

THE EU LISTING ACT

Today the 5th June 2026 marks the coming into force of the EU Listing Act. But what is its purpose and why is it important for entities seeking admission to listing?

The EU Listing Act was adopted by the Council of the European Union in October 2024, and is a package of legal reforms¹ that amend the Prospectus Regulation, the Market Abuse Regulation (MAR), the Markets in Financial Instruments Regulation (MiFIR) as well as MiFID II.

Amendments are being introduced on a staggered basis and will be supplemented by further Level 2 measures, including a Delegated Act. Transitional provisions are particularly relevant in this context – prospectuses approved before the 4th June 2026 will continue to be governed by the previous regime for the duration of their validity, and existing registration documents and universal registration documents may continue to be used in accordance with guidance published by the European Securities and Markets Authority ('ESMA'). ESMA has recently issued a public statement clarifying that the amendments to the Prospectus Regulation will apply from the 5th June 2026, notwithstanding that the Delegated Act (Level 2) will not yet be in force. During this interim period, the existing provisions of the Prospectus Regulation (Level 1) will apply, pending the entry into force of the detailed Level 2 rules. ESMA has indicated that the Delegated Act should be used as non-binding guidance to assist in determining appropriate disclosure and ensuring compliance. This reflects a broader delay in the adoption of certain Level 2 measures, some of which may be postponed until October 2027.

The overall scope and objective of the Act is to make the EU capital markets more accessible, encourage IPO activity within the EU and reduce reliance on bank financing. More specifically, the reforms seek to address longstanding issues such as the cost, complexity and length of prospectus documentation, as well as inefficiencies and inconsistencies in approval procedures across Member States. A key focus is the reduction of administrative burdens for SMEs, alongside improving access to financing for both initial public offerings and secondary issuances. In this respect, the Act forms part of a broader strategy to enhance the efficiency, attractiveness and harmonisation of the European Capital Markets Union for issuers of all sizes, while maintaining investor protection.

The Act aims to achieve these objectives primarily through the simplification of prospectus rules and the reduction of associated costs. These amendments are expected to generate tangible benefits, including lower compliance costs and improved access to capital markets, particularly for SMEs that have faced disproportionate regulatory burdens. Key measures include higher exemption thresholds, increasing the prospectus exemption threshold from €8 million to €12 million enabling more companies to raise capital without the need for a full

¹ (i) Regulation (EU) 2024/2809; (ii) Directive (EU) 2024/2810; and (iii) Directive (EU) 2024/2811.

prospectus.² The Act also introduces a more flexible ‘dual-threshold’ approach and expands existing exemptions, particularly in relation to secondary issuances.

The Act further introduces two simplified and standardised prospectus formats:

- **EU Follow-on Prospectus**, intended for secondary issuances by already-listed issuers, allowing reliance on existing disclosures to reduce repetition, shorten preparation time and lower costs.
- **EU Growth Issuance Prospectus**, designed for SMEs and certain other issuers, focusing on essential financial, business and securities information to support investor understanding, while reducing compliance complexity and costs.

Overall, the Act simplifies the prospectus framework by shortening the deadline for publication prior to the end of the offer period from six to three working days, limiting document length, enabling greater use of incorporation by reference, and promoting digital communication with investors. These measures aim to streamline scrutiny and approval procedures and promote greater consistency across Member States, with further convergence expected once Level 2 measures are finalised.

Finally, new ESG-related requirements will apply, introducing additional disclosure obligations in relation to sustainability matters. Issuers are now required to provide clearer and more structured information where securities incorporate ESG features and objectives. While these changes enhance transparency for investors, they may also increase compliance demands and partially offset the cost savings associated with the simplified prospectus regime.

² Subject to Member State discretion to set lower thresholds, not less than €5 million.