



**COUNCIL OF
THE EUROPEAN UNION**



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PRESSE 421

Council approves transparency requirements for issuers of securities

The Council adopted today¹ a directive updating transparency requirements introduced in 2004 for issuers of securities on regulated markets ([37/13](#)).

The so-called transparency directive² is aimed at ensuring a high level of investor confidence throughout the EU. It requires issuers of securities traded on regulated markets to publish periodic financial information about the issuer's performance over the financial year and on-going information on major holdings of voting rights.

The agreed improvements are aimed at:

- simplifying certain obligations so as to make regulated markets more attractive for raising capital for small and medium-sized issuers.

The new directive sets out to make obligations applicable to listed small and medium-sized issuers more proportionate, whilst guaranteeing the same level of investor protection, and to facilitate cross-border access to information;

- improving legal clarity and effectiveness, notably with respect to the disclosure of corporate ownership.

¹ The decision was taken without discussion at a meeting of the Agriculture and Fisheries Council.

² Directive 2004/109/EC.

P R E S S

The draft directive clarifies for instance provisions in relation to third country issuers, and eliminates administrative burdens that are now considered unnecessary. It reviews the definition of which types of financial instruments are covered, as well as the calculation of thresholds for the notification of major holdings;

- providing for sanctions that are sufficiently dissuasive in the event of transparency requirements being breached.

To ensure this, the text sets out to harmonise member states' legal frameworks for administrative sanctions, setting minimum common standards on certain key aspects of sanction regimes. (Criminal sanctions are not covered.)

The draft directive also includes a requirement for listed companies operating in the oil, gas and mineral extractive as well as the forestry industry, to disclose payments to governments in countries where they operate. This follows a commitment made by members of the G8 at Deauville in May 2011.

Adoption of the directive comes after an agreement was reached with the European Parliament at first reading at a "trilogue" meeting with the Parliament and the Commission on 14 May. The Parliament approved the text on 12 June.
