

28 July 2022

Publication of Peer Review Report on Prospectuses

On 21 July 2022, the European Securities and Markets Authority (“**ESMA**”) published its [Peer Review Report](#) on the scrutiny and approval procedures of prospectuses by national competent authorities (“**NCA**s”). The peer review considered five assessment areas as relevant to the prospectus scrutiny and approval processes:

1. the scrutiny of prospectuses having regard to their completeness, comprehensibility and consistency under Articles 35 to 45 of CDR 2019/980;
2. the approval process by NCAs of prospectuses, including the notification of approvals by competent authorities pursuant to Article 25 of the Prospectus Regulation;
3. NCAs’ application of ESMA’s Guidelines 1-5, 7 and 11 on risk factors;
4. the adequacy of NCA resources to carry out the scrutiny and approval of prospectuses;
5. the independence and the liability regime of NCAs in relation to the supervision of prospectuses.

The impact of different approaches adopted by NCAs on issuers’ ability to raise capital in the Union together with the corresponding impact on investor protection were also assessed as part of the five aforementioned areas.

The report sets out a number of recommendations to NCAs, as well as to ESMA and the European Commission for future policy and legislative work. ESMA expects to carry out a follow-up assessment in two years to review the level of improvements achieved based on the findings and recommendations of the report.

ESMA has deemed the Malta Financial Services Authority to be fully meeting expectations in four of the five assessment areas, with the remaining area classified as partially meeting expectations. The Authority has noted the recommendations put forward by ESMA in this regard and will seek to action such recommendations as part of its ongoing Capital Markets Strategy.

Contacts

Should you have any queries regarding the above, please do not hesitate to contact us on listings@mfsa.mt.