a market professional approved by the exchange. The key adviser plays a prominent role by assessing the company's suitability for the market, bridging the information gap between quoted SMEs and investors and upholding the reputation and integrity of the market. A 'key adviser' on SME Growth Markets could boost investor confidence in securities listed on those trading venues that have no such requirements at the moment.

However, the role of a key adviser can vary greatly from one SME-dedicated MTF to another. For instance, some markets do not require issuers to have a key adviser for SME listing (due to the costs of such advisers for SMEs).

<sup>17</sup> The name of this key adviser can vary from one MTF to another: Nominated Adviser or NOMAD, certified adviser, authorised adviser, listing sponsor...

### Question 10. Please indicate whether or not you agree with the following statements regarding minimum requirements and obligations of key advisers for firms listed on SME Growth Markets:

Please rate each proposal from 1 to 5, 1 standing for "completely disagree" and 5 for "fully agree".

	1 (completely disagree)	2	3	4	5 (fully agree)	Don't know / no opinion /
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						not relevant
A key adviser should be imposed for equity issuers on an SME Growth Market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
A key adviser should be imposed for bond issuers on an SME Growth Market	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A key adviser should be mandatory during the whole period an SME is listed	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A key adviser should only be mandatory during a limited period after the first listing of a firm (please specify below the relevant period (1 year, 3 years; ....))	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minimum requirements regarding the mission and obligations of key advisers on SME Growth Markets should be imposed at the EU level (Please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minimum requirements regarding the mission and obligations of key advisers on SME Growth Markets should be imposed by individual stock exchanges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**10.1 Please explain your reasoning and provide supporting evidence on the costs associated with the appointment of a key adviser. If appropriate, please specify the mission and obligations that should be placed on key advisers at EU level:**

As mentioned in the consultation document, key advisers (also known as “listing sponsors” or “nominated advisers”) play a key role as trusted third-parties in:

- accompanying issuers, providing them with technical advice for admission to trading and throughout listing and helping them to gain more visibility and liquidity;
- reducing information asymmetries and helping to build a robust and stable relationship between issuers and investors;
- providing more confidence in the compliance with requirements related to the prevention of market abuse.

As such, the principle of SME GM issuers be assisted by a key adviser should be mandatory, especially for equity issuers. The cost incurred by such an obligation is not to be ignored but, at least in the French experience, it seems sustainable for most issuers with fees during the listing period ranging from EUR 5,000 per year for a basic service to EUR 20-25,000 for service including the yearly provision of a research.

As regards the period of time of such assistance, a preferable option would be to impose it for, as a minimum, the 3-year period following the first listing. Such requirement would ease the issuer’s learning curve of market needs and habits, especially with respect to regular interactions with investors, standardised, reactive and relevant communication to the market (preparation of press releases, road-shows...), and appropriation of market abuse rules.

On this basis, SME GM market rules could of course impose such assistance during a longer period or the whole listing period.

It is also necessary to find the right balance between key advisers' basic missions and eligibility requirements, the principles of which need to be imposed at EU level, and those to be specified and further detailed by market rules, in accordance with the local specificities of market participants. EU legislation (Commission Delegated Regulation 565/2017) could then require that the market rules of any SME GM provide:

- precise eligibility criteria – to be detailed in market rules – for key advisers such as minimum staff and their qualification, proven activity related to corporate finance, professional insurance, compliance with relevant market abuse and anti-money laundering rules, annual reporting obligations. ISPs should be automatically eligible;
- pre-admission obligations towards potential issuers, especially the assessment of suitability for listing;
- during the admission, an obligation to coordinate the listing process and provide the prospectus or admission document;
- ongoing obligations towards issuers (during at least the aforementioned 3-year period) to ensure interactions with investors and compliance with the applicable legal framework. Such principles to be specified in market rules could imply, for instance, maintaining regular contact with the company, continuously ensuring compliance with the legal, regulatory and contractual obligations, organising one investor meeting per year at the minimum, and providing a research per year.

For the sake of consistency and clarity, the market rules should clearly indicate that the market operator is empowered to control and assess any key adviser's activity and to sanction (for example through suspension or removal of registration) any infringement to its obligations.

#### A4. Delisting rules on SME Growth Markets

Delisting refers to cancelling a company's authorisation to be listed on a stock exchange. Delisting can be mandatory or voluntary. A mandatory delisting follows a decision of the stock exchange when the listing requirements are no longer met by a company. A voluntary delisting may be decided by a controlling shareholder, either after enhancement of control by a 'historical' controlling stakeholder or by a new owner after a takeover bid<sup>18</sup> or a merger. In general, such delisting decisions usually give rise to a 'squeeze out' procedure<sup>19</sup>. Voluntary delisting may also be decided by the management's company, and results in the company continuing as an unquoted company with the same shareholder register.

Voluntary delisting can be an important part of the regulatory landscape for investors and SMEs. The rules on delisting can vary from country to country or from market to market and investors can be deterred from investing in the first place (especially in a cross-border context) if they anticipate difficulties in gaining full control of a listed SME and in delisting its shares. Likewise, some companies can be deterred from going public because they consider a listing of their shares to be a 'one-way ticket' and that they cannot go back to their previous (unlisted) situation. However, even if a decision to delist taken by the management's company is based on sensible grounds, this raises some fundamental investor protection issues .

<sup>18</sup> It should be noted that the [Takeover Bid Directive \(Directive 2004/25/EC\)](#) does not apply to financial instruments traded on multilateral trading facilities, including SME Growth markets.

<sup>19</sup> Squeeze-outs can be described as transactions in which the controlling shareholder exercises a legal right to buy out the shares of the minority.

## Question 11. In your opinion, are there merits in imposing minimum requirements at EU level for the delisting of SME Growth Market Issuers?

- Completely disagree
- Rather disagree
- Neutral
- Rather agree
- Fully agree
- Don't know / no opinion / not relevant

### 11.1 Please explain your reasoning.

If you answered affirmatively, please indicate the scope (mandatory, voluntary delisting at the management's and/or controlling shareholders' initiative) and the features of such minimum requirements:

Currently MiFID II does not require the operators of MTFs (or SME Growth Markets) to have rules regarding the "delisting" (in French: "radiation") of transferable securities from their venue, whereas MiFID II does require such operators to establish criteria for admission to trading of instruments on their venue (Art. 18(2) and Art. 33(3)(b) of MiFID II). This may potentially lead to divergent practices across trading venues and legal uncertainty for SMEs wishing to seek a listing as to the conditions to terminate such listing.

For those reasons, the AMF would not object to changing Article 33(3) of MiFID II in order to require the operator of an SME Growth Market to have clear and transparent rules regarding voluntary delisting of financial instruments.

In practice, the AMF observes that an issuer wishing to delist its shares always has a controlling shareholder. Therefore, should such a change be introduced in MiFID II, the AMF believes that a principle should be set out in EU law whereby no delisting should occur without the controlling shareholder having previously offered the remaining minority shareholders the opportunity to sell their shares at a fair price (e.g. as assessed by an independent expert).

Imposing a buy-out offer prior to any delisting of an issuer's shares on an SME Growth Market would constitute a minimum guarantee of protection to investors on SME Growth Markets and would add significantly to the attractiveness of this type of venues. Conversely, allowing for a delisting to occur without any prior liquidity granted to minority shareholders will severely disincentivise investors from investing in the long term in SMEs traded on SME Growth Markets.

For the avoidance of doubt, the AMF wishes to clarify that it does not support an extension to SME Growth Markets of the EU rules regarding mandatory squeeze-out (in French: "retrait obligatoire"). These rules are not within the scope of MiFID II (unlike admissions or delistings) and are currently set out in Directive 2004/25/EC (Takeover Bid Directive) for regulated markets.

## A5. Transfer of listings

Small caps listed on regulated markets can find it increasingly difficult to comply with some regulatory requirements (such as the Transparency Directive<sup>20</sup>, the Shareholders Rights Directive<sup>21</sup>). Furthermore, many midcaps on regulated markets can feel that their market capitalisation makes them candidates for SME Growth Markets. In such a case, quoted SMEs may consider a voluntary transfer of their shares from a regulated market to a market with a lighter regulatory burden (i.e. the future SME Growth Markets).

However, such transfers may imply some investor protection issues<sup>22</sup> and can be difficult to organise for SMEs. In addition, the legal framework of such transfers can vary from one Member State to another.

20 [Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market](#)

21 [Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement](#)

22 For instance, some institutional investors may be prohibited from holding shares listed on MTFs.

## Question 12. In your opinion, are there merits in introducing harmonised rules at EU level on voluntary transfer of listing from a regulated market to an SME Growth Market?

- Completely disagree
- Rather disagree
- Neutral
- Rather agree
- Fully agree
- Don't know / no opinion / not relevant

### 12.1 Please explain your reasoning.

If you answered affirmatively, please indicate examples of rules and their purpose:

The AMF would not be against introducing European harmonised rules on voluntary transfer of listing from a regulated market to an SME Growth Market. It would be beneficial to investors' protection and the fluidity of listing, as it would help avoiding a burdensome sequence of a delisting of the company followed by a new IPO of the same company.

However, to avoid purely opportunistic transfers (notably when delisting proves to be easier on an SME GM), the harmonised rules should at least include the requirement for issuers to maintain, for a certain time-period, their obligations pursuant to Transparency and Takeover Bid Directives.

As an illustration, the French transfer regime introduced by law of October 19, 2009 "to promote credit access for SMEs and improve the financial market running":

- sets a maximum capitalisation level to consider this transfer (EUR 1 billion) (Article L. 233-7-1 of the French commercial code);
- requires that the transfer be approved by a shareholders' general meeting at least two months before the contemplated transfer;
- requires public information on this transfer through the effective and full disclosure of two press releases: the first, at least two months before the contemplated transfer date and the second, after the shareholders meeting having decided on the transfer and the board meeting enforcing such transfer;
- maintains, as a transitional measure, for a 3 year-period post transfer, some of the regulatory obligations that used to apply to the new transferred entity when listed on the regulated market, mainly transparency requirements and takeover bid law provisions, including shareholding threshold disclosure requirements and "declarations of intent" (Article L. 233-7-1 of the French commercial code).

Such a transitional regime could be defined at EU level in order to prevent investors from opportunistic delisting from regulated markets to SME GMs. However, the time-period of such transitional regime could be modified, as a 3 year-period could deter interested listed entities from transferring to SME GM.

This regime, which was designed to ease the transfer of some SMEs which considered their listing on the regulated market too burdensome, proved to be quite successful in the two years following its implementation, before having an average pace of 2 or 3 transfers per year.

Number of transfers from Eurolist B & C (regulated market) to Alternext / Euronext Growth (MTF)

2010	2011	2012	2013	2014	2015	2016	2017
11	7	2	1	5	2	1	3

On the other hand, SME Growth Markets should only be a step in the growth path of SMEs. When their capitalisation has grown, SME Growth Markets issuers should be encouraged to graduate to a main /regulated market, in order to benefit from greater liquidity, investor pool, and credibility. This would also help avoid situations of regulatory arbitrage where large corporates remain listed on SME-dedicated exchanges for the purpose of benefiting from exemptions. The question arises if the transfer of SME Growth Markets issuers to regulated markets should be required or incentivised (through regulatory measures) when those issuers have reached a certain size.

### Question 13. In your opinion, should the transfer of issuers from an SME Growth Market to a regulated market be:

Please rate each proposal from 1 to 5, 1 standing for "completely disagree" and 5 for "fully agree".

	1 (completely disagree)	2	3	4	5 (fully agree)	Don't know / no opinion / not relevant
required when the issuer exceeds some thresholds (such as the market capitalisation)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
incentivised through regulatory measures when they exceed some thresholds (such as the market capitalisation)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
always left to the discretion of issuers and not required or incentivised by regulatory measures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other (please specify below)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Don't know / no opinion / not relevant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**13.1 Please explain your reasoning and supporting arguments/evidence. When relevant, please indicate appropriate thresholds or possible incentives for SME Growth Market issuers to move to a regulated market:**

The AMF supports the principle according to which the transfer of issuers from an SME Growth Market to a regulated market should always be left at the discretion of the issuer and not, in any case, required by European law.

Indeed, the transfer should remain voluntary and not automatically triggered by a size criterion, which could be perceived as arbitrary and inconsistent with the legitimate capitalisation growth expectations of any issuer.

An analysis based on thresholds may present too many difficulties considering the volatility experienced on the market and the implied “trigger effect”. If issuers’ market capitalisation should remain a good indicator of whether an SME GM is the best fitting market for a company, setting it as the main criterion (implying a transfer) seems too restrictive. Indeed, market capitalisation is one out of the multiple criteria considered by listed entities to define their most appropriate market (market rules and related regulations, information to produce and related costs, risks...). In addition, the transfer of issuers from an SME GM to a regulated market should not be incentivised by regulatory measures, as those “incentives” would probably create a non-harmonised set of rules for SME GM.

Conversely, it is to be noted that the future EU Growth Prospectus, the disclosure requirements of which will be lighter than those of the prospectus applicable to regulated markets, may incentivise issuers to remain listed on an SME GM as it will apply to offers made on an SME GM by issuers with a capitalisation below EUR 500 million.

Number of transfers from Alternext / Euronext Growth (MTF) or Free Market / Euronext Access (MTF) to Eurolist B & C (regulated market)

2010	2011	2012	2013	2014	2015	2016	2017
0	1	0	1	2	1	1	1

**B. Alleviating the administrative burden on SME Growth Market issuers**

Disclosure and transparency rules are the hallmarks of sound and fair market places. From the perspective of SMEs, those rules can be seen as burdensome and costly. It is critical to ensure that the benefits of being listed continue to outweigh the costs. If the standards are too strict, the resulting compliance costs may discourage listings by SMEs. On the contrary, if the standards are too lax, investor protection and confidence may be jeopardised and some investors might choose not to invest in SME securities. The objective of this sub-section B is to identify scope for reducing obligations placed on the future SME Growth Markets issuers while maintaining a high level of investor protection and market integrity on those markets.

**Question 14. Please indicate whether you agree with the statements below:**

**Regulatory alleviations should be restricted to**

Please rate each proposal from 1 to 5, 1 standing for "completely disagree" and 5 for "fully agree".

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	1 (completely disagree)	2	3	4	5 (fully agree)	Don't know / no opinion / not relevant
SMEs listed on SME Growth Markets	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
All SME Growth Markets issuers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
No regulatory alleviations should be granted for any kind of firm	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### 14.1 Please explain your reasoning:

For the sake of market consistency, simplicity and comprehensibility for investors and due to the possible volatility of the market capitalisation (and its impact on the issuers' qualification as SME or not), there should not be any regulatory distinction between types of issuers when they are listed on the same SME Growth Market.

#### Question 15. For each of the provisions listed below, please indicate how burdensome the EU regulation associated with equity and bond listings on SME dedicated markets is:

Please rate each proposal from 1 to 5, 1 standing for "not burdensome at all" and 5 for "very burdensome".

	1 (not burdensome at all)	2	3	4	5 (very burdensome)	Don't know / no opinion / not relevant
Management's transactions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insider lists	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Justification of the delay in disclosing inside information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market soundings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure of inside information by non-equity issuers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Half-yearly reports for SME Growth Market issuers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other (please specify below)	<input type="radio"/>	<input type="radio"/>				
Don't know / no opinion / not relevant	<input type="radio"/>	<input type="radio"/>				

### 15.1 Please explain your reasoning:

From our experience, the obligations related to the two following topics are the most burdensome for issuers listed on an SME dedicated market:

1. Annual and half-yearly reports for wholesale debt issuers listed on an SME GM: the publication of a half yearly report is required on an SME GM and not on a regulated market, which is not consistent with these markets' profile (please see our response to question 23 below);
2. Insider lists: the AMF acknowledges that maintaining updated insider lists is a burdensome requirement for SME GM issuers. The AMF therefore agrees – under certain conditions – with the proposal made in the consultation paper to maintain insider lists only for “permanent insiders” (please see our response to question 19 below);

Management's transactions do not appear to be excessively burdensome for issuers as, in France, the threshold above which managers of SME GM issuers should declare their transactions is EUR 20,000 over 12 months. However, alleviations can be made on this subject (please see our response to question 17 below).

In addition, the AMF believes that the legal regime on the justification of the delay in disclosing inside information is highly beneficial to prevent market abuse and should remain the same across all markets (regulated and MTFs). For this reason, no modification should be contemplated by the Commission on this subject (please see our response to question 20 below).

Furthermore, the AMF believes that, as regards the disclosure of inside information, no distinction should be made between equity and non-equity issuers (please see our response to question 22 below).

Finally, the AMF is convinced that any alleviation to MAR should apply to all MTFs and not only to SME Growth Markets. It would be paradoxical that MTFs that are not SME GMs impose more stringent requirements regarding market abuse than SME GMs while the latter require more stringent requirements regarding admission rules and periodic and ongoing communication.

**For each of the following questions in sub-section B, you will be asked to provide cost estimates for the provisions you identified as burdensome, as well as estimate the reduction in costs for the alleviations you identified as meaningful.**

#### **B1. Management's transactions (Market Abuse Regulation – Art. 19)**

Under MAR, the Person Discharging Managerial Responsibilities (PDMR) or associated person must notify the issuer (either on a regulated market or an SME Growth Market) and the competent authority of every transaction conducted for their own account relating to those financial instruments, no later than

three business days after the transaction. The obligation to disclose a manager's transaction only applies once the PDMR's transactions have reached a cumulative EUR 5,000 within a calendar year (with no netting). A national competent authority may decide to increase the threshold to EUR 20,000.

Issuers must ensure that transactions by PDMRs and persons closely associated with are publicly disclosed promptly and no later than three business days after the transaction. Alternatively, national laws may provide that a competent authority may itself make the information public.

**Question 16. Does the management's transactions regime represent a significant administrative burden for SME Growth Markets issuers and their managers?**

- Completely disagree
- Rather disagree
- Neutral
- Rather agree
- Fully agree
- Don't know / no opinion / not relevant

16.1 Please explain your reasoning and provide supporting evidence, notably in terms of costs (one-off and ongoing costs)/time spent (number of hours)/number of people needed (in full-time equivalent):

In 2011, a study from EIM ([Effects of possible changes to the Market Abuse Directive, p.39](#)) estimated that for an SME, the annual average cost related to manager transaction reports was at EUR 135 per year (and 3 hours spent per issuer per year). In 2015, a study from Europe Economics ([Data gathering and Cost Analysis on Daft Technical standards relating to MAR, p.59-60](#)) estimated the one-off compliance costs for technical standards on management's transactions at between EUR 300 and EUR 500 for a small issuer and between EUR 3.400 and EUR 4.900 for a medium-sized issuer. The annual ongoing compliance costs were estimated at EUR 0 for a small issuer and at EUR 200 per year for a medium-sized issuer.

The triggering threshold of notification of management's transactions has been increased from EUR 5,000 to EUR 20,000 over 12 months. However identified as burdensome by certain issuers, these notifications constitute valuable information for regulators for the prevention of insider dealing. Alleviation could be offered via an extension of the notification delay (see below answer to question 17).

**Question 17. Please indicate if you would support the following changes or clarifications to the management's transactions regime for SME Growth Markets:**

17 a) The time limit (i.e. currently 3 days) for PDMRs and person closely associated to notify their transactions to the issuer should be extended

- I support
- I don't support
- Don't know / no opinion / not relevant

Please indicate the appropriate notification period length for proposal 17 a)

The notification of PDMRs (and persons closely associated) transactions allows to ensure that the public is made aware of those sensitive transactions. The AMF believes that this notification should be done quickly. However, as issuers may consider that such notification is burdensome (although in some countries such as France the NCA provides a portal on its website for reporting), the AMF would agree to extend the time limit for such notification from 3 to 5 days for SME GM issuers.

Please explain your reasoning for proposal 17 a) and provide supporting arguments /evidence, in particular in terms of savings/reduction in costs, or in terms of additional costs, that any change of the currently applicable rules may induce:

17 b) The threshold (i.e. EUR 5,000) above which managers of SME Growth Markets Issuers should declare their transactions should be raised

- I support
- I don't support
- Don't know / no opinion / not relevant

Please indicate the appropriate threshold for proposal 17 b)

In France, the threshold is already EUR 20,000.

Please explain your reasoning for proposal 17 b) and provide supporting arguments /evidence, in particular in terms of savings/reduction in costs, or in terms of additional costs, that any change of the currently applicable rules may induce:

17 c) The national competent authorities (NCA) should always be made responsible for making public the managers' transactions

- I support
- I don't support
- Don't know / no opinion / not relevant

Please explain your reasoning for proposal 17 c) and provide supporting arguments /evidence, in particular in terms of savings/reduction in costs, or in terms of additional costs, that any change of the currently applicable rules may induce:

The AMF publishes managers' transaction on a dedicated section of its website. The AMF believes it is very helpful to have one website centralising and making public all managers' transactions. This information is then easily accessible to all market participants.

However, the AMF acknowledges that it could be particularly difficult for certain NCAs to be made solely responsible for making public these transactions as it would lead, among other things, to costs linked to the IT development of a dedicated tool.

17 d) The trading venue should be made responsible for making public the managers' transaction

- I support
- I don't support
- Don't know / no opinion / not relevant

Please explain your reasoning for proposal 17 d) and provide supporting arguments /evidence, in particular in terms of savings/reduction in costs, or in terms of additional costs, that any change of the currently applicable rules may induce:

See above answer to question 17 c).

17 e) The time limit for issuers to make management's transactions public (or notify the NCA when the latter is made responsible for making the manager's transaction public) should start as of the date the transactions have been notified to issuers (and not as from the date of transactions)

- I support
- I don't support
- Don't know / no opinion / not relevant

Please indicate the appropriate time period length for proposal 17 e)

We support this new starting point, not only for companies listed on SME GM but for all issuers subject to MAR (including issuers listed on a regulated market) as it can be a challenge for all parties involved to ensure that the notification to issuers and publication are completed within the same time limit.

Please explain your reasoning for proposal 17 e) and provide supporting arguments /evidence, in particular in terms of savings/reduction in costs, or in terms of additional costs, that any change of the currently applicable rules may induce:

17 f) Is there any other change or clarification to the management's transactions regime for SME Growth Markets that you would support?

Please explain your reasoning and provide supporting arguments/evidence, in particular in terms of savings/reduction in costs, or in terms of additional costs, that any change of the currently applicable rules may induce:

## **B2. Insider lists (Market Abuse Regulation – Art. 18)**

Issuers must draw up a list of all persons who have access to inside information. The 'insider list' must be regularly updated and transmitted to the National Competent Authority (NCA) whenever requested. Lists must be retained for at least five years.

The Market Abuse Regulation already provides for alleviations for SME Growth Markets Issuers (Art. 18(6) of MAR). Those issuers are exempt from keeping insider lists on an ongoing basis, as long as (i) the issuer takes all reasonable steps to ensure that any person with access to information acknowledges the legal and regulatory duties which follow and is aware of sanctions applicable, and (ii) the issuer is able to provide the NCA, on request, with the insider list.

**Question 18. What is the impact of the alleviation provided by MAR for SME Growth Market issuers as regards insider lists? Please illustrate and quantify, notably in terms of reduction in costs (one-off and ongoing) /in time spent (number of hours)/in number of people needed (in full-time equivalent) resulting from the alleviation:**

In 2011, a study from EIM ([Effects of possible changes to the Market Abuse Directive, p.39](#)) estimated that for an SME, the annual average cost related to insider lists was at EUR 945 per year (and 21 hours spent per issuer and per year). In 2015, a study from Europe Economics ([Data gathering and Cost Analysis on Daft Technical standards relating to MAR, p.59-60](#)) estimated the one-off compliance costs for technical standards on insider lists at between EUR 300 and EUR 600 for a small issuer and between EUR 3.300 and EUR 5.800 for a medium-sized issuer. The annual ongoing compliance costs were estimated at between EUR 600 and 800 for a small issuer and between EUR 3.300 and 5.500 per year for a medium-sized issuer.

Article 18.6 of MAR provides for – under restrictive conditions – an exemption for SME Growth Market issuers to draw up and maintain insider lists. As such, from our experience, SME Growth Market issuers do not benefit so much of an alleviation compared to regulated markets issuers as they have to more or less devote the same means to inform insiders, gather their awareness of responsibilities and incurred sanctions and maintain the lists to potentially provide them to the regulator, on its request.

However, as raised in our response to question 1, a right balance has to be found between making the SME GM a place where investors want to invest (and by consequence where SME GM issuers should fulfill a range of obligations), and alleviation of such obligations for SME GM issuers.

**Question 19. Please indicate whether you agree with the statements below:**

**SME Growth Market issuers should be:**

Please rate each proposal from 1 to 5, 1 standing for "completely disagree" and 5 for "fully agree".

	1 (completely disagree)	2	3	4	5 (fully agree)	Don't know / no opinion / not relevant
Obligated to maintain insider lists on an ongoing basis	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligated to submit insider lists when requested by the NCA (as provided by MAR)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligated to maintain a list of 'permanent insiders' (i.e. persons who have a 'regular access to insider information')	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exempted from keeping insider lists	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Would you have any other proposal as regards insider lists for SME Growth Market Issuers?**

The AMF acknowledges that maintaining updated insider lists is a burdensome requirement for SME GM issuers.

Therefore the AMF would support a further extension of the alleviations granted to SME GM issuers in Article 18(6)(b) of MAR and Article 3 of Commission Implementing Regulation (EU) 2016/347 (ITS on the format of insider lists) by requiring SME GM issuers to only provide to their NCA, upon request, a list of "permanent insiders" (those persons who, due to the nature of their function or position, have access at all times to all inside information within the issuer). In practice, due to the small size of SMEs, only a handful of persons are de facto "permanent insiders" within the SME.

Such further alleviation granted to SME GM issuers should be without prejudice to the obligation of persons acting on their behalf or account (e.g. advisors and consultants) to draw up, update and provide to the NCA upon request their own insider lists under Article 18(1) of MAR. Indeed, these lists are particularly relevant when the issuer is entering into substantial transactions implying sensitive or inside information.

In any case, the AMF would not support any outright exemption of insider lists for SME GM issuers as the insider list requirement has an “educational” impact and is essential to ensure that the persons featured on the list understand the meaning and consequences of having access to inside information.

19.1 Please explain your reasoning and provide supporting arguments/evidence, in particular in terms of savings/reduction in costs, or in terms of additional costs, that any change of the currently applicable rules may induce:

### B3. Justification of the delay in disclosing inside information (Market Abuse Regulation – Art.17)

An issuer shall disclose the inside information concerning its financial instruments as soon as possible. The issuer can delay the disclosure of this information in certain cases in order to avoid harming its legitimate interests. However, once it discloses inside information, it must inform its NCA and justify the delay. Depending on the option chosen by the Member State, this written explanation justifying the delay should be provided: (i) in all circumstances, or (ii) only when the national competent authority requests it.

The [implementing legislation of MAR](#) (Commission Implementing Regulation (EU) 2016/1055) requires that issuers deciding to delay the announcement of inside information record and document in writing a list of information (‘disclosure record’), including – amongst many other facts and figures – the time and date when such information came to exist, when the decision was taken to delay its disclosure, the identity of the persons who adopted the decision and are responsible for constantly monitoring the conditions of the delay, and the manner in which the prerequisite conditions for such delay were met.

### Question 20. Please indicate whether you agree with the following statements:

Please rate each proposal from 1 to 5, 1 standing for "completely disagree" and 5 for "fully agree".

	1 (completely disagree)	2	3	4	5 (fully agree)	Don't know / no opinion / not relevant
The written explanation justifying the delay to communicate inside information by SME Growth Market issuers should be submitted only upon request from the NCA	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

SME Growth Market issuers should be exempted from the obligation of keeping a 'disclosure record'



20.1 Please explain your reasoning and illustrate the impact in terms of cost (one-off and ongoing costs)/time spent (number of hours)/number of people needed (in full-time equivalent):

In 2011, a study from EIM ([Effects of possible changes to the Market Abuse Directive, p.39](#)) considered that, for an SME, the annual average costs related to administrative burdens related to reporting decision to delayed disclosure was estimated at EUR 1,755 per year (and 39 hours spent per issuer per year). For another cost estimate, see also: [Europe Economics, Data gathering and Cost Analysis on Daft Technical standards relating to MAR, p.51](#).

Article 17.4 of MAR (last paragraph) provides a choice to Member States as regards the explanation that should be provided to NCAs in case of delay of disclosure of inside information: "Where an issuer (...) has delayed the disclosure of inside information under this paragraph, it shall inform the competent authority specified under paragraph 3 that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out in this paragraph were met, immediately after the information is disclosed to the public. Alternatively, Member States may provide that a record of such an explanation is to be provided only upon the request of the competent authority specified under paragraph 3".

In France, such explanation shall be provided by the issuer (whatever its listing market) only upon request from the AMF. Consequently, the AMF agrees with the above statement according to which written explanation justifying the delay to communicate inside information by SME Growth Market issuers should be submitted only upon request from the NCA.

The AMF does not support an exemption of SME GM issuers from the obligation of keeping a "disclosure record" as described in the public consultation.

Indeed, such "disclosure record" (i.e. information record and document in writing on matters such as the time and date when the inside information came to exit, when the decision was taken to delay its disclosure, the identity of the persons who adopted the decision and are responsible for constantly monitoring the conditions of the delay) is highly beneficial to prevent market abuse. Those elements may also help the NCA and the issuer in case of an investigation. In that respect, no distinction should be made between regulated market issuers and SME GM issuers in the traceability of these delayed disclosures.

#### **B4. Market soundings (Market Abuse Regulation – Art. 11)**

Market soundings are a communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors<sup>23</sup>.

The market sounding rules could raise issues for SME issuers, in particular when they issue some privately placed bonds. Private placement transactions of debt instruments can sometimes take the form of listed bonds. This is the case notably in France ('Euro-PP' when issued in a listed bond format), in Italy (the so-called 'Mini-bond' markets) and in Spain (on the Mercado Alternativo de Renta Fija – 'MARF'). In general,

such transactions are not subject to a prospectus requirement because they rely on the 'qualified investors' or high denomination bond exemptions. However, they do fall under the scope of market sounding rules as the privately placed bonds are admitted to trading on an MTF.

When a privately placed bond transaction is prepared, the goal is not to contact a few selected investors to identify certain specific terms of a transaction with a view to maximising its chances of success, but rather to identify potential investors with whom all the terms of the privately placed bond transaction (including contractual terms) will be negotiated. In the past, some Member States established an 'accepted market practice' (under the Market Abuse Directive) recognising that private placements of bonds were outside the scope of market sounding rules<sup>24</sup>.

<sup>23</sup> Article 11 only applies to discussions regarding transactions in Article 2.1 of MAR, which provides that MAR applies to financial instruments admitted to trading on either a regulated market, an MTF or an OTF or for which a request for admission to trading on such a venue has been made.

<sup>24</sup> See 'Norme professionnelle AMAFI relative aux sondages de marché et aux tests investisseur' in France.

### **Question 21. Should private placement of bonds on SME Growth Markets be exempted from market sounding rules when investors are involved in the negotiations of the issuance?**

- Completely disagree
- Rather disagree
- Neutral
- Rather agree
- Fully agree
- Don't know / no opinion / not relevant

21.1 Please explain and illustrate your reasoning, notably in terms of costs (one-off and ongoing costs)/time spent (number of hours)/number of people needed (in full-time equivalent):

The AMF fully approves this proposal, even if the question could have more appropriately been phrased "should the market sounding rules apply to conversations with investors involved in the negotiations of the issuance (...)". Indeed, this issue relates to the actual conduct of private placements of bonds as a whole (such as Euro PP in France) rather than to their listing on a specific market.

Article 11.1 of MAR establishes that information which is "communicated prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors" comprises a market sounding.

In the case of privately placed bonds, listed or not, information is communicated to the persons who have indicated their strong interest in taking part in the transaction and is given with the objective of entering into negotiations on the terms of the transaction, but not with the goal of gauging the interest of other investors.

Negotiation is then a distinctive feature of these private placements, as is well exposed in the survey recently published by the European Commission “Identifying market and regulatory obstacles to the development of private placement of debt in the EU” (p. 147-149). In that respect, these transactions should not fall in the scope of the market sounding regime, without prejudice to the application of other MAR provisions. As such, this approach should consistently apply to all private placements of bonds that meet the previously mentioned conditions, not only those listed on SME GM.

### B5. Disclosure of inside information for SME Growth Markets Issuers of bonds only

MAR has extended the scope of the market abuse regime to MTFs, including those where debt instruments are traded. Some market participants underline that plain vanilla bonds<sup>25</sup> are less exposed to risks of market abuse due to the nature of the instrument. While the prices of equity financial instruments can be influenced by the publication of (negative or positive) inside information about the firm, the key variables that would impact the price of the plain vanilla bonds would be market risk, liquidity risk and credit risk. Bondholders would not be able to act on those variables while the only factor that could be influenced by the issuer is the likelihood of default. As a consequence, some stakeholders have argued that the disclosure of all inside information (either positive or negative) for debt issuers only would be burdensome and not justified.

<sup>25</sup> A plain vanilla bond is a bond without any unusual features; it is one of the simplest forms of bond with a fixed coupon and a defined maturity and is usually issued and redeemed at the face value. It is also known as a straight bond or a bullet bond.

### Question 22. Please indicate whether you agree with the following statements:

#### SME Growth markets issuers that only issue plain vanilla bonds should:

Please rate each proposal from 1 to 5, 1 standing for "completely disagree" and 5 for "fully agree".

	1 (completely disagree)	2	3	4	5 (fully agree)	Don't know / no opinion / not relevant
have the same disclosure requirements as equity issuers on SME Growth markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
disclose only information that is likely to impair their ability to repay their debt	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

22.1 Please explain your reasoning and provide supporting arguments/evidence, in particular in terms of savings/reduction in costs, or in terms of additional costs, that any change of the currently applicable rules may induce:

See cost estimates on technical means for disclosure for public disclosure of inside information and delays ([Europe Economics, Data gathering and Cost Analysis on Daft Technical standards relating to MAR, p.51](#)).

As pointed out in the public consultation, plain vanilla bonds may be less exposed to risks of market abuse due to the nature of these instruments.

However, the AMF believes that restricting the scope of information to be disclosed by plain vanilla bonds issuers would substantially add opacity to the already complex regime of inside information. Furthermore, if such specific information were to be disclosed, it should probably be extended to information that is likely to impair the issuer's ability to pay interests, and not only to repay the bond itself.

In addition, from a legal point of view, it might be difficult to create two distinct legal regimes (and potentially a regime for each type of financial instrument) regarding the information to be disclosed, depending on whether the company issues shares or only debt securities. SME GM issuers that issue only plain vanilla bonds should then have the same disclosure requirements as SME GM equity issuers.

## B6. Half-yearly reports for SME Growth Market Issuers

The level 2 of MiFID II (Delegated Regulation (EU) 2017/565 Article 78(2) point g.) requires SME Growth Markets issuers to publish annual financial reports within six months after the end of each financial year and half-yearly financial reports within four months after the end of the first six months of each financial year. MiFID II does not prescribe the form that such financial reporting should take. Financial reporting provided on a half-yearly basis is usually welcomed by investors and contributes to attracting interest in the company. In practice, the vast majority of SME-dedicated markets already ask for the publication of both annual and half-yearly reports. However, some market participants have indicated that the publication of such half-yearly information represents a time-consuming and costly obligation for SMEs.

### Question 23. Should the obligation of SME Growth Market issuers to publish half-yearly report be?

You may select several answers.

- Mandatory for SME Growth Markets equity issuers
- Mandatory for SME Growth Markets debt issuers
- Left to the discretion of the trading venue (through its listing rules) for SME Growth Markets equity issuers
- Left to the discretion of the trading venue (through its listing rules) for SME Growth Markets debt issuers
- Removed for all the SME Growth Market equity issuers
- Removed for all the SME Growth Market debt issuers
- Other (please specify below)
- Don't know / no opinion / not relevant

Please specify what other possibility you would see for the obligation of SME Growth Market issuers to publish half-yearly report:

According to Article 33.3 (d) of MiFID 2, SME GM issuers shall provide appropriate ongoing periodic financial reporting by or on behalf of an issuer on the market, for example audited annual reports. In addition, according to Article 78 of the Commission Delegated Regulation 2017/565 an SME GM issuer shall publish annual and half-yearly reports.

AMF is in favor of modifying Article 33.3(d) of MiFID 2 for debt issuers. Indeed, wholesale debt securities issuers (i.e. with a denomination per unit of at least EUR 100 000) admitted to trading on a regulated market are already exempted, pursuant to Article 8 of the Transparency Directive (as amended by Directive 2013/50 /EU), of publishing such reports as well as annual financial reports. It is then paradoxical to impose more stringent requirements to the same type of issuers on an SME Growth Market than on a regulated market. In addition, recital 112 of the Delegated Regulation 2017/565 provides that “(...) In any case, an SME growth market should not have rules that impose greater burdens on issuers than those applicable to issuers on regulated markets.”

In order to delete the above-mentioned inconsistency, to foster differentiation between SME GM and regulated market, and to facilitate the emergence of dedicated bond segments, all companies exclusively issuing debt securities on an SME GM (be dedicated to wholesale investors or not) should then be exempted from these periodic financial reporting obligations. Article 33.3 (d) could be modified as follow: “there is appropriate ongoing periodic financial reporting by or on behalf of an equity securities issuer on the market, for example audited annual reports;”

In order to preserve investors' access to minimum and relevant accounting and financial information, this exemption should be made conditional on the issuer's annual accounts be easily accessible on its website.

23.1 Please explain and illustrate your reasoning, notably in terms of costs/time spent (number of hours)/number of people needed (in full-time equivalent):

## **C. Fostering the local ecosystems for SME Growth Markets and enhancing liquidity**

Public markets for SMEs need to be supported by a healthy ecosystem (i.e. a network of brokers, equity analysts, credit rating agencies, investors specialised in SMEs) that can bring small firms seeking a listing to the market and support them after the IPO. The decline of those local ecosystems that can cater to SMEs' specific needs impedes the functioning and deepening of public markets and reduces the willingness of SMEs to seek a listing. One reason behind this decline of ecosystems is often attributed to the low level of liquidity on SME-dedicated markets that can deter institutional investors from investing in SME shares and undermine the brokers' business model. As a consequence, this sub-section places a strong focus on how to foster liquidity on SME Growth Markets.

### **C1. 'Tick size' regime of SME Growth Markets (Art. 49 – MiFID II)**

MiFID II (Art. 49 of MiFID II in combination with Art. 18(5).) requires trading venues (including SME Growth Markets) to adopt minimum tick sizes (i.e. the minimum increment in which a security can be traded) in relation to equity and certain equity-like instruments, in order to ensure the orderly functioning of the markets and mitigate the risk of an ever-decreasing tick size. The level 2 of MiFID II specifies the minimum tick size regime which applies to those instruments depending on their liquidity and price level.

While lower tick sizes would contribute to the reduction in trading costs, tick sizes also have an impact on the spread between sellers and buyers of securities and consequently may influence the incentives of intermediaries (brokers) to trade those instruments and earn income from their activity. In the US, the low tick sizes are seen as a potential reason behind the erosion of the ecosystem for listing SMEs, since they allegedly undermined the business models of the mid-cap brokers. This is why a [new pilot project of larger tick sizes for smaller caps has been introduced in the US](#). Based on the preliminary results of this pilot programme, the US Treasury has recently recommended that the Securities Exchange Commission evaluate allowing issuers, in consultation with their listing exchange, to determine the tick size for trading of their stock across all exchanges<sup>26</sup>.

In the EU, SME Growth Markets can decide to establish larger tick sizes than those specified by the MiFID II framework. However, in practice, this may be challenging for SME Growth Markets to depart from the minimum EU requirements and establish higher tick size standards<sup>27</sup>.

26 [US Treasury, A Financial System That Creates Economic Opportunities, October 2017](#)

27 If a trading venue adopts higher tick sizes than those provided by the EU legislation, this decision only applies to the trading venue concerned and does not prevent other trading venues that quote the same shares to adopt lower tick sizes (in the limit of the minimum tick sizes requirements specified by MiFID II). Furthermore, it can be difficult for an SME Growth Markets to justify higher tick sizes than the EU minimum requirements towards its clients.

**Question 24. Which of the following options best reflect your opinion on the impact that the minimum tick size regime provided by MiFID II would have on the liquidity and spreads of shares traded on SME Growth Markets:**

	No impact	Lead to minor increase	Lead to significant increase	Lead to minor decrease	Lead to significant decrease	Don't know / no opinion / not relevant
Impact of the minimum tick size regime on the liquidity of shares traded on SME Growth Markets	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Impact of the minimum tick size regime on the spreads of shares traded on SME Growth Markets	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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**24.1 Please explain your reasoning and provide supporting evidence:**

The liquidity of a financial instrument and its price formation process have a very direct relationship with the tick size, one of the factors of the analysis being the spread. A tick size too small will make overbidding cost insignificant, will favor noise and prevent liquidity to adhere on too many possible price levels. A tick size too big will increase too much the viscosity of the order book, it may discourage investors to place passive orders and it will make the cost of aggressive orders excessive.

When building the tick size regime, ESMA aimed, on SME Growth Markets stocks, at centering the number of ticks in a spread between two and five. Considering that most European stocks were using for SME Growth Markets the tick size used for liquid instruments, the spreads will be constituted of a smaller number of ticks, hence displaying a minor increase due to the rounding factor (down in ticks, up in basis points).

Considering that the MiFID tick size regime has only been effective for a few weeks, it is critical to build any assessment on an observation period long enough. Based on a very preliminary analysis, which would need to be confirmed, it seems that the new minimum tick size regime has, so far, lead to a minor increase in the liquidity of shares traded on non-regulated markets.

**Question 25. Please indicate whether you agree with the following statements:**

Please rate each proposal from 1 to 5, 1 standing for "completely disagree" and 5 for "fully agree".

	1 (completely disagree)	2	3	4	5 (fully agree)	Don't know / no opinion / not relevant
Market operators should be given the flexibility not to apply the minimum EU tick size regime on their SME Growth Markets	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market operators should be given another form of flexibility as regards the EU minimum tick size regime on their SME Growth Markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**C2. Creating a liquidity provision contract available for all SME Growth Market Issuers across the EU (MAR - Accepted Market Practice – Art. 11)**

MAR prohibits market manipulation. Some practices are not qualified as market abuses where the transaction, order or behaviour was carried out for legitimate reasons and in accordance with an accepted market practice ('AMP') formally established by a national regulator.

For an accepted market practice to be established a national regulator must notify ESMA. ESMA then issues an opinion assessing whether the AMP would threaten market confidence in the EU's financial market. For the time being, only five Member States have tried to make liquidity provision contract recognised as an AMP under MAR. It means that liquidity provision contracts can still be qualified as a manipulative practice by certain competent authorities in other Members States. As a result, in 23 Member States, some SME Growth Markets issuers are deprived from the possibility to establish a liquidity contract with an investment firm. However, this mechanism could improve the liquidity of SME shares and attract the interest of new investors for SME shares, while creating more business opportunities for midcaps brokers.

**Question 26. Building on the ESMA's opinion ('Points for convergence in relation to MAR accepted market practices on liquidity contracts' in May 2017), would there be merits in creating an EU framework on liquidity contracts that would be available for all SME Growth Market issuers across the EU?**

- Yes
- No
- Don't know / no opinion / not relevant
- Other

26.1 Please explain your reasoning and provide supporting arguments/evidence. If you answered affirmatively, please describe the conditions for such EU framework for liquidity contracts:

As regards question 25 (missing box), our answer would be the following:

The aim of MiFID was to prevent tick size from the competition between market operators to avoid a potential "race to the bottom" on that particular aspect.

That does not prevent market operators to compete on other criteria, including the market model. At the moment, markets trade either on a continuous trading base or through a single or multiple fixing at given intervals.

A market model that has not been implemented yet but which may have a positive impact is a mixture of the two: the fixing on price change. It would allow trading continuously on the last traded price (indifferently from the bid or the offer) without interruption while offering the possibility, when a market player needs to trade at a different price, to generate an auction phase of a few minutes that would allow that information to be conveyed, hence giving the opportunity to the market to react to that information by populating the order book.

Answer to question 26:

France has a long experience of share liquidity contracts since this mechanism has been implemented for over ten years. It is currently an important feature of the French financial ecosystem. In particular, liquidity contracts are of interest in dealing with a liquidity deficit when volumes are lower than usual and to give confidence to investors.

Share liquidity contracts encounter a significant success in France. A large number of French issuers uses this mechanism on French stock exchanges to enhance the liquidity of their shares without hindering the market trend. Currently, more than 400 French issuers have entered into a liquidity contract.

While the AMF advocates for this mechanism, in particular for SME Growth Market issuers, the new regulatory framework stemming from the EU Market Abuse Regulation is not yet implemented in France. It has been discussed for over two years with the industry: the feedback from several consultations conducted by the AMF highlighted the need to handle very carefully the modifications to this part of the regulation; hence some requirements should be gradually implemented during a transitional period of two years.

For these reasons, the AMF considers that it would be premature to create a specific EU framework on liquidity contracts that would be available for all SME Growth Market issuers as long as the AMF has not analysed with scrutiny the impact of the new French regulatory framework, which will enter into application from 1 January 2019. In this regard, the AMF contemplates further analyses from trade reports (Article 26 of MiFIR) which should provide granular information in relation with the performance of shares liquidity contracts.

### C3. Free float requirement on SME Growth Markets

When an SME goes public, it is likely that there will be a low level of free float (i.e. the percentage of shares that can be freely traded)<sup>28</sup>. Limited free float may contribute to the low level of liquidity as it may limit the opportunities of day-to-day trading. To mitigate this risk, the listing rules of several SME-dedicated markets require companies to comply with free float requirements (expressed in a percentage of shares or in a fixed amount of capital, for instance) and/or a minimum capitalisation threshold before admitting SME shares to trading. Other SME-dedicated markets do not impose such requirements as this can make the listing unattractive for the company's owners. Currently MiFID II does not impose that SME Growth Markets impose a minimum free float (and/or a minimum capitalisation) criteria.

<sup>28</sup> This can be explained by different factors: (i) the smaller capitalisation of SMEs limits the total number of shares available to trade; (ii) smaller size also means that institutional investors' holdings tend to be large compared to the total number of shares issued and the 'buy and hold' strategy generally followed by those investors further reduces the available free float (iii) the percentage of shares in public hands can also be limited by the significant stake in the ownership that the company's founders retain.

#### **Question 27. Which of the following options best reflects your opinion on the application of a rule on minimum free float:**

- A rule on minimum free float should be introduced in the EU legislation with criteria and thresholds determined at EU level
- A rule on minimum free float should be introduced by the EU legislation with criteria and thresholds left to the discretion of the SME Growth Market operator (through its listing rules)
- No rule on minimum free float should be introduced in the EU legislation
- Other (please specify below)

27.1 Please explain your reasoning, notably on the advantages and disadvantages of the introduction – at the EU level – of minimum free float requirements. Specify appropriate criteria and thresholds if you consider that such minimum free float rule should be introduced and determined at EU level:

A free float requirement is one of the characteristics of a market that contribute to investors' confidence, in enabling them to assess the potential liquidity of an issuer. AMF is of the view that introducing in the EU legislation the principle of minimum free float rules for SME GM would be useful.

Such provision could also provide a non-exhaustive list of basic criteria to be implemented, such as the minimum proportion of free float or the minimum amount to be offered for an admission. However, the precise thresholds or data for these criteria should be specified only by listing rules, in order to preserve consistency with the size of the local market and issuers.

#### C4. Institutional investors' participation in SME shares and bonds

There is a need to consider what can be done to diversify and grow the investor base for SME shares. The Commission has recently adopted regulatory initiatives to improve the ability of institutional investors to invest in SME shares. For example, the revised EuVECA regulation<sup>29</sup> – recently approved by the co-legislators – allow EuVECA funds to invest in SMEs listed on an SME growth market. The recent European Long-Term Investment Funds (ELTIFs) shall invest at least 70% of their money in certain type of assets among which SMEs listed on regulated market or MTFs and with a market capitalisation below EUR 500 million. Finally, with regards to investments made by insurance companies, a recent amendment to the Solvency II Delegated Regulation<sup>30</sup> (that came into force in March 2016) grants equities traded on MTFs (including the future SME Growth Markets) the same treatment as equities traded on regulated markets. However, some barriers to investment in SMEs may still exist.

<sup>29</sup> [Regulation \(EU\) 2017/1991 of the European Parliament and of the Council of 25 October 2017 amending Regulation \(EU\) No 345/2013 on European venture capital funds and Regulation \(EU\) No 346/2013 on European social entrepreneurship funds](#)

<sup>30</sup> [Commission Delegated Regulation \(EU\) 2016/467 of 30 September 2015 amending Commission Delegated Regulation \(EU\) 2015/35 concerning the calculation of regulatory capital requirements for several categories of assets held by insurance and reinsurance undertakings](#)

#### **Question 28. Please describe any regulatory barriers to institutional investments in SME shares or bonds listed on SME Growth Markets or MTFs:**

Institutional investors can be divided into two broad categories: pension or retirement funds on the one hand, credit & investment banks and insurance companies on the other hand.

Regarding retirement funds, the French decree n° 2017-887 relating to the financial structure of specific social security regimes set a specific limit for the investment in SME shares listed on SME Growth Markets

or MTFs. Indeed, the realisable value of assets invested in equities listed on non-regulated markets is capped at 15% of the total realisable value. Such threshold has an impact on the range of opportunities that French pension funds may have when investing in SMEs.

As regards indirect investment through funds, it is noteworthy that Article 50(2)(a) of the Directive 2009/65/EC ("UCITS IV Directive") provides that "UCITS may not invest more than 10% of their assets in transferable securities and money market instruments other than those referred to in Article 50(1)" of the said directive. SME shares or bonds listed on an SME GM or other non-regulated market fall under the above-mentioned instruments. In addition to the limited proportion of assets that can be invested, certain eligibility criteria that must be met regarding the quality of the shares or bonds: liquidity, negotiability, valuation and information. Hence, reliable prices must be available on a periodic basis from the SMEs or any relevant investment research.

UCITS investments in SMEs – which have more seldom issuances than large issuers – are also potentially constrained by concentration limits provided by Article 56(1) and (2) of UCITS IV Directive, which prohibit UCITS:

- for all the common funds managed by an investment company or a management company, to exercise, through voting shares, a significant influence over the management of an issuing body;
- to acquire more than 10% of the non-voting shares or 10% of the debt securities of a single issuing body.

In addition to these regulatory barriers, fund managers and institutional investors, generally speaking, may be reluctant to invest in small equity or debt issuances, either to avoid holding a very significant and risky exposure in one issuance or not to have to diversify their assets through a large number of "small" tickets.

Investment in SMEs' shares has also been indirectly impacted by prudential requirements of recent reforms implemented in the banking (Basel III/CRDIV) and insurance (Solvency II) sectors, considering the weighting of market risk and equity exposure (39% under the SCR, with a +/- 10% symmetric adjustment to mitigate procyclicality).

## **C5. Credit assessments and ratings for SME bond issuers**

Credit assessments and ratings can facilitate SME access to bond markets. They contain valuable information for participants in corporate bond markets, influencing profoundly investment decisions. They help investors assess credit risk and hence price in the probability of default. Therefore, many institutional investors have concentration limits in their portfolios based on credit assessments and ratings and require bonds to be rated, preferably by a Credit Rating Agency (CRA) – as regulated by the Credit Rating Agencies Regulation.

However, many SMEs seeking to issue bonds are not rated by CRAs. The costs SMEs have to bear for obtaining a rating from a CRA can be disproportionately high when compared to the average size of the issue. In the past, investment banks operating in some Member States used to issue "unsolicited ratings on SMEs". This practice increased the transparency and visibility of SMEs towards some institutional investors but was not compatible with the CRA regulation, as those investment banks were not registered as CRA. The Commission is seeking views on whether some market players should be allowed to publish "unsolicited credit ratings" on SME Growth Market issuers, provided that those ratings would not be used by institutional investors (such as insurance companies and credit institutions) for regulatory purposes.

**Question 29. Which steps could be taken to facilitate SME bond issuances on SME Growth Markets without incurring high costs for assessing creditworthiness of issuers?**

**Question 30. What would be the risks associated with a more flexible approach to 'unsolicited credit ratings' by market players other than CRAs and what might be done to mitigate them?**

In AMF's view, it is neither necessary nor appropriate to allow some market players, such as investment banks, to publish unsolicited credit ratings on SME Growth Market issuers without being registered as CRAs for the following reasons:

- such an exemption would make CRAR's scope even more complex, whereas it is already subject to a certain level of interpretation due to the inherently qualitative definition of a credit rating, which is an "opinion". The concept of credit rating, and its applicable rules and requirements, would lose consistency if they were to be differentiated by the type of market the issuer is admitted to;
- as a consequence, issuers of such credit ratings would probably ask for a more general exemption from CRAR, without consideration to the type of market;
- the issue of a potentially disproportionate cost for SMEs is not specifically related to SME GM but to the financial resources of the issuer, whatever the type of market it is traded on;
- the risk of conflict of interest could rise with new banking actors offering other primary market services to the same issuers;
- institutional investors may also well rely on credit scores, defined by CRAR as "a measure of creditworthiness derived from summarising and expressing data based only on a pre-established statistical system or model, without any additional substantial rating-specific analytical input from a rating analyst". Such scores require per se less analytical resources and can therefore be less costly to produce;
- although prohibiting the use by institutional investors for regulatory purposes would indeed be necessary, it may deter long-term holding and would require a close and complex monitoring by both investors and ESMA (to detect potential infringements).

## General questions:

**Question 31. Please indicate the areas and provisions where policy action would be most needed and have most impact to foster SME listings of shares and bonds on SME Growth Markets:**

Please rate each proposal from 1 to 5, 1 standing for "no positive impact" and 5 for "very significant positive impact".

	1				5 (very significant)	Don't know /
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	(no positive impact)	2	3	4	positive impact)	no opinion / not relevant
Criteria to define an SME Growth Market	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market capitalisation threshold defining an SME debt issuer	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Key adviser requirement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delisting rules on SME Growth Markets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer of listings from a regulated market to an SME Growth Markets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer of listings from an SME Growth Market to a regulated market	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management's transactions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insider lists	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Justification of the delay in disclosing inside information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market soundings	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disclosure of inside information for bond issuers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Half-yearly reports for SME Growth Market issuers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Tick size regime for SME Growth Markets	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liquidity provision contracts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free float requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Institutional investors' participation in SME shares and bonds	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit assessments and ratings for SME bond issuers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Question 32. You are kindly invited to make additional comments on this consultation if you consider that some areas have not been covered above. Please include examples and evidence:**

We do have in mind that MiFID II could potentially significantly impact the coverage of SMEs by research providers, as the race to the bottom that we have heard about these last few months in terms of pricing could lead to research providers giving up the coverage of SMEs, as not enough profitable. French market participants have already been observing for the past months aggressive pricing policies, a reduction of research expenditures on the buy side and an attrition of the number of analysts dedicated to SMEs.

Such trend is all the more detrimental as a very recent study published by the French Observatory on SMEs' Market Financing (Observatoire du financement des entreprises par le marché – OFEM: <http://observatoire-financement-entreprises.com/role-des-analystes-sur-l-attractivite-et-la-liquidite-des-pme-eti>) confirms, among other things, that an extension of research coverage on an issuer has a positive impact on its liquidity through the reduction of the bid-ask spread.

The AMF wonders why the public consultation does not raise any question on research as a European initiative would be welcome on this matter. It invites the Commission to review in the near future the MiFID 2 rules on research, in light of market developments, and where appropriate to put in place corrective measures to promote the development of a research offer for the benefit of European SMEs.

The AMF believes that MiFID II could in the longer term contribute to a more specialised research with high added value, for which research providers on small and mid-cap firms definitively have a key role to play. We will carefully monitor this aspect in the coming months at the AMF level, but also by working closely with several French trade associations and the French Treasury.

### 3. Additional information

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Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

**[6dc46bbb-6c75-4456-a68c-5b90322953d8/EC\\_Public\\_Consultation\\_-\\_February\\_26\\_2018.pdf](#)**

#### Useful links

[More on the Transparency register \(http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en\)](http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en)

[Consultation details \(http://ec.europa.eu/info/consultations/finance-2017-barriers-listing-smes\\_en\)](http://ec.europa.eu/info/consultations/finance-2017-barriers-listing-smes_en)

[Specific privacy statement \(http://ec.europa.eu/info/files/2017-barriers-listing-smes-specific-privacy-statement\\_en\)](http://ec.europa.eu/info/files/2017-barriers-listing-smes-specific-privacy-statement_en)

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