

European Securities and Markets Authority
201-203 rue de Bercy
75589 Paris
France



Brussels, 05 December 2024

SUBJECT:

Consultation paper on draft technical advice concerning the Prospectus Regulation and on updating the CDR on metadata

Dear Sir/Madam,

The European Real Estate Association (“EPRA”) is the voice of Europe’s listed real estate companies, their investors, and suppliers. With more than 290 members covering the entire spectrum of the listed real estate industry, EPRA represents over €880 billion in real estate assets and 95% of the market capitalisation of the FTSE EPRA Nareit Europe Index.

EPRA’s mission is to promote, develop, and represent the European public real estate sector. We achieve this by providing better information to investors and stakeholders, actively engaging in public and political debates, promoting best practices, and fostering cohesion and strength within the industry. In this role, we welcome the opportunity to respond to your consultation paper.

Below, we have provided answers to some of the questions addressed in the paper. We remain available to offer any additional information you may require at publicaffairs@epra.com

Responses to the consultation paper

Q3 - DO YOU AGREE WITH ESMA’S SUSTAINABILITY-RELATED ASSESSMENT IN RELATION TO THE ‘STANDARD’ EQUITY REGISTRATION DOCUMENT? IF NOT, PLEASE EXPLAIN WHY?

We appreciate the sustainability-related considerations incorporated by ESMA in the draft technical advice. Aligning the equity registration document requirements with existing sustainability legislative frameworks will help minimise redundancy and promote coherence across regulatory requirements.

Q19 - DO YOU AGREE WITH ESMA’S ASSESSMENT REGARDING CHANGES TO THE URD ANNEX?

From our perspective, there is no particular need to introduce significant changes to the formatting or content of the Universal Registration Document (URD). The URD is a well-established and widely used format that effectively serves the needs of both issuers and investors.

That said, it is worth noting the current practices of certain listed property companies, which often draft their annual reports in the form of a URD. While the URD requirements are more extensive than those of a standard annual report, some listed property companies have chosen this format primarily because it can be easily adapted for use when publishing a prospectus.

With the introduction of a "light form" prospectus under the EU Listing Act. This raises the question of whether the effort and resources needed to produce a URD continue to justify their value. ESMA

might consider assessing whether the benefits of the URD format remain compelling in this new regulatory context or whether further adjustments could make it more proportionate and practical for issuers.

Q23 - DO YOU AGREE WITH ESMA'S APPROACH TO FURTHER HARMONISING THE DEADLINES IN NCAS' APPROVAL PROCESSES, I.E. TRYING TO KEEP THE DEADLINES AS SIMPLE AS POSSIBLE AND AVOIDING COMPLICATED ADMINISTRATIVE PROCEDURES? IN YOUR ANSWER, PLEASE INDICATE WHAT CHANGES COULD BE MADE TO IMPROVE ESMA'S ADVICE IN THIS AREA.

Differences between Member States create an uneven playing field for competitors in neighbouring countries. A consistent and shorter timeline would help foster a fairer market. Furthermore, streamlining deadlines and approval processes for other stakeholders is an essential step to ensure efficiency across the market.

Q24 - DO YOU BELIEVE ESMA'S PROPOSAL WILL IMPOSE ADDITIONAL COSTS AND/OR BURDENS FOR ISSUERS? PLEASE EXPLAIN YOUR ANSWER AND PROVIDE AN INDICATION OF THE RELATED COSTS.

Within the scope of the European Commission's request to ESMA and in compliance with the Level 1 text, we believe there is room for further harmonisation in the processes applied by banks.

From a practical perspective, a key reason listed companies often opt for private placements rather than public offerings lies in the differences in time, cost, preparation, and documentation requirements. The process for preparing a public offering remains burdensome, driven partly by the need for a lengthy prospectus -though this has been alleviated to some extent by changes introduced under the EU Listing Act- and partly by the extensive requirements imposed by banks. These requirements frequently include substantial due diligence, comfort letters from statutory auditors, and other extensive assurances.

A significant improvement would be to streamline the processes imposed by banks for public offerings, aligning them more closely with those of private placements. This could include adopting "light-form" due diligence processes and limiting the scope of comfort requested from statutory auditors. Such changes would greatly reduce the administrative burden and cost of public offerings, making them a more attractive option for issuers.

While the EU Listing Act has introduced reforms to the prospectus process, it remains to be seen whether these changes will lead to a shift in current market practices among banks. Any recommendations made by ESMA within the remit of the Commission's request would be highly welcomed by listed companies and our sector.