ARE SPACS A GOOD DEAL?
In July, ESMA issued a Public Statement on the prospectus disclosure and investor protection issues raised by SPACs.

PUBLICATIONS
Your one-stop-shop information source in the world of financial markets brings together the latest reports, proposals and statements.

THE MONTH AHEAD
The closing consultations in August cover topics like Market Abuse, Market Data, Securitisation and CRAs.

Are SPACs a good deal?
ESMA statement on disclosure and investor protection guidance on SPACs
Are SPACs a good deal? With the rise of SPAC transactions and the growing interest from investors, it is essential that investors are provided with the necessary information before making any decisions. In this month’s issue, we highlight ESMA’s Public Statement on the prospectus disclosure and investor protection issues raised by SPACs.

In addition to the statement on SPACs, key publications from July include the fine of DTCC derivatives repository for EMIR data breaches, ESMA’s statement on payment for order flow, and the launch of seven public consultations on CCP recovery regime. Furthermore, ESMA published four reports on sanctions: Prospectus Activity and Sanctions for 2020, use of sanctions for UCITS, use of sanctions under AIFMD and the use of sanctions and measures by NCAs under MiFID II.

A full overview of all publications can be found in the newsletter, together with information on next month’s closing consultations and vacancies.

For updates, follow us on Twitter and LinkedIn.
Are SPACs a good deal?

There has been a significant rise in the activities of special purpose acquisition companies (SPACs) in the EU capital markets this year, and with that came growing interest from investors. It is therefore essential that investors are provided with the information necessary to understand the structure of SPAC transactions before making any decisions. In July, ESMA issued a Public Statement on the prospectus disclosure and investor protection issues raised by SPACs.

The statement set out ESMA’s expectations on how issuers should satisfy the specific disclosure requirements of the Prospectus Regulation to enhance the comprehensibility and comparability of SPAC prospectuses. This should help to ensure that national competent authorities (NCAs):

- Take a coordinated approach to the scrutiny of SPAC prospectuses;
- Provide SPACs with an understanding of the disclosure that NCAs will expect them to include in their prospectuses; and
- Support investors’ analysis of these transactions.

It is important to understand that SPAC transactions may not be appropriate investments for all investors due to risks relating to dilution, conflicts of interests in relation to sponsors’ incentives and the uncertainty as to the identification and evaluation of the target company. The proper application of the MiFID II product governance rules is vital.

Our statement will contribute to maintaining a high level of investor protection and promote a common consistent supervisory convergence by regulators across the EU. ESMA and NCAs will continue to monitor SPAC activity to determine if additional action is necessary to promote coordinated supervisory action aimed at ensuring investor protection.

What are SPACs?

SPACs are shell companies that are admitted to trading on a trading venue with the intention to acquire a business and are often referred to as blank check companies. The persons responsible for setting up SPACs are the sponsors, who typically have significant expertise in one or more economic sectors and use the SPAC to acquire companies in those sectors. SPACs sell their shares, often together with warrants, to investors to finance the acquisition. After the acquisition, the SPAC becomes a normal listed company.
PUBLICATIONS

Click to read the news items

30 July
Data for the systematic internaliser calculations

20 July
ESMA’s second report on sanctions under AIFMD

30 July
New bond liquidity data available

20 July
ESMA’s fourth annual report on use of sanctions for UCITS

30 July
First CTP data available

20 July
New Q&As available

28 July
MiFID II/MiFIR Annual Review Report on RTS 2

19 July
ESMA finds NCAs imposed sanctions of €8.4 million for MiFID II breaches in 2020

21 July
ESMA highlights areas for improvement in compliance with MiFID II suitability requirements

19 July
ESMA consults on remuneration requirements under MiFID II

20 July
ESMA see small decrease in EEA prospectus approvals in 2020

16 July
ESMA’s third report on CSDR implementation
15 July
ESMA consults on amendments to MAR guidelines on delayed disclosure of inside information

9 July
ESMA consults on derivatives clearing and trading obligations in view of the benchmarks transition

15 July
ESMA statement on disclosure and investor protection guidance on SPACs

2 July
ESMA and EBA’s final guidance on fit and proper requirements

13 July
ESMA consults on EMIR reporting guidelines

1 First report on national rules governing the marketing of investment funds

13 July
Methodology for assessing third country CCPs systemic importance

13 July
ESMA warns firms and investors about risks arising from payment for order flow

12 July
Seven public consultations on CCP Recovery Regime

12 July
DTCC Derivatives Repository fined €408,000 for EMIR data breaches

9 July
ESMA consults on the review of transparency requirements under MiFIR

Missed any ESMA publications? Check out the full list of news items on our website.
# CONSULTATIONS

## Closing

<table>
<thead>
<tr>
<th>Date</th>
<th>Consultation</th>
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<tbody>
<tr>
<td>04/08/21</td>
<td>Public Consultation on Guidelines on the Disclosure Requirements for Initial Reviews and Preliminary Ratings</td>
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<tr>
<td>20/08/21</td>
<td>Public Consultation on the STS notification for on-balance sheet securitisations</td>
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<tr>
<td>27/08/21</td>
<td>Public Consultation on the Guidelines on transfer of data between Trade Repositories under EMIR and SFTR</td>
</tr>
<tr>
<td>27/08/21</td>
<td>Consultation Paper on MAR GLs on delay in the disclosure of inside information and interactions with prudential supervision</td>
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The full list of consultations and reply forms can be found on the ESMA consultations page.
OPEN VACANCIES

POSITION

ICT OFFICER
(Multiple profiles)

Traineeship notice – Legal profile (F/M)

Traineeship notice – Transversal profile (F/M)

Traineeship notice - Financial Markets Profile (F/M)

DEADLINE

12/08/21

Open call
(without a specific deadline)

Open call
(without a specific deadline)

Open call
(without a specific deadline)

All open vacancies can be found on ESMA’s recruitment portal
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