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Securities and Markets Team  
HM Treasury  
1 Horse Guards Road  
London SW1A 2HQ

Submitted by email [SAMteam@hmtreasury.gsi.gov.uk](mailto:SAMteam@hmtreasury.gsi.gov.uk)

Dear sirs

## **HM TREASURY CONSULTATION ON EARLY IMPLEMENTATION OF AMENDMENTS TO THE PROSPECTUS DIRECTIVE**

ICAEW welcomes the opportunity to comment on *Consultation on early implementation of amendments to the Prospectus Directive* published by HM Treasury in March 2011.

ICAEW is a world-leading professional accountancy body. We operate under a Royal Charter which obliges us to work in the public interest. ICAEW's regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the UK Financial Reporting Council. We provide leadership and practical support to over 136,000 member chartered accountants in more than 160 countries, working with governments, regulators and industry in order to ensure that the highest standards are maintained.

In response to the 2009 consultation from the European Commission and, this year, to the call for evidence from ESMA, ICAEW has consistently supported the aim to identify and reduce unnecessary administrative burdens on EU companies.

In this context, we agree with HM Treasury's proposed early implementation of increases to

- the total consideration of the offer for which the Prospectus Directive does not apply from €2.5m to €5m; and
- the minimum number of investors for which a prospectus is required from 100 to 150 investors.

Increasing the number of persons to whom an offer may be directed before it ceases to be an exempt offer may help drive down the cost of fundraising for companies. We believe, however, that it is difficult to quantify the benefits associated with this increase.

Yours faithfully

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