



# The new Prospectus Regulation: Guernsey's perfect placement

July 2017

On 20 July 2017, the EU Prospectus Regulation came into force, bringing with it a number of advantages for companies looking to raise additional capital. The full provisions of the Prospectus Regulation will not apply until July 2019, but some of the provisions have already come into effect.

Whereas some offshore jurisdictions have their own prospectus rules and requirements which may negate the benefits provided by the Prospectus Regulation, Guernsey's permissive prospectus rules, particularly for companies listed on the European markets, are perfectly suited to pass on the full benefit of the Prospectus Regulation to Guernsey companies.

Looking at some of these benefits in more detail, from 21 July 2017 the threshold for the existing prospectus exemption for further issues by a listed company of less than 10% of its existing share capital in a 12 month period has been extended from 10% to 20%. A similar 20% threshold has also been introduced for the prospectus exemption for the conversion of securities issued after 20 July 2017 into shares.

21 July 2018 will see the extension of the existing de minimis prospectus exemption, increasing the de minimis level for capital raises within the EU from €100,000 to €1 million. Whilst 21 July 2019 will also see the introduction of simplified prospectus requirements for companies on growth markets, which may include AIM, and for secondary issues.

Whereas Guernsey does have its own prospectus requirements in the form of the Prospectus Rules 2008, companies whose share capital is admitted to trading on most European markets, including the London Stock Exchange, are exempted from having to comply. There are also no other Guernsey legislative or regulatory approvals or consents required for the further issue of shares or other securities for listed companies.

For companies looking to benefit from the many advantages of utilising an offshore zero tax company to access the European capital markets, whilst taking advantage of the increased flexibility and cost saving provided by the Prospectus Regulation, Guernsey is the ideal choice of jurisdiction.

If you would like to discuss the advantages of Guernsey for accessing the European capital markets, please feel free to contact [Simon Heggs](#) or [Wayne Atkinson](#).

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For more information please contact:



**Simon Heggs**

Group Partner \*+ // Guernsey

t: +44 (0) 1481 734825 // e: [simon.heggs@collascrill.com](mailto:simon.heggs@collascrill.com)



**Wayne Atkinson**

Partner // Guernsey

t: +44 (0) 1481 734225 // e: [wayne.atkinson@collascrill.com](mailto:wayne.atkinson@collascrill.com)

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