

15. Do you consider that the system of exemptions granted to issuers of debt securities above a denomination per unit of EUR 100 000 under the Prospectus and Transparency Directives may be detrimental to liquidity in corporate bond markets?

- ☒ Yes
☐ No
☐ Don't know / no opinion

If so, what targeted changes could be made to address this without reducing investor protection?

1,000 character(s) maximum

This threshold rule should be removed because it discriminates against investors with medium wealth by excluding them from the bond market for single investments smaller than 100.000 EUR. This exclusion per se leads to lower liquidity in the market.

Please justify your answer on whether the system of exemptions may be detrimental to liquidity in corporate bond markets:

1,000 character(s) maximum

For investors with wealth ranging approx. from 100.000 EUR up to about 5.000.000 EUR this rule prevents a sufficient credit risk diversification in a bond portfolio. This argument is not only relevant for retail investors like mentioned in the consultation document but also for investors which are declared "qualified investors" in the document, e.g. wealth management companies and investment funds with smaller investment portfolios. The market liquidity is reduced by the rule because the bond market is closed for a wide range of investors with portfolios up to about EUR 5 Mio. In the bond market you can easily recognize significant yield spread differences between 100k threshold emissions and emissions without threshold by the same emittent to the disadvantage of the small and medium size investor.

a) Do you then think that the EUR 100 000 threshold should be lowered?

- ☒ Yes
☐ No
☐ Don't know / no opinion

Please specify to which amount (in euro) the EUR 100 000 threshold should be lowered:

1000

€

Please justify your answer on whether the EUR 100 000 threshold should be lowered:

1,000 character(s) maximum

For investors with wealth from 100.000 EUR up to about 5.000.000 EUR this rule prevents a sufficient credit risk diversification in a bond portfolio. This point is not only relevant for retail investors like mentioned in the consultation document but also for investors which are declared "qualified investors" in the document, e.g. wealth management companies and investment funds with smaller investment portfolios. The market liquidity is reduced by the rule cause the bond market is closed for a wide range of investors with portfolios up to about EUR 5 Mio. In the bond market you can recognize significant yield spread differences between 100k threshold emissions and emissions without threshold by the same emittent to the disadvantage of the small and medium size investor.

b) Do you then think that some or all of the favourable treatments granted to the above issuers should be removed?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion

Please indicate to what extent the favourable treatments granted to the above issuers should be removed:

1,000 character(s) maximum

The 100k threshold rule should be removed because it discriminates investors with small and medium wealth for whom the bond market for single investments smaller than 100k is closed.

Please justify your answer on whether the favourable treatments granted to the above issuers should be removed:

1,000 character(s) maximum

The 100k threshold rule should be removed because it discriminates investors with small and medium wealth for whom the bond market for single investments smaller than 100k is closed. The rule reduces market liquidity so that the bond market is less efficient.

c) Do you then think that the EUR 100 000 threshold should be removed altogether and the current exemptions should be granted to all debt issuers, regardless of the denomination per unit of their debt securities?

- ☒ Yes
- ☐ No
- ☐ Don't know / no opinion

Please justify your answer on whether the EUR 100 000 threshold should be removed altogether and the current exemptions should be granted to all debt issuers, regardless of the denomination per unit of their debt securities:

1,000 character(s) maximum

For investors with wealth from 100k up to about 5 Mio EUR this rule prevents sufficient credit risk diversification in a bond portfolio. This point is not only relevant for retail investors like mentioned in the consultation document but also for "qualified investors", e.g. wealth managers and investment funds with smaller investment portfolios. On the other side the exemption rules drive investors of small and medium wealth into small emissions mostly carrying higher credit risks than emissions of bigger emittents. So non high wealth investors are forced by the rules to accept higher risk than they would do otherwise. This is absolutely contrarian to the propagated intention of investor protection by the directive. The rule reduces market liquidity so that the bond market became less efficient.

B. The information a prospectus should contain

B1. Proportionate disclosure regime

16. In your view, has the proportionate disclosure regime (Article 7(2)(e) and (g)) met its original purpose to improve efficiency and to take account of the size of issuers? If not, why?

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion

Please justify your answer on whether the proportionate disclosure regime has met its original purpose:

1,000 character(s) maximum

17. Is the proportionate disclosure regime (Article 7(2)(e) and (g)) used in practice, and if not what are the reasons? Please specify your answers according to the type of disclosure regime.

a) Proportionate regime for rights issues

- ☐ Yes
- ☐ No
- ☐ Don't know / no opinion