

Consultation – amendments to the rules for Euronext Growth Oslo

EURONEXT GROWTH OSLO RULE BOOK PART II AND NOTICES

FEBRUARY 2022



1 INTRODUCTION

The current regulations for Euronext Growth entered into force on 30 November 2020. In the subsequent period, a significant number of admission processes have been carried out at Euronext Growth Oslo. Based on this, Oslo Børs has gained experience with the regulations and where it is considered appropriate to make changes. Some of the proposals for changes are also based on feedback from the Norwegian Financial Supervisory Authority in connection with the thematic audit of the Euronext Growth Oslo marketplace.

2 OVERVIEW OF THE PROPOSED AMENDMENTS

2.1 GENERAL

Oslo Børs has conducted a complete review of Rule Book Part II for Euronext Growth Oslo. Based on such review, changes are proposed with regard to the use of terms, language, references and clarification of ambiguities. With regard to Rule Book Part I for Euronext Growth, Oslo Børs will conduct a similar review. Any changes in Rule Book Part I will not regard the content, and will thus not be sent for consultation.

In terms of content, Oslo Børs has reviewed the rules in Rule Book Part II that apply to Euronext Growth Advisors. When the trading venue Euronext Growth (formerly Merkur Market) was introduced, there was no requirement to appoint a Euronext Growth Advisor in the admission process. Based on experience from the start-up phase, and in order to strengthen the basis for the admission assessments and admission processes, Oslo Børs introduced a requirement whereby the issuers had to engage a Euronext Growth Advisor to assist them in the admission process. This requirement was introduced in the autumn of 2016, and entered into force on 9 January 2017. Over time, Oslo Børs has gained more and more experience from admissions to this trading venue, thereby making reflections on how the admissions processes are handled by the companies and the Euronext Growth Advisors. This experience has resulted in Oslo Børs wanting to make some changes to the regulations to clarify the role of the Euronext Growth Advisor, as well as introduce some risk-reducing measures with regard to inherent conflicts of interest related to the role as Euronext Growth Advisor. Changes are proposed in both structure and content. The most significant changes proposed for the Euronext Growth Advisor rules are described in section 2.2 below.

Furthermore, there is a need for a clearer and more comprehensive overview and guidance with regard to what information an issuing company should include in the information document when admitting to trading. This is proposed to be implemented through a new content list for the information document which will replace the existing content list. The most significant changes proposed for the information document are described in section 2.3 below.

2.2 THE RULES FOR EURONEXT GROWTH ADVISOR

2.2.1 STRUCTURE

It is proposed to introduce a new Chapter 5 to Rule Book Part II, which will regulate Euronext Growth Advisors in general. The new chapter will apply to all Euronext Growth Advisors, regardless of whether the company is a member of Oslo Børs or not. The chapter is largely based on section 2.6 of Rule Book Part II and the Membership Rules in Chapter 4, as well as several new provisions concerning the activities

and role of Euronext Growth Advisors. The current section 2.6 of the Rule Book Part II is proposed removed.

The chapter will, among other things, regulate the terms for becoming a Euronext Growth Advisor, including a requirement to submit an application, duty of disclosure, main tasks and responsibilities, as well as the measures and sanctions Oslo Børs may impose on Euronext Growth Advisors who violate the regulations or that do not meet the requirements for being a Euronext Growth Advisor. Thus, Rule Book Part II will clearly state which requirements and obligations that apply to Euronext Growth Advisors, which in turn will give Oslo Børs opportunities to carry out a more planned and ongoing follow-up of Euronext Growth Advisors.

The application form and agreement with the Euronext Growth Advisor will be updated to reflect the changes in the regulations. Pursuant to Rule Book Part II, it will be a prerequisite for conducting the activity as a Euronext Growth Advisor that the investment firm enters into a so-called “EGA Agreement” with Oslo Børs where the Euronext Growth Advisor must confirm that it submits to the regulations applicable at Euronext Growth and undertakes to ensure that the requirements for Euronext Growth Advisors at all times are met.

2.2.2 MATERIAL CHANGES

A clearer role definition for Euronext Growth Advisor

The role of Euronext Growth Advisors shall be more clearly defined in the regulations, so that the role includes the following:

- To ensure that all relevant information is sent to Oslo Børs so that Oslo Børs can 1) make an independent assessment of whether the information document contains sufficient information, and 2) assess whether the listing conditions have been met, including deciding admission to trading;
- To assist with the collection of sufficient information for the information document, and to ensure that the information document meets the content requirements stipulated by Oslo Børs; and
- To assess whether Euronext Growth Oslo's listing conditions, including suitability, have been met, as well as present the basis for such assessment and the conclusion to Oslo Børs.

Independent due diligence of the issuer

It is proposed that a requirement of an independent legal and financial due diligence of the issuer shall be included in the Rule Book Part II section 5.5.2 (3). The detailed scope of the due diligence is proposed to be determined by the Euronext Growth Advisor. The assessments that form the basis for the scope shall be presented to Oslo Børs. Oslo Børs may decide changes to the scope. The results of such due diligence shall be shared with Oslo Børs by submitting a Due Diligence Form together with the listing application. More extensive information on the due diligence is included in Notice 2.2 under section 3.

Requirements for becoming a Euronext Growth Advisor

It is proposed that investment firms that wish to become a Euronext Growth Advisor must apply specifically for this. The requirement for such application will apply regardless of whether the applicant is already a member of Oslo Børs or not. This differs from the current arrangement, where members on Oslo Børs automatically are approved as Euronext Growth Advisor by adding an addition to the membership agreement. The new arrangement means that Oslo Børs will assess the suitability of all investment firms that applies to become Euronext Growth Advisor. A common application form with the same information and documentation requirements will be introduced for both members and non-members.

Furthermore, the rules will introduce an ongoing duty for Euronext Growth Advisors where they are required to inform Oslo Børs of any changes that may be of significance for the suitability assessment. This includes organisational changes, revocation of permits and situations where key personnel leave, and will give Oslo Børs the opportunity to carry out a renewed assessment of Euronext Growth Advisor.

For the sake of order we mention that Oslo Børs will implement routines to complete an annual due diligence of Euronext Growth Advisors with regard to the suitability requirement and the regulations in general.

Euronext Growth Advisor's independence

The rules on the independence of Euronext Growth Advisors are proposed extended to also cover conflicts of interest that may arise if senior executives or significant owners of Euronext Growth Advisor individually or on a consolidated basis own more than 10% of the shares in the applicant company. Such ownership shall also be notified to Oslo Børs and be included in the application form (for admission to trading) and the information document.

With regard to employees of the Euronext Growth Advisor assisting the issuer in the admission process, a rule stating that they cannot own shares or voting rights in the applicant is proposed introduced.

2.3 REQUIREMENTS FOR THE INFORMATION DOCUMENT

The existing content list for the information document is proposed replaced so that it instead is mainly based on selected content requirements from the content list pursuant to the Prospectus Regulation (annex 1 and annex 11) and a number of other requirements. The new list will thus essentially be equivalent to the content list for the information document as it was before the harmonisation with the other Euronext Growth trading venues, however updated with necessary changes. The purpose is to clarify the content requirements, not to increase the scope of the information document. The specific content requirements and the check list for the information document are in Notice 2.3 cf. Rule Book Part II section 2.3.

2.4 TEMPORARY ADMISSION TO TRADING OF NEW SHARE CLASSES

It is proposed to remove the possibility of temporary admission to trading of new share classes. The possibility of temporary admission has never been used, and the removal of such possibility should thus be understandable for the market as well. The rule in question will be removed from the rule book. For the sake of order we mention that the possibility for temporary admission to trading of shares in share classes already listed on the Oslo Stock Exchange or Euronext Expand was removed in connection with the amendments to the regulations on 30 November 2020.

3 CONSULTATION PROCESS

Issuers, Euronext Growth Advisors and other parties are invited to comment on the proposed amendments within 1 March 2022 at consultation@oslobors.no.

Contact persons

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