

## ESMA Final Report on amendments to EU Prospectus regime

### Introduction

The [EU Listing Act](#), amending the EU Prospectus Regulation (“**PR**”), entered into force on 4 December 2024. However, many of the new provisions, including new requirements for product specific ESG disclosures for non-equity securities, will not apply until 5 June 2026 since they are reliant on level 2 measures (technical standards and delegated acts).

### ESMA Consultation Paper on PR

In response to its mandate from the Commission under the PR, on 28 October 2024 the European Securities and Markets Authority (“**ESMA**”) published a [consultation paper on draft technical advice concerning the PR](#) (the “**CP**”). The CP included [proposed changes to Commission Delegated Regulation \(EU\) 2019/980](#) (the “**CDR on scrutiny and disclosure**”) setting out changes to prospectus content and format requirements and updated disclosure annexes, including a new building block, annex 21, for debt securities advertised as taking into account ESG factors or pursuing ESG objectives.

Additionally, ESMA consulted on proposed changes to Commission Delegated Regulation 2019/979 (“**the CDR on metadata**”) to reflect necessary changes due to the introduction of new prospectus types in the PR<sup>1</sup> as well as proposals relating to the maximum timeframe for prospectus approvals and conditions for derogations from that timeline.

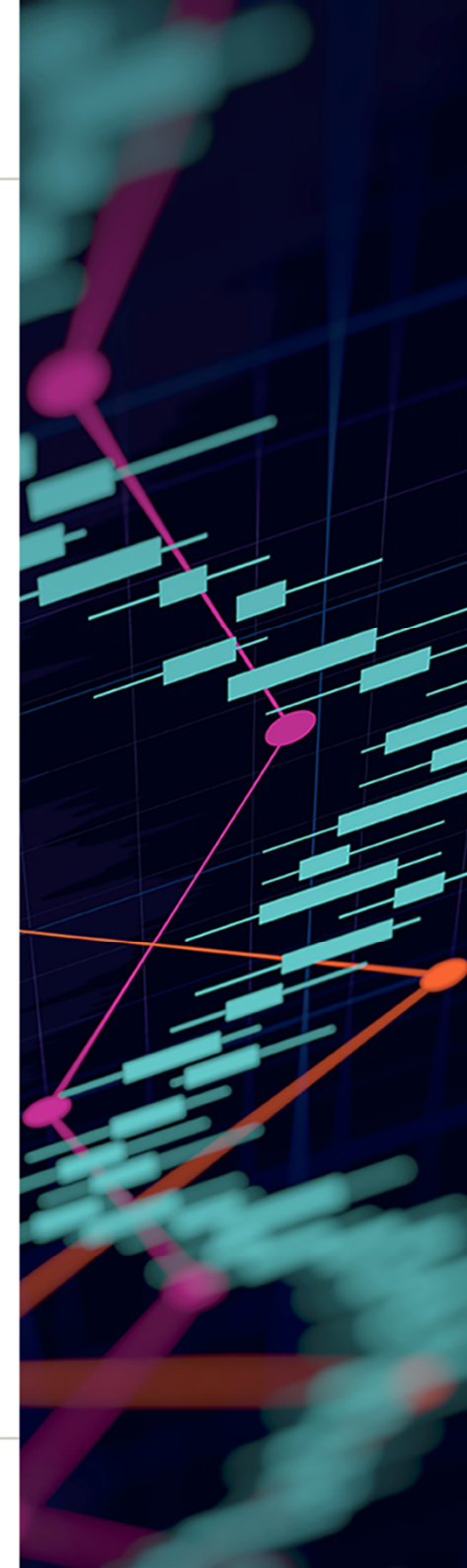
### ESMA Final Report on PR

On 12 June 2025, ESMA published its [Final Report on technical advice concerning the PR](#) (“**Final Report**”). The full text of ESMA’s final technical advice relating to the CDR on scrutiny and disclosure is contained in Annex V of the report and includes substantial revisions to annex 21 (the “**ESG Disclosure Annex**”) for debt securities advertised as taking into account ESG factors or pursuing ESG objectives (“**ESG Bonds**”); the revised CDR on scrutiny and disclosure is available via hyperlink in [clean](#) and [marked up](#) against ESMA’s initial proposals set out in the CP.

We summarise below the most relevant proposals for DCM.

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<sup>1</sup> i.e. the new alleviated prospectuses, the Follow-on Prospectus and the Growth Prospectus.



## Overview – General

### Standardised format and sequencing

As part of its mandate to provide technical advice to the Commission, ESMA was required to determine the standardised format and standardised sequence of the prospectus, the base prospectus and the final terms in accordance with amendments to Article 6 and 13 of the PR and to the format and content of prospectuses introduced in Annex I to III of the PR. In response to the CP, market participants expressed concern that new strict format and sequence requirements could prove problematic and burdensome for issuers and require them to alter established practices to prepare prospectuses.

To address feedback, ESMA has proposed that standardisation of format and sequencing (following the Annexes to the PR) should only apply only to IPO or “plain vanilla” standalone debt prospectuses prepared by a single issuer. There will be no requirement to re-order disclosure in base prospectuses, except where a registration document is prepared by a single issuer and is to be used in a tripartite base prospectus.

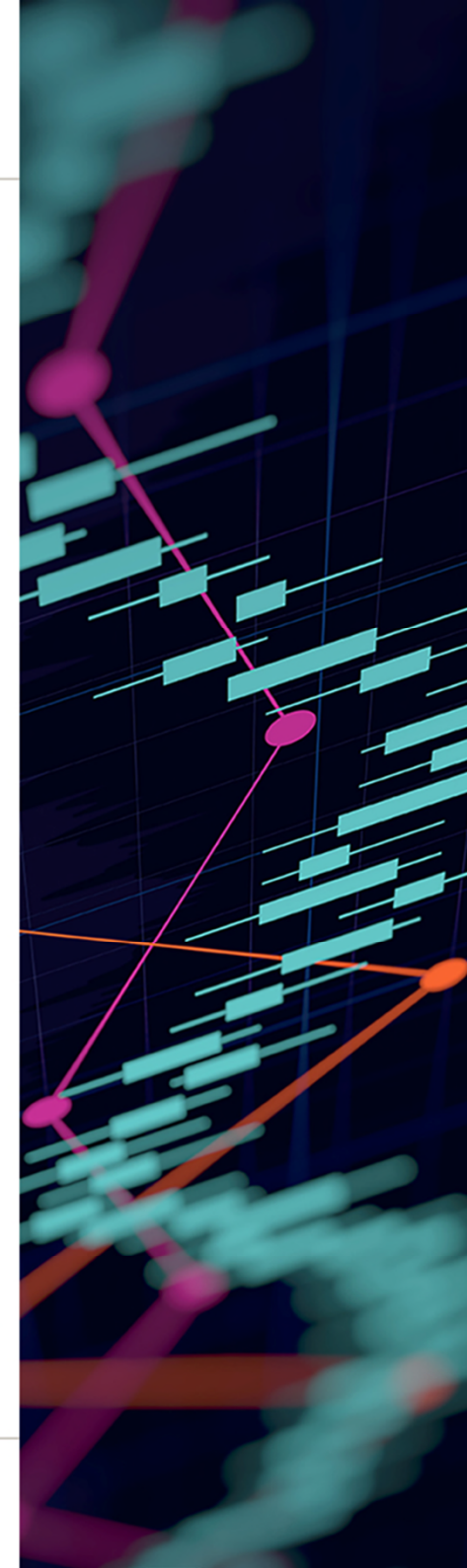
### Pared down “standard” disclosure annexes

ESMA has pared down the “standard” disclosure annexes. This includes combining the wholesale and retail annexes for non-equity securities into a single streamlined non-equity disclosure framework.<sup>2</sup> In response to feedback to its original proposal (which was duplicative and did not clearly distinguish between wholesale and retail disclosure items), ESMA has proposed to signpost within these combined annexes where a disclosure item is ‘relevant to retail only’ or ‘relevant to wholesale only’. Other discrepancies identified in responses to the CP (including from ICMA), which risked inadvertently increasing disclosure requirements for wholesale issuers have been rectified in the final technical advice.

ESMA has carried over without change its original proposal that prospectuses for non-equity securities need only include historical financial information for the last financial year (instead of the last two years).

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<sup>2</sup> New annexes 6 (registration document for non-equity securities) and 13 (securities note for non-equity securities).



## What is ESMA proposing for ESG Bonds?

### Scope of the ESG Disclosure Annex

As a reminder, the Listing Act introduced a requirement for the disclosure annexes defining the specific information to be included in a prospectus to take into account whether non-equity securities offered to the public or admitted to trading on a regulated market are “advertised as taking into account ESG factors or pursuing ESG objectives”. ESMA was mandated to provide technical advice to the Commission on the content of a building block to reflect this requirement.

In response to requests in the responses to the CP for guidance on what ‘advertised’ would mean in this context, ESMA notes this should be considered broadly under the PR to include both oral and written communications (giving the example of a roadshow). Though ESMA declined to provide any formal guidance at this stage, noting this may be better suited for future Q&A, it did helpfully state its understanding that ‘advertised’ in this context refers to advertisements published *in relation to the securities* and as such ESMA would not expect publication of an issuer’s corporate/entity-level disclosures to trigger the application of the ESG Disclosure Annex, since they concern the issuer itself.

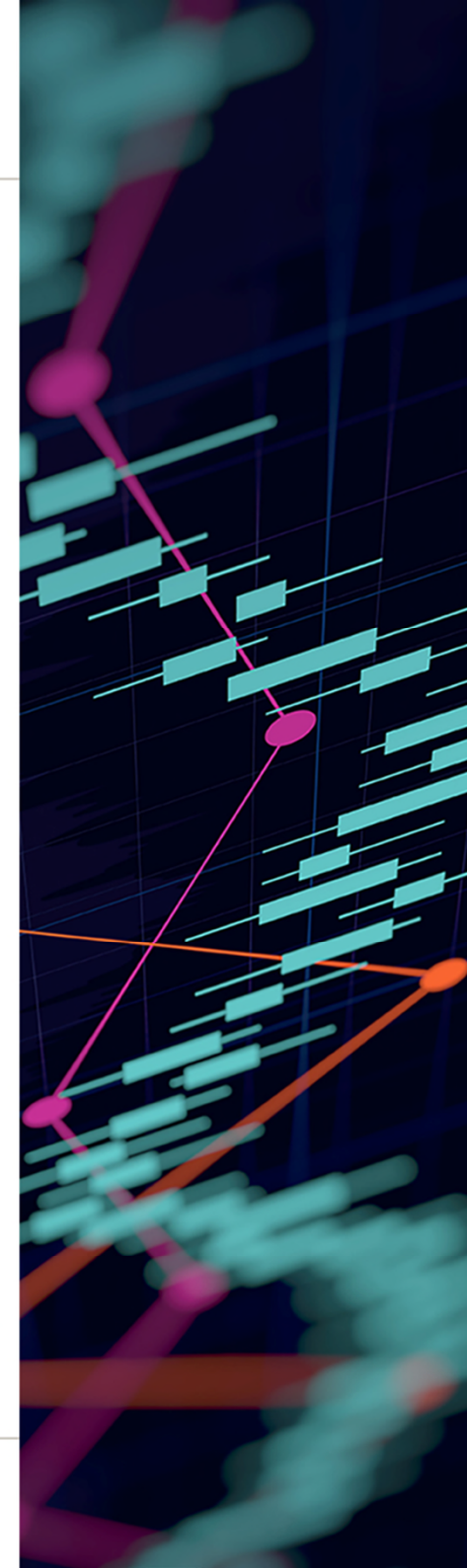
These proposals are of relevance to all ESG Bonds subject to the PR, including those aligned with voluntary market-based standards<sup>3</sup> (such as the [ICMA Principles](#)); green bonds meeting the requirements of the EU’s official label (“**EuGB**”) and ESG Bonds using the voluntary pre-issuance templates under the European Green Bond Regulation (“**EuGB Regulation**”) (for an overview of the EuGB Regulation see our [EU Green Bond Regulation Hub](#) and [podcast series](#)).

### Structure of the ESG Disclosure Annex

The proposed ESG Disclosure Annex is intended to be used as a building block in combination with other disclosure annexes applicable to non-equity securities. ESMA’s starting point was its [Public Statement](#) of July 2023 on sustainability disclosures expected to be included in prospectuses drawn up in compliance with the PR (the “**Statement**”) <sup>4</sup>, though there are aspects of this proposed ESG Disclosure Annex which go further (for more on the Statement, see our blog post [here](#)).

<sup>3</sup> Which would include both “use of proceeds” and “sustainability-linked” bonds.

<sup>4</sup> The requirements of the Statement reflect current market practice for bonds issued in scope of the PR.



## Specific disclosure requirements for Use of Proceeds bonds and SLBs

In its Statement, ESMA's disclosure expectations were mapped to the existing disclosure requirements under the disclosure annexes of the PR. The new ESG Disclosure Annex follows the same approach for product specific disclosures; indeed, the use of proceeds ("UoP") bond and sustainability-linked bond ("SLB") disclosures track the items set out in the Statement applicable to such product types. ESMA has also taken its inspiration from the terms used in the Statement for its proposal to introduce new definitions of SLBs and UoP bonds into the CDR on scrutiny and disclosure, though taking on board stakeholder feedback to more closely align such terms with the ICMA Principles in its final advice.

## Requirements for ESG Bonds going beyond ESMA's Statement

### Disclosure item regarding alignment with market standards, labels or taxonomies

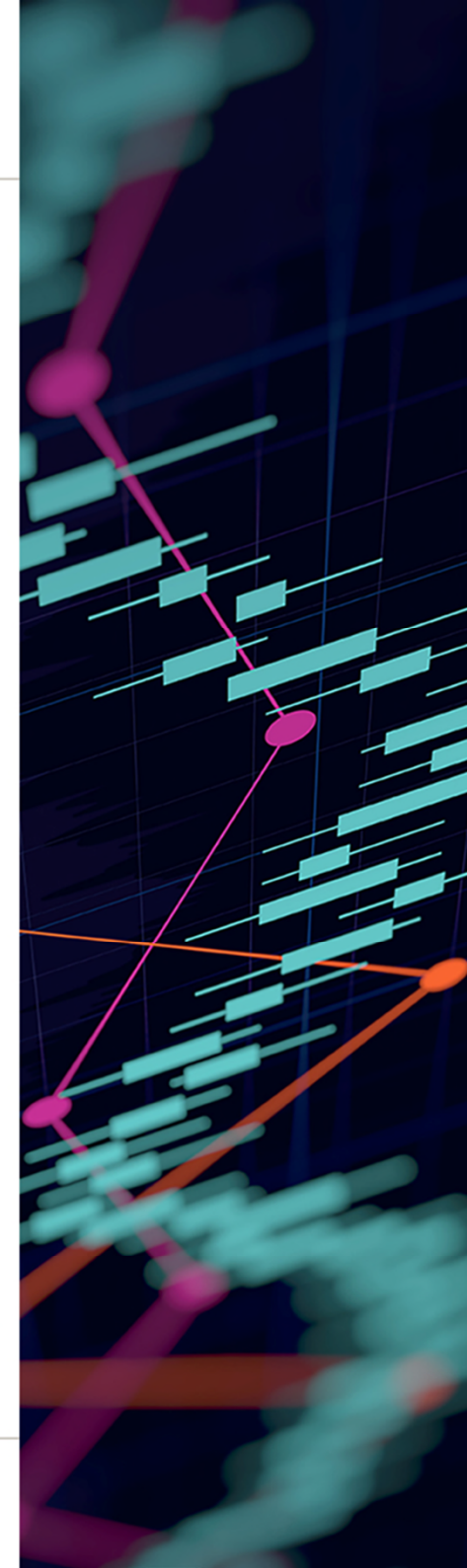
Under the revised ESG Disclosure Annex (and in response to feedback), all issuers will be required to include a clear and comprehensive explanation in the prospectus to help

investors understand the ESG factors taken into account and/or the ESG objectives pursued by the securities. This explanation should be unambiguous (changed from 'unequivocal' in the original proposal) and fact-based.

Where an ESG Bond is advertised as complying or aligned with, eligible under or otherwise adhering to a specific market standard, label or taxonomy, then such explanation must also:

- > clearly state that such taxonomy applies to the securities (and, where applicable, identify any third-country taxonomy) and identify the market standard or label, as applicable; and
- > state how the criteria for such taxonomy, standard or label, as applicable, are met, and, where relevant, identify any elements that are not met.

In its Final Report, ESMA stresses that where an issuer is in partial compliance with such taxonomy, standard or label, the revised disclosure requirements set out in the ESG Disclosure Annex aim to ensure that the disclosure around such partial alignment in an issuer's prospectus (and any accompanying advertisements) is clear and does not mislead investors.



## Requirement to disclose if the issuer intends to provide post-issuance information

ESMA has carried across without change its proposal from the CP to introduce a requirement to disclose if the issuer intends to provide post-issuance information and if so where it can be found. This was expressed only as a recommendation under the Statement, as ESMA did not have the legal basis to introduce a new requirement at such time. Note that this disclosure item does not compel such publication of post-issuance information (as post-issuance disclosure is out of scope of the PR); however ESMA urges issuers to provide such information in relation to their ESG Bonds to ensure investors are better equipped to assess the impact of their investments.

## Disclosure of ESG Ratings

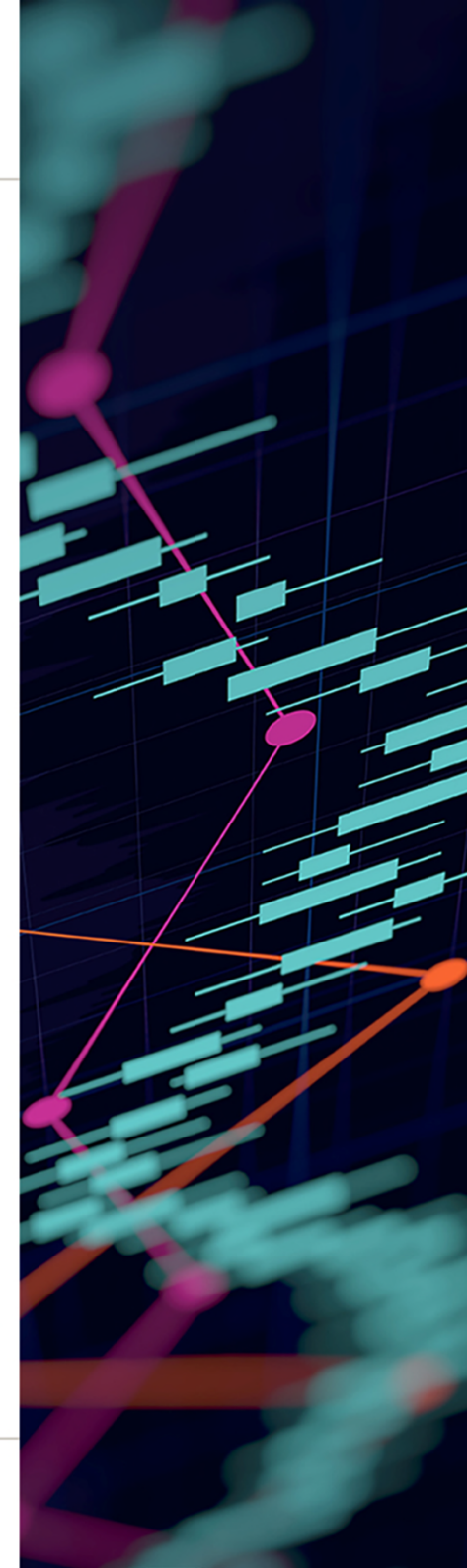
The ESG Disclosure Annex requires disclosure of ESG ratings where an issuer chooses to use such ESG ratings when advertising the non-equity securities. To date there has been reluctance from market participants to include disclosure of ESG ratings in prospectuses given concerns around the integrity, transparency and quality of ESG ratings. The EU ESG Ratings Regulation, published in the Official Journal of the EU on 12 December 2014 and applicable from 2 July 2026, will mitigate some of these concerns. For the latest on the EU ESG Ratings Regulation, see our blog post [here](#).

## Interaction between the ESG Disclosure Annex and the EuGB Regulation

ESMA has confirmed that the ESG Disclosure Annex will apply to all PR-compliant ESG Bonds, including EuGB labelled bonds and ESG Bonds using the voluntary pre-issuance templates under the EuGB Regulation.

### EuGB labelled bonds

Noting stakeholder support for disapplying the ESG Disclosure Annex for EuGB labelled bonds, ESMA has taken a fresh look at the interaction between the disclosure requirements under the EuGB Regulation and the ESG Disclosure Annex and has determined that the disclosure in an issuer's EuGB factsheet should satisfy the disclosure requirements in the ESG Disclosure Annex. Therefore, ESMA's final advice to the Commission is that for EuGB labelled bonds, the issuer will be considered to comply with the requirements of the ESG Disclosure Annex if **all** information from the EuGB factsheet is incorporated by reference into the prospectus, including via final terms.



## Facilitating EuGB issuances under base prospectuses

If all information from the EuGB factsheet cannot be incorporated by reference at the time the prospectus is approved, an issuer can still be considered to comply with the requirements of the ESG Disclosure Annex where the prospectus contains a statement that the EuGB factsheet **will be** incorporated by reference, including via the final terms.

## ESG Bonds using the voluntary templates under the EuGB Regulation

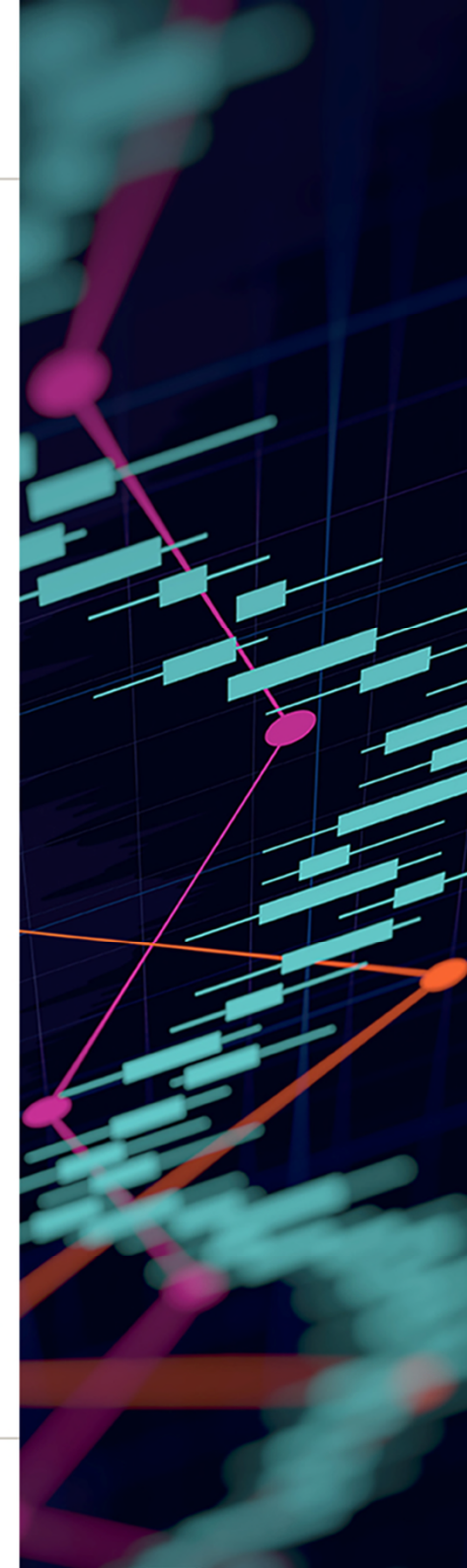
In considering the approach for ESG Bonds that have opted-in to use the voluntary pre-issuance templates under the EuGB Regulation, ESMA notes that apart from the additional disclosures prescribed by the EuGB Regulation for this voluntary regime, there is no difference between such bonds and other ESG Bonds. Further, whilst there is supervision of the post-issuance templates via the EuGB Regulation, there is no framework for supervision of an issuer's voluntary pre-issuance disclosures within that Regulation.

ESMA also notes that it is lacking in information about the guidelines for voluntary pre-issuance disclosures under the EuGB Regulation (which have yet to be officially published) and as such cannot provide straight-forward advice to the Commission on the application of the ESG Disclosure Annex at this time. ESMA may reassess this position once it has reviewed the guidelines (and notes that the Commission may wish to make its own assessment taking into account ESMA's technical advice in the Final Report). In any case, ESMA plans to add the voluntary pre-issuance disclosures under the EuGB Regulation to the list of documents that can be incorporated by reference in prospectuses in accordance with Article 19(1) of the PR<sup>5</sup>.

Should the Commission decide to provide similar alleviations for ESG Bonds using the voluntary pre-issuance templates as ESMA has proposed for EuGB labelled bonds, ESMA has provided draft disclosure items within the Final Report (but not the ESG Disclosure Annex) which track the approach taken for EuGB labelled bonds. For the latest on the voluntary pre- and post-issuance templates under the EuGB Regulation, see our blog post [here](#).

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<sup>5</sup> ESMA can do this via Regulatory Technical Standards under the PR.



## Voluntary Entity-level ESG disclosure

By way of reminder, the CP had included a proposal for an **optional** disclosure item in the standard non-equity securities registration document for issuers required to provide sustainability reporting under the Accounting Directive or Transparency Directive (i.e. those in scope of the Corporate Sustainability Reporting Directive), which would have permitted those issuers to include a hyperlink in a prospectus to their entity level sustainability information, provided that the prospectus included a disclaimer that such information did not form part of the prospectus itself unless expressly incorporated by reference.

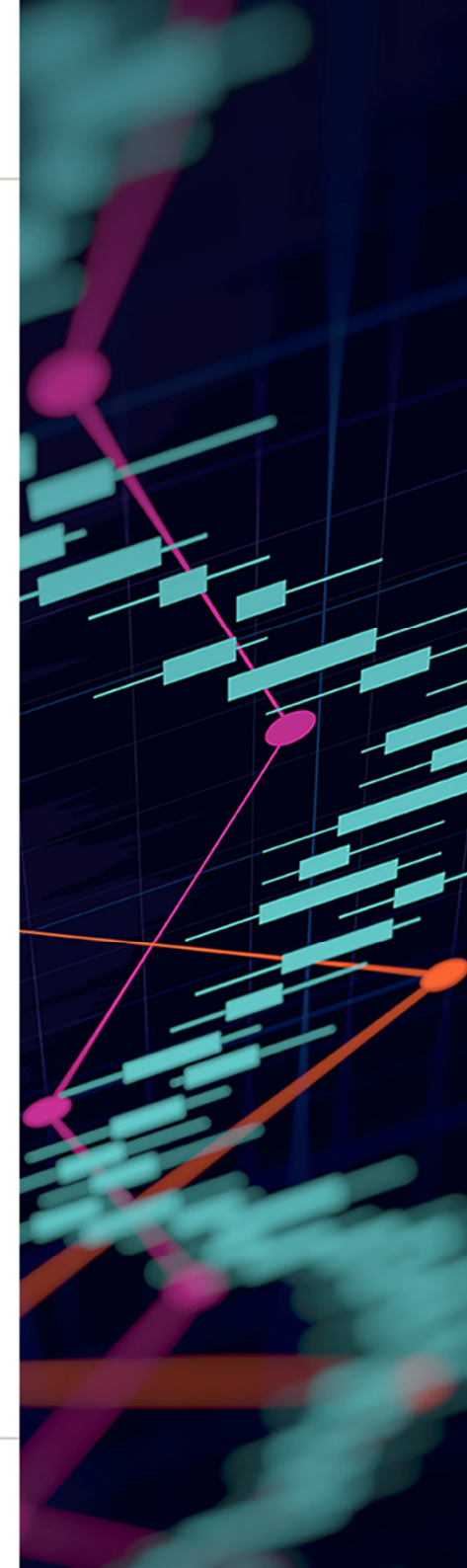
ESMA has **deleted** this proposal from its final advice to the Commission, noting such disclosure item (which was not specifically mandated by the Commission) was unnecessary as issuers always have discretion to provide such information and its inclusion could create a risk that such information is treated as part of the prospectus.

## Interaction with other EU ESG legislation

As noted in the CP (and now restated in this Final Report), due to the current plans to revise the Sustainable Finance Disclosure Regulation (“**SFDR**”) and ESMA’s current Common Supervisory Action on MiFID II sustainability topics, ESMA does not deem it appropriate to align disclosures under the PR with the SFDR and believes it is too early to provide any advice on consistency or alignment between ESG disclosures for non-equity securities and sustainability preferences.

## ESMA Final Report on Technical advice concerning civil prospectus liability

On 12 June 2025, ESMA also published its **Final Report on technical advice concerning civil prospectus liability**, which follows on from its **call for evidence on potential steps towards harmonising rules on civil liability** pertaining to prospectuses under the PR published last autumn. ESMA’s advice **does not recommend any changes to the existing civil prospectus liability regime** under Article 11 of the PR though ESMA highlights two reforms which may be worthy of further consideration (should the Commission still intend to contemplate reform), namely (i) safe harbour protections for forward-looking statements and (ii) harmonisation of the rules on determining the applicable law in cases of civil prospectus liability.



## Timings

ESMA's Final Report has been submitted to the Commission. From the date of submission, the Commission must decide whether to adopt the proposed changes to the CDR on metadata within three months (such period may be extended by a further one month).

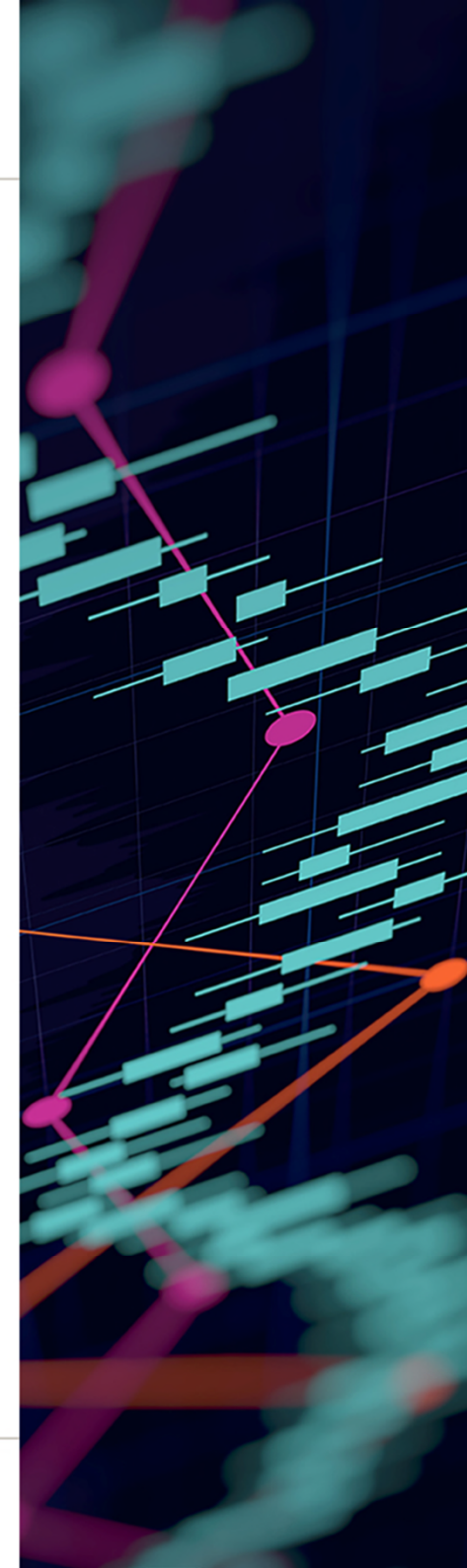
It is worth noting that whilst the Commission has mandated ESMA to provide such technical advice, the Commission it is under no obligation to adopt ESMA's proposals and so, particularly in relation to the CDR on scrutiny and disclosure, we must await the Commission's adoption of the final delegated acts (due by 5 June 2026 in order to apply from then) to see the precise changes that will apply under the PR.

In any event, as a result of the transitional provisions under the PR, a base prospectus approved up until 4 June 2026 will be governed by the provisions of the existing PR until the end of its period of validity (typically 12 months).

ESMA's Final Report on technical advice concerning civil prospectus liability has also been submitted to the Commission; the Commission now has until 21 December 2025 to present a report to the European Parliament and Council of the EU (together with any proposed amendments to the liability provisions set out in Article 11 of the PR).

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