

**In case of discrepancies between the French and the English text, the French text shall prevail**

Luxembourg, 10 October 2005

To all persons and undertakings under the supervision of the CSSF, as well as to all persons intending to make an offer of securities to the public in Luxembourg or requesting the admission of securities to trading on a regulated market in Luxembourg, within the scope of Chapter 1 of Part III of the law on prospectuses for securities

**CIRCULAR CSSF 05/210**

**Re: Drawing-up of a simplified prospectus within the scope of Chapter 1 of Part III of the law on prospectuses for securities**

Ladies and Gentlemen,

Chapter 1 of Part III of the law on prospectuses for securities (*Mémorial A* – No. 98 of 12 July 2005) (the **Prospectus Law**) provides for a simplified prospectus regime applicable to offers to the public of securities and other comparable instruments which are not covered by Part II of the Prospectus Law and therefore outside the scope of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

Pursuant to paragraph 2 of article 32 of the Prospectus Law, the detailed information to be provided in a simplified prospectus is determined by the Commission de Surveillance du Secteur Financier. Paragraph 1 of article 32 provides in general that the information to be included in a simplified prospectus is information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the issuer and of any guarantor, and of the rights attaching to such securities.

The CSSF considers that the requirements laid down in paragraph 1 of article 32 are fulfilled when the issuer and/or offeror draws up its prospectus by including the same headings and items of information as provided for by Annexes I and III to VI<sup>1</sup> of the Rules and Regulations of the Luxembourg Stock Exchange as approved by ministerial order of 29 June 2005 (and published in the *Mémorial A* – No. 99 of 12 July 2005); these Annexes define the requirements regarding the simplified prospectus with respect to Chapter 2 of Part III of the Prospectus Law.

Where the above-mentioned Annexes refer to the “Company” (that is, the Luxembourg Stock Exchange) and confer rights on it in its capacity as competent authority for the approval of a simplified prospectus, this reference shall be understood in the context of Chapter 1 as reference to the CSSF as competent authority. Likewise, every reference in the Annexes to an admission to trading shall be understood as a reference to an offer to the public of securities. Finally, the CSSF is the authority entitled under Chapter 1 to grant, where applicable, a partial or total exemption from the obligation to publish a simplified prospectus.

The CSSF will make sure in a pragmatic way and on a case-by-case basis, that the information provided in a simplified prospectus is pertinent and meets the requirements of article 32, paragraph 1 of the Prospectus Law. If securities or other comparable instruments that fall within the scope of Part III of the Prospectus Law cannot be adequately described by means of the schedules and rules set down in the Annexes to the above-mentioned Rules and Regulations, and if certain headings contained in an Annexe appear to be unsuited to the activity or the legal form of the issuer, a prospectus providing equivalent information shall be drawn up by adapting the relevant items of information, following consultation with the competent CSSF departments.

As an alternative to the use of the schedules and rules of the Annexes to the Rules and Regulations, the issuers and/or offerors can, in any case, draw up their simplified prospectus by making use of the Annexes to the Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the **Prospectus Regulation**).

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<sup>1</sup> ANNEXE I – Elements of the files to be submitted to the Company for scrutiny with respect the approval of the prospectus for the admission to trading on a market regulated by the Stock Market.

ANNEXE III – Information to be given in the prospectus.

ANNEXE IV – Information to be included in the prospectus for the admission to trading on a market regulated by the Stock Exchange of reverse convertible notes, the income and/or the redemption of which are/is linked to underlying shares.

ANNEXE V – Information to be included in the prospectus for the admission to trading of some types of warrants, bond issues and issue programmes.

ANNEXE VI - Information to be included in the prospectus for the admission to trading on a market operated by the Company of the following types of financial assets:

Shares and units issued by undertakings for collective investment other than the foreign closed-end type whose securities are not publicly exposed, offered or sold in or from Luxembourg, and, financial assets, which are redeemable or exchangeable in shares or units of UCIs, or the income and/or redemption of which is/are linked to underlying shares or units of UCIs.

The submission of files under Chapter 1 of Part III of the Prospectus Law will be made in accordance with circular CSSF 05/196 [*repealed and replaced by circular CSSF 05/226 of 16 December 2005*] concerning the technical specifications regarding communications to the CSSF of documents for the approval or for filing and of notices for offers of securities to the public and admission of securities to trading on a regulated market, in relation to the Prospectus Law. Circular CSSF 05/196 provides, *inter alia*, that the submission of prospectuses for approval by the CSSF shall mainly take place *via* the e-file communication platform or *via* e-mail to [prospectus@e-file.lu](mailto:prospectus@e-file.lu) if the *Déposant* does not yet have the necessary e-file connection.

Apart from Chapter 1 of Part III of the Prospectus Law for which the CSSF is the competent authority, a simplified prospectus is also required by Chapter 2 of Part III of the Prospectus Law, but for which the Luxembourg Stock Exchange is the competent authority.

As far as Chapter 2 of Part III of the Prospectus Law is concerned, article 48 provides that the detailed information to include in a simplified prospectus is determined by the market operator in the rules governing its functioning. The Rules and Regulations of the Luxembourg Stock Exchange provide in Subchapter 1 of Chapter XI on the conditions for the drawing up of the prospectus to be published for the admission to trading on a regulated market of financial assets not covered by Part II of the Prospectus Law, that the prospectus shall be drawn up by using either the Annexes to the Prospectus Regulation, or the Annexes which are part of the Rules and Regulations, or, where applicable, in accordance with the terms laid down by the Luxembourg Stock Exchange.

The CSSF is in principle ready to recognise, upon a specific request, a simplified prospectus, duly drawn-up and approved for the application of the provisions of Chapter 2 of Part III of the Prospectus Law as equivalent to the prospectus that has to be drawn up under Chapter 1 of the same Part of the law.

Yours sincerely,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

Simone DELCOURT  
Director

Arthur PHILIPPE  
Director

Jean-Nicolas SCHAUS  
Director General