

CONSULTATION PAPER – 21-01

CONSULTATION ON PROPOSED AMENDMENTS TO RULES AND ADVISORY REGIME FOR EURONEXT GROWTH DUBLIN

BACKGROUND TO THE PROPOSED CHANGES

Since the Irish Stock Exchange joined the Euronext Group in March 2018, we have witnessed a period of significant change in both domestic and international capital markets.

From a trading perspective, issuers on Euronext Dublin migrated to the Euronext pan-European trading platform, Optiq in February 2019. This resulted in a significant number of new trading members connecting to the Irish market, in addition to an increase in trading of dual-listed Irish issuers on Euronext Dublin vis-à-vis LSE.

From a settlement perspective, as a result of Brexit and the requirement for European companies to have an EU based CSD, Irish issuer CSD settlement migrated from CREST (UK) to Euroclear Bank (Belgium) in March 2021.

Meanwhile, the UK is currently in the process of reviewing their listing regime and rules.

Hence, given the orientation of trading and post-trade in Irish securities towards Europe, the ongoing UK listing review and the desire to enable Irish issuers to access other Euronext markets, we believe that now is an opportune time for Euronext Dublin to review our Growth Market regime to ensure that it is fit for purpose and delivers to our current and future issuers.

EURONEXT GROWTH MARKETS AND RULE BOOKS

Euronext operates six Growth markets in Brussels, Dublin, Lisbon, Oslo, Milan and Paris. Our Growth market is a multi-lateral trading facility (MTF) designed for ambitious scaling companies to access the capital markets. It is designated with the EU SME Growth Market status giving certain carve outs for various European Directives such as the Market Abuse Regulation.

From a regulatory perspective our Growth market is governed by a harmonised rule book (Part I) that is applicable to all issuers, in addition to specific admission conditions and ongoing obligations for each jurisdiction (Part II). It is the Part II applicable to the Irish market and the corresponding Euronext Growth Advisor rules that are the subject of this consultation.

OBJECTIVES OF THE REVIEW

When reviewing our Rule Books for the Irish market we had a number of objectives as set out below:

- (i) to have reasonably consistent regimes across Euronext Growth markets to enable current and future issuers to access one or more markets easily;
- (ii) to expand the advisory regime to enable our approved Growth Advisors to advise companies in relation to listing in other Euronext jurisdictions, in addition to connecting approved Euronext advisors on other markets to support companies seeking to list in Dublin;
- (iii) to enable international issuers and advisors to connect to the Irish market;
- (iv) to ensure that the proposed changes will not negatively impact any existing or future issuers that are dual-listed on AIM in London on the basis that the regime will be no more onerous; and
- (v) to streamline and align the existing rules with those of other Euronext jurisdictions, including the removal of rules that are covered in legislation and certain anomalies vis-à-vis other European exchanges, e.g. the Class Tests.

It is worth noting that the proposed regime is one that is tried and tested in other Euronext jurisdictions and is delivering to issuers, in addition to meeting investor protection requirements which are paramount.

SUMMARY OF KEY PROPOSED AMENDMENTS

Our review of the rules to deliver to the objectives set out above led to a number of proposed amendments, the most significant of which are as follows:

- Integration of the application procedure for new issuers with that of the other Euronext Growth markets (removal of Schedule One requirement)
- Removal of Class Tests (with the exception of the Consideration Test which is retained as part of the RTO rule)
- Changes to the content of the Information Document (admission document)
- A review of the Information Document will be performed by Euronext for completeness, consistency and comprehensibility
- Alignment of Quoted Applicant route with that of the other Euronext Growth markets
- Renaming of Euronext Growth Advisor to Euronext Growth Listing Sponsor
- Alignment of Euronext Growth Advisor regime to that of the other Euronext Growth markets (eligibility requirements, application process and ongoing obligations)

The above highlight some of the proposed changes. Please review the marked up version (Part II) of the rule book to see all changes. In addition, please note that the Euronext Growth Advisor Rules will be replaced in full by Appendix IV of Part I.

For the avoidance of doubt, Appendix III and Appendix IV of Part I of the rule book will now apply to Dublin. The current rule book will be amended to reflect this.

CONSULTATION

We have included a marked up and clean version of the proposed amendments in the attached and we invite stakeholders to provide written feedback. For your convenience, we have also included a copy of the current Harmonised Rules (Part I) . The consultation is open for your views until **30 June 2021**.

If you would like to respond please send your comments and views by email to euronextgrowth@euronext.com

A copy of the Consultation Paper will also be available on our website at the following link:
<https://www.euronext.com/en/markets/dublin>

Kind Regards,

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