

Listed companies & corporate financing IPOs

Preparing an initial public offering (IPO)

Published on May 27, 2013

A company wishing to conduct an IPO on a regulated market or be admitted to an organised multilateral trading facility (OMTF) with a public offering must first prepare a prospectus that needs AMF approval. The prospectus is prepared under the responsibility of the company and must be made available to the public before the offering begins.

Contents

- Regulated market / OMTF: what are the differences in admission requirements?
- When and in what form should a prospectus be prepared?
- Procedures for obtaining AMF approval
- Disseminating the prospectus & promotional communications
- Procedures for reporting stabilisation transactions

Regulated market / OMTF: what are the differences in admission requirements?

The rules for admission on the markets run by NYSE Euronext and NYSE Alternext include the following:

	NYSE Euronext's European regulated markets	NYSE Alternext
Minimum distribution	At least 25% of capital or 5% if this represents at least €5 million	€2.5 million (public offering); €2.5 million (private placement)
Accounting track-record	Three years of audited accounts + most recent reviewed half-yearly accounts if admission more than nine months after close	Two years of audited accounts + most recent reviewed half-yearly accounts if admission more than nine months after close
Accounting standards (for consolidated accounts)	IFRS	French or IFRS
Financial documentation	AMF-approved prospectus	Prospectus approved by the AMF or unapproved information document for private placement of €2.5 million with several qualified investors

When and in what form should a prospectus be prepared?

When should a prospectus be prepared?

Before securities are publicly offered and admitted to a market, a prospectus must be prepared that is approved by the AMF and whose content requirements are determined by Regulation (EC) 809/2004 of 29 April 2004.

"Offer of securities to the public" means:

- a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe to these securities;
- placing of securities through financial intermediaries

A prospectus must always be prepared for an IPO on a regulated market. On Alternext, a prospectus must be prepared for a first admission to the Alternext Paris public offering compartment (over €2.5 million. Under €2.5 million, companies are exempt from providing a prospectus on Alternext).

IPO prospectus, two complementary documents

An issuer that is preparing to carry out an IPO and its advisers are often led to disseminate information about the company ahead of the approval and publication of the prospectus. To provide equal information to the market at the earliest possible stage before the offering, the IPO prospectus may be divided into two documents:

1. a base document about the issuer, recorded by the AMF and published ahead of the offer period to allow the market to get a better understanding of the issuer;
2. a securities note together with a prospectus summary, approved by the AMF and published no later than the IPO opening day, giving details about the IPO and incorporating the base document by reference.

Procedures for obtaining AMF approval

The draft prospectus must be filed with the AMF along with the legal and accounting documentation listed in Articles 1 and 3 of AMF Instruction DOC-2005-11.

After the AMF has reviewed the draft prospectus, which it is required to do within 20 trading days of receipt of a complete dossier, the issuer must send the final version, along with:

IPO structure (AMF Position DOC-2009-12) The AMF does not give an opinion on the structure of IPOs. However, as part of its tasks of safeguarding investments, ensuring orderly markets and making sure that markets receive material information, the AMF sets down rules for providing material information to the market, including the price spread that forms the basis for investment decisions, and rules to avoid an obvious imbalance in the allocation of securities to the detriment of individual investors (Art. 315-35 of the AMF General Regulation).

a statement by the responsible person or persons that the information contained in the prospectus is true and exact,

Mentions légales:

Le Directeur de la Direction de la communication de l'AMF

Contact : Direction de la communication. Autorité des marchés financiers - 17, place de la Bourse - 75082 Paris Cedex 02

AMF

- a statement by the investment services provider or listing sponsor that conducted due diligence in accordance with the professional code established by the FBF and the AFEI,
- a completion letter from the statutory auditors regarding the financial and accounting disclosures.

The prospectus is prepared by the issuer and incurs the liability of signatories.

AMF approval indicates that the prospectus contains the information required for an investor to decide whether to take part in the offering. The prospectus must be complete, comprehensible and consistent, and the information must be true, exact and precise. AMF approval does not constitute endorsement of the merits of the offering or the authenticity of the accounting and financial documents presented.

Disseminating the prospectus & promotional communications

Once the AMF has given its approval, the prospectus must be:

- effectively disseminated (Art. 212-27 of the General Regulation);
- made publicly available free of charge at the issuer's registered offices;
- posted on the issuer's website;
- published on the AMF website.

Promotional documentation relating to the offering, irrespective of form and distribution method (press inserts, leaflets, mailshots, internet banners), must be provided to the AMF before being disseminated (Art. 212-28 of the General Regulation).

They must mention the existence of an AMF approved prospectus and their content must be consistent with the information in the prospectus.

Procedures for reporting stabilisation transactions

Transactions undertaken to stabilise financial instruments are defined in indent 7 of Article 2 of European Commission Regulation 2273/2003 of 22 December 2003.

These transactions must be made public within one week of the end of the stabilisation period, through a news release posted. The exercise of the greenshoe option referred to in Article 11 of Regulation 2273/2003 must be made public under the same conditions as in the first paragraph.

The issuer or offeror, as the case may be, or the entity undertaking the stabilisation, whether or not it is acting on behalf of these persons, shall provide the AMF with details of all stabilisation transactions, in the format provided for in Article 4 of Instruction DOC-2005-06 of 9 mars 2005, no later than the seventh trading day after the execution date.

This notification shall be sent by email to rachatactions@amf-france.org.

Read more

- [AMF Policy](#)
- [Commission Regulation \(EC\) 809/2004 of 29 April 2004](#)
- [Commission Regulation \(EC\) No 2273/2003 of 22 December 2003](#)

Also

- [Equity issuance](#)
- [Contributions owed to the AMF \(in French only\)](#)

Contents

- [Regulated market / OMTF: what are the differences in admission requirements?](#)
- [When and in what form should a prospectus be prepared?](#)
- [Procedures for obtaining AMF approval](#)
- [Disseminating the prospectus & promotional communications](#)
- [Procedures for reporting stabilisation transactions](#)

[Page top](#)