



**KARATZAS
& PARTNERS**

Capital Markets Alert



Capital Markets Recovery Package - EU Recovery Prospectus (Regulation (EU) 2021/337)

Background:

In response to the economic shock suffered by EU capital markets, the European Commission introduced, *inter alia*, new provisions that aim to facilitate the re-capitalization of enterprises heavily impacted by the COVID-19 pandemic, particularly small and medium-sized entities, by alleviating administrative costs and expediting the equity issuance process.

The EU Recovery Prospectus:

Pursuant to Regulation (EU) 2021/337 the Recovery Prospectus scheme is introduced. Under the newly introduced regime, issuers whose shares have already been admitted to trading on a regulated market for at least the last 18 months (therefore, already subject to established disclosure requirements and already having publicly disseminated sufficient critical information) may opt for the publication of a “short-form” prospectus which includes only key information on the issuer and the newly issued shares to be offered or listed. A Recovery Prospectus can be approved by a national competent authority within 7 business days from its submission and can also benefit from the EU passport.

The EU Recovery Prospectus is available only for secondary issuances and only where the shares to be issued are fungible with existing shares already trading and do not exceed, in aggregate with the number of shares offered over a period of 12 months, if any, 150% of the number of shares already admitted to trading on a regulated market or an SME growth market, as the case may be.

The EU Recovery prospectus shall be drawn up as a single document of a maximum length and shall be presented and laid out in a way that is easy to read.

Prospectuses under the Recovery Prospectus regime can be approved by the national competent authorities until **31 December 2022**.

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