

Legal Alert

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Access to European Equity Capital Markets a matter of days

Satyam Computer Services Limited from India first NY listed company to obtain Euronext Amsterdam secondary listing using new regime

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The first secondary listing on Euronext Amsterdam by an issuer using the fast-track prospectus regime of The Netherlands Authority for the Financial Markets (AFM) occurs today. Satyam benefits as the first company from the Netherlands-facilitated prospectus regime granting SEC registrants fast-track access to European Equity Capital Markets. Since Satyam is the first to break ground in utilising the regime, many more US-listed companies will be able to similarly gain access to European capital markets. Satyam has been advised on their secondary listing by De Brauw Blackstone Westbroek, the law firm that helped develop this fast-track access in cooperation with Euronext.

Listing is a matter of days

Satyam's listing demonstrates that obtaining approval of a prospectus can be a matter of days. Because of the AFM's short processing time and the ability to use existing disclosures previously filed with the US Securities and Exchange Commission, non-EU issuers are now able to obtain a secondary listing quickly. And this approval process takes significantly less effort compared to an issuer preparing a prospectus based fully on the EU Prospectus Directive.

Legal basis in the Prospectus Directive

The facilitated prospectus regime is based on article 20 of the Prospectus Directive, which allows EU regulators to approve third country, non-EU, prospectuses that meet certain equivalency standards. In 2007, the AFM declared elements of the US securities regime equivalent to the EU prospectus regime. As a result, SEC-registered companies are able to obtain a secondary, "technical" listing on Euronext Amsterdam using existing US filings. Although each EU regulator may initiate a similar fast-track regime, to date only the Netherlands has actually done so. Once listed on Euronext Amsterdam, issuers and their shareholders have to comply with EU rules on reporting significant shareholdings, market abuse and on-going disclosure.

Documentation needed is modest

Using a simple "wrap" around existing US disclosure documents, drafting a prospectus can prove to be a relatively straightforward affair. Although the AFM can also require the issuance of a number of separate declarations, the paperwork involved is actually quite modest. The Satyam Euronext Amsterdam listing involved a combination of reports on Form 20-F and Form 6-K. De Brauw expects that

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Forms S-4 and 10-K can also be used as a basis for
the fast-track prospectus regime in the Netherlands.

Contact information

Should you require more information on this
important development, or would you like to explore
the opportunities for your company or your clients,
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