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Drafting of the EU Prospectus Regulation: Luther founds interest group and represents capital market-oriented medium-sized companies in Brussels

Brussels/Frankfurt am Main – Law firm Luther Rechtsanwaltsgesellschaft is founding an interest group to represent the interests of capital market-oriented German medium-sized companies in Brussels. Its objective is to play a part in the drafting of the new EU regulation for share prospectuses.

The EU is planning on making access to the EU-wide capital market easier with the new Prospectus Regulation, in particular for medium-sized companies. The ideas that are currently being discussed in Brussels on the precise drafting of the Regulation, however, are doing the exact opposite of this, and - in the event it is implemented in this form - would even be detrimental to German medium-sized companies, criticizes Ingo Wegerich, partner at Luther Rechtsanwaltsgesellschaft:

"Currently, the majority of German medium-sized companies balance their accounts in their share prospectuses in accordance with the German Commercial Code. If medium-sized companies have to balance their accounts in their share prospectuses in accordance with IFRS, this would mean a significant increase in additional costs and switching costs for the companies."

Therefore, Luther will form an association to make the voices of capital market-oriented medium-sized companies heard in Brussels, and to contribute to shaping the EU Prospectus Regulation to ensure it is more compatible. The large law firm already has an office in Brussels, and has always focused on consulting medium-sized companies. It is for this reason that Luther feels obligated to represent the interests of medium-sized companies in this matter as well.

About the EU Prospectus Regulation

In December 2016, the European Parliament and the Council agreed that there should be an EU Regulation for rules on prospectuses, known as the EU growth prospectus. This is supposed to apply to all companies that issue shares. As well as information about shares, the prospectus is also set to include details on the business, financial and shareholding structure of the company.

The EU's aim is for the new Regulation to simplify the rules and tighten administrative procedures. This is supposed to make EU-wide access to financing sources easier for medium-sized companies. However, to date no representatives of the capital market-oriented medium-sized companies have been involved in shaping the Regulation.

Contact persons for the new group

Luther is currently creating the legislative framework for the foundation of the new interest group. A charter is being prepared. Interested companies can now request information about membership.

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Brief Profile Luther

Luther is a leading German commercial law firm that offers comprehensive legal and tax services. The full-service law firm employs more than 350 lawyers and tax advisors and is represented at 10 German economic centres and at important investment locations and financial centres in Europe and Asia with international offices in Brussels, London, Luxembourg, Shanghai, Singapore and Yangon. Our

clients are medium-sized enterprises and large corporations, as well as the public sector.

Luther works closely with other commercial law firms in all the prevailing jurisdictions worldwide. On the Continent, Luther is part of a group of independent leading law firms who have worked together for many years on joint cross-border projects.

Luther Rechtsanwaltsgesellschaft mbH is a law firm with a business approach: our innovative awareness aspires us to provide our clients with customised legal advice that addresses individual needs and delivers the greatest possible economic benefit.

Our lawyers and tax advisors have a solid understanding of interdisciplinary matters and a wealth of experience in collaborating on complex tasks. Further information is available at: www.luther-lawfirm.com

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