



Purpose

The purpose of the present document is to help issuers of securities to avoid delays and costs by providing certainty over the factual application of the Rules & Regulations (“R&R”) of the Luxembourg Stock Exchange (“LuxSE”) which lay down the requirements in terms of approval of prospectuses and the listing process on its multilateral trading facility (“Euro MTF” market).

The Euro MTF was launched in 2005 and is an alternative, exchange regulated market which offers a full listing and has multiple benefits for issuers, among which:

- **less stringent disclosure requirements;**
- **flexibility for information to be inserted either in the Base prospectus or in the form of Final Terms;**
- **acceptance of financial reporting in line with local GAAP;**
- **lighter transparency and ongoing disclosure obligations (Transparency Directive does not apply);**
- **fast listing process assured by LuxSE professional teams.**

LuxSE is the competent authority for the approval of prospectuses for the sake of listing securities on the Euro MTF, in accordance with Part IV of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended (referred to as the “Prospectus Law”).

LuxSE operates two (2) markets, the exchange regulated Euro MTF and the EU regulated market (the “Bourse de Luxembourg” market).

The Bourse de Luxembourg market is a regulated market as defined in the directive 2014/65/EU on markets in financial instruments. European Union directives, such as the Transparency Directive, the Prospectus Directive and the Market Abuse Directive are applicable.

Attention should be paid to the fact that the document relates to matters inherent to the R&R and not to the regulated market, the Prospectus Law or the Prospectus Directive.

Any questions regarding the guidance provided below or regarding any of the provisions set out in the R&R may be sent to the following e-mail address: bolide@bourse.lu.

I. Practical questions

1. Which documents should be filed with LuxSE and how?

The following documents should be provided by email to bolide@bourse.lu:

- the application form duly filled and signed;
- a complete draft of the prospectus (including terms & conditions and financial statements);
- the signed undertaking letter (in case of a first listing only).

Please use the “Application to trading/Prospectus approval” form and the “Letter of undertaking” template available on the website: <https://www.bourse.lu/listing-requirements>

In addition, the following remaining documents must also be provided prior to the listing/approval date:

- the by-laws/articles of association of the issuer(s) (and of any guarantor(s) if applicable; and
- the audited financial statements for the last three years of the issuer(s) and of any guarantor(s), if applicable.

R&R reference: Part 1, articles 201 and 401

2. Is it mandatory to appoint a listing agent for the filing of a listing application?

No, the Issuer is free to mandate any person to file the listing application on his behalf or he may directly introduce the listing application.

R&R reference: Part 1, Chapter 2/205

3. What are the languages accepted by LuxSE?

Acceptable languages for prospectuses and documents incorporated by reference are: English, French, German, Luxemburgish and bilingual versions thereof.

4. Is it possible to withdraw or replace a document already approved by LuxSE and published on its website?

It is only possible in case of a manifest error.

5. How should preliminary questions relating to the listing be filed with LuxSE?

For any pre-clearance request, please send your question(s) to bolide@bourse.lu and state in the subject of your email “[request for pre-clearance](#)” or call LuxSE (see contact details on last page or on <https://www.bourse.lu/listing-requirements>).

6. How does LuxSE handle the admission of a debt issue split into several ISINs (e.g. RegS/Rule144A)?

Any debt issue split into separate ISINs is admitted to trading on separate quotation lines. Where one (1) of these quotation lines amounts to zero (0) principal amount on the listing date, LuxSE offers the possibility to display this fact on its Official List.

7. Does LuxSE require a Transfer- or Registration agent for the listing of securities?

No, the R&R of LuxSE do not mention specific requirements in this respect.

8. What are the requirements concerning the financial services of the securities? Is it necessary to appoint a Paying agent in Luxembourg?

The financial services of the securities must be provided to the holders of securities. However, no Luxembourg Paying agent is mandatory.

R&R reference: Part 1, Chapter 4, 401

9. What is the time frame for receiving comments from LuxSE?

A first set of comments on a complete draft prospectus (see question 1) will be provided within a maximum period of three (3) business days after the date of receipt of the duly filed application.

Additional comments following submission of an updated draft prospectus will be provided within maximum two (2) business days after submission. Generally, LuxSE is able to revert in less than 24 hours after submission of the updated draft prospectus.

10. How are the maintenance fees calculated for an “up to” bond issue?

The maintenance fees are calculated on the basis of the maximum amount of the issue.

11. How can issuer’s documents be made available to the public?

Documents (other than the prospectus) can be made available through the following channels:

- (i) via FNS (Financial News Services), the online LuxSE publication service (<https://www.bourse.lu/how-to-publish-a-notice>);
- (ii) via an alternative website which is freely accessible by the public.

II. Approval

i. High-yield debt issues - Specific requirements

12. Which information regarding guarantors must be provided in the context of a high-yield debt issue?

LuxSE accepts the sole provision of consolidated group financial statements, provided that the following conditions are fulfilled:

- (i) the debt securities have a denomination of at least EUR 100,000 (or the equivalent in another currency);
- (ii) all the guarantors are included in the consolidation scope of the financial information disclosed;
- (iii) the guarantee provided by the guarantors is in respect of the full amount of the principal and interest or other payments (i.e. it is not a partial guarantee or limited to a specific principal or other amount).

Only if (i) the denomination is below the above mentioned amount and (ii) the guarantors do not represent 75% of neither the net consolidated assets nor the consolidated EBITDA, LuxSE requires disclosure of limited combined financial information covering the most recent financial period (annual or interim).

13. Is it possible to include consolidated accounts prepared at the level of a non-guarantor reporting company, situated in the group structure above the parent guarantor?

Yes, this approach is acceptable if the parent guarantor does not prepare and publish financial statements. Nevertheless, significant material differences between accounts of the non-guarantor reporting company and the parent guarantor should be indicated and quantified.

ii. Debt securities - Stand-alone

14. What are the disclosure requirements for the provider of a Keepwell Agreement?

As a Keepwell Agreement is not to be regarded as equivalent to a guarantee of payment, its simple existence shall be mentioned in the prospectus.

15. Is there an exemption to produce a prospectus in case of issuance of debt securities allowing the payment of interest in kind (referred to as PIK notes)?

PIK notes typically provide for the payment of interest through the issuance of additional notes having the same terms and conditions as the original notes.

The exemption to produce a prospectus may be granted to PIK notes, provided that the issuer discloses in the prospectus the maximum amount, defined as being the amount of notes issued on the closing date and the amount of all additional notes issued pursuant to applicable PIK interest (calculated up to the maturity date). In addition the split between the principal amount issued on the closing date and the amount of PIK interest should be confirmed in the prospectus. Upon issuance of PIK notes, a notice shall be published (on LuxSE's website) stating the amount of PIK notes issued and the total amount outstanding.

16. When does LuxSE consider that debt securities are issued by a credit institution in a continuous or repeated manner?

A credit institution will be deemed issuing in a continuous or repeated manner if it has listed and admitted to trading debt securities on the Euro MTF market or on the regulated market of LuxSE more than once over the last twelve (12) months.

R&R reference: Appendices/Appendix II Part I, 3)

17. Is a summary requested in a prospectus?

No prospectus summary is currently required under the R&R.

R&R reference: Appendix III

18. Can the issuer benefit from the partial disclosure exemption provided for in Appendix II, Part I, 2) (known as Eurobonds) where the denomination of debt securities to be issued is below EUR 100,000?

Yes, the partial disclosure exemption may be granted to issuers choosing a denomination below EUR 100,000 (or equivalent in another currency), provided the issuer confirms that the debt securities have been subscribed by a limited number of non-retail investors.

iii. Debt securities - Programme

19. Is it allowed to draw up a Base prospectus for various non-equity securities?

Several products may be presented in a single prospectus provided that it contains all information and the conditions applicable to each security, as requested under the R&R.

20. What is the difference between a “Final Terms” document and a “draw-down/unitary prospectus”?

Whereas both refer to the issuance of debt securities under a Base prospectus, a draw-down/unitary prospectus requires an approval by LuxSE and should therefore contain a similar level of information provided for in a stand-alone prospectus. Final Terms do not require such an approval.

21. Do the R&R impose restrictions on information to be provided in the Base prospectus only or in the Final Terms (e.g., use of proceeds, or Paying agents)?

No, issuers on the Euro MTF benefit from flexibility as the R&R do not categorize information, contrasting with requirements under Regulation 809/2004.

22. What is the validity period of a Base prospectus?

A Base prospectus is valid for a period of twelve (12) months from its approval date and may be used to issue securities during the validity period.

23. In which case is a supplement to the Base prospectus required?

A supplement to the Base prospectus shall be prepared to disclose any significant or material information within the validity period of the Base prospectus.

24. Is it possible to make the Base prospectus and the Final Terms available to investors for twelve (12) months only?

Availability of the Base prospectus and the Final Terms must be ensured during the whole lifetime of the listing of the tranches.

25. Is it possible to incorporate future documents by reference?

Yes, issuers may incorporate future documents by reference. Any such document filed with LuxSE shall be published via FNS (Financial News Services), the online LuxSE publication service (<https://www.bourse.lu/how-to-publish-a-notice>).

iv. Financial statements/Incorporation by reference

26. What if an issuer (especially a financing vehicle) has not published financial statements?

It must be distinguished between two (2) cases:

- (i) For issuers having less than one (1) year of existence and not having published any financial statements so far, LuxSE will simply require that the prospectus contains limited narrative disclosure on its financial situation (e.g. with a “no debt” statement in the absence of any other indebtedness).
- (ii) For issuers with more than a year of existence without having published stand-alone financial statements, the prospectus shall state that the issuer is exempt from publishing stand-alone financial statements under its national law. Consolidated financial statements (including the issuer) shall be provided.

27. What are the non-EEA financial GAAP accepted on the Euro MTF?

Canadian, Chinese, Indian, Japanese, South Korean, Swiss and US GAAP are automatically accepted.

Other equivalent GAAP may also be accepted without additional disclosure.

R&R reference: Schedule B/5.1.5

28. Does an issuer of Asset-backed securities have the obligation to include interim financial statements in the prospectus?

No, LuxSE no longer requires interim financial statements for issuers of Asset-backed securities.

29. Is it necessary to include summarised accounts in a prospectus drafted pursuant to the partial exemption under Appendix II, Part I, 2) (notably for Eurobonds)?

No, the issuer may disclose a cross-reference list to allow investors to easily find the information in the financial statements incorporated by reference.

R&R reference: Appendix II, Part I, 2)

v. Undertakings for collective investment (UCIs)

30. In which cases does LuxSE approve prospectuses of UCIs for the admission to trading on the Euro MTF?

LuxSE approves prospectuses in the following cases:

- (i) foreign and Luxembourg domiciled, closed-ended UCIs;
- (ii) foreign, open-ended UCIs, not being distributed in Luxembourg.

For the admission to trading on the Euro MTF, open-ended UCIs accepted by the CSSF for distribution in Luxembourg, are exempt from additional requirements on prospectuses.

31. How can UCI's limitations of access to certain investors (e.g. non-retail investors) be respected in case of an admission to trading of shares/units of such UCI?

As transactions on shares/units of an UCI executed on LuxSE cannot be restricted, notably with respect to the exclusion of certain categories of investors, the UCI prospectus shall foresee a compulsory redemption procedure instead of general transfer restrictions.

32. Which schedule is applicable for closed-ended SIFs (and SICARs)?

Appendix III, Schedule A of the R&R is the applicable schedule for the admission of equity securities of such entities. In the event that certain items contained in such schedule are not appropriate with respect to the activity or the legal form of the issuer, a prospectus giving equivalent information shall be drawn up by adapting the said items.

R&R reference: Part 2, Chapter I, Sub-chapter 1, article 1

33. What level of information on existing investments must be disclosed in the prospectus?

On the listing date the prospectus shall contain a detailed description of the actual portfolio of investments. The prospectus shall provide for a level of information at least equivalent to the information submitted to the initial subscribers.

34. What happens to the commitments made by initial or subsequent subscribers in case of an admission to trading of shares/units?

The prospectus shall stipulate that a commitment to subscribe for shares/units remains under the sole responsibility of such subscribers and cannot be transferred in a secondary market transaction.

vi. Shares and depositary receipts

35. Is it necessary to provide full three years of financial information?

No. Under certain conditions, LuxSE can waive the obligation to provide annual accounts for three (3) financial years (duly motivated waiver letter required). If such waiver is granted, the company shall prepare interim reports covering the 1st, 2nd and 3rd quarters of a financial year until three (3) annual reports have been published. Start-up companies may be listed under such regime.

R&R reference: Part 1, Chapter 7, 703, 705, article 8

36. What are the applicable prospectus requirements for an admission to trading of additional depositary receipts/shares?

For the purpose of information disclosure, LuxSE considers depositary receipts/shares as equity securities and therefore grants total and partial prospectus exemptions provided for in the R&R for equity securities.

R&R reference: Appendix 2, Part II, A

37. How does LuxSE assess the free float requirement in case of an admission of depositary receipts/shares?

LuxSE applies a look-through approach by assessing the free float at the level of the underlying shares.

38. Is it possible to admit fractional shares?

No, fractional shares cannot be admitted to trading on LuxSE.

III. Contacts

International Primary Market



Alex PICCO

Head of Listing

T +352 47 79 36-261
api@bourse.lu

Listing & Approval Team



Ronny ALF

Senior Prospectus Approval Officer

T +352 47 79 36-229
ral@bourse.lu



Catherine CHARLIER

Senior Prospectus Approval Officer

T +352 47 79 36-372
cch@bourse.lu



Frank BIESEN

Senior Prospectus Approval Officer

T +352 47 79 36-305
fbi@bourse.lu



Nadia SPEZZACATENA

Senior Prospectus Approval Officer

T +352 47 79 36-210
nas@bourse.lu



Camille DEVEZIN

Prospectus Approval Officer

T +352 47 79 36-262
cad@bourse.lu