

Warsaw, 3rd – 4th October 2013

**III WORKING GROUP ON IFRS IMPACT AND
CBSO DATABASES**

Document n° 7

**Stock taking about alternative stock markets: existence in
Europe and impact on ERICA database**

European Committee of Central Balance Sheet Data Offices (ECCBSO)

CONTENTS

I. INTRODUCTION AND SUMMARIZED CONCLUSIONS.....	5
II. ALTERNATIVE STOCK MARKETS IN EUROPE	6
III. SITUATION IN EACH COUNTRY.....	8
ANNEX: SUMMARY TABLE	19

Members of the III WG on IFRS impact and CBSO databases					
Manuel Ortega (chairman)	manuel.ortega@bde.es	Banco de España	Ulrike Pfeiffer	ulrike.pfeiffer@bundesbank.de	Deutsche Bundesbank
Pilar Saura	pilar.saura@bde.es	Banco de España	Matthias Lörch	matthias.loerch@bundesbank.de	Deutsche Bundesbank
Ana Bárbara Pinto	apinto@bportugal.pt	Banco de Portugal	Martina Hemsath	martina.hemsath@bundesbank.de	Deutsche Bundesbank
Jean Luc Cayssials	jean-luc.cayssials@banque-france.fr	Banque de France	Sabine Wukovits	Sabine.Wukovits@oenb.at	Oesterreichische Nationalbank
Claire Mangin	Claire.MANGIN-SOUBRET@banque-france.fr	Banque de France	Olga Lympelopoulou	olimperopoulou@bankofgreece.gr	Bank of Greece
Saskia Vennix	saskia.vennix@nbb.be	Banque Nationale de Belgique	Sébastien Pérez-Duarte	Sebastien.Perez-Duarte@ecb.int	European Central Bank
Vincenzo Favale	vincenzo.favale@ervedgroup.com	Centrale dei Bilanci / Cerved Group	Olivier Servais (observer)	oservais@ifrs.org	IASB
Riccardo Renzi	riccardo.renzi@bancaitalia.it	Banca d'Italia	Bartek Czajka (observer)	bczajka@ifrs.org	IASB

I. INTRODUCTION AND SUMMARIZED CONCLUSIONS

The publication of the report “European non-financial listed groups: analysis of 2011 data” on March 2013, is a new step in the rational evolution of the work begun by IIIWG in 2003 with the study of the IFRS standards and its impact on CBSO databases. Many steps since 2003 were necessary, as reading and understanding the standards, translate them into a format, test the format by collecting data manually and analyse the database (ERICA) created.

One important aspect of the analysis of III WG is to check the coverage of the database ERICA. The questions, what is a listed group, what is the full population of listed groups, were raised..Therefore, the IIIWG decided to investigate the existence of alternative stock markets in Europe, to better known their importance, information available (IFRS) and, if possible and if it would be convenient, to include (or not to include) the groups listed in ERICA database.

This document summarizes the findings on this matter, providing, first, an overview on the existence of these kind of markets, the regulation and importance in each member state and, second, what is especially important, to know whether this groups are included in ERICA currently, or in future, should they be.

The main findings of this stock taking exercise are as follows:

1. Low importance of the alternative markets in Europe: the number of companies and/or groups that participate in these markets is quite low related to the total number of listed groups in the official market of each country.
2. Alternative markets and ERICA: currently France and Germany include in ERICA database the groups quoted in the alternative stock markets that provide IFRS data. On the other hand, Austria, Belgium, Greece, Italy, Portugal and Spain do not include these groups. From these countries, Belgium and Italy consider necessary to include them in the database provided that the standards applicable are IFRSs. However, Greece, Portugal and Spain are not in favour of including this data in ERICA database.

II. ALTERNATIVE STOCK MARKETS IN EUROPE

The European legislation has adopted rules to provide investors in the stock markets with a net of assurance based in financial and legal certainty and transparency. Nevertheless, the comparative small proportion of quoted groups in continental Europe to the total population of non-financial firms, have provoked a gradual easiness in the conditions applied to the European small and medium businesses in order to improve their access to these markets. This has been called “alternative markets”, meaning that not the European legislation is in place, but at least some minimum regulation and approaches depending in the country of incorporation.

The reasons to create this alternative markets (when they exist), can be summarized:

a) For non-listed companies

- Alternative method of fund raising at a competitive cost.
- Quick and easy access to the Secondary Capital Market.
- Increase of visibility and enhancement of reputation.
- Preparation for their transfer to a regulated market via a gradual increase of the free float and liquidity of their shares and their smooth adjustment to the exchange regulated environment.
- Market valuation mechanism for the company at all times.
- Give access to the market in a short time and at a lower cost with respect to the main market, ensuring in the meantime transparency and liquidity for investors.
- International visibility. Through the alternative market companies will be able to access a really global market, benefiting from international visibility.
- It facilitates fundraising to small cap companies with adequate liquidity and transparency for investors in a regulated market.
- It brings greater visibility to the company, particularly to customers and financial providers. It is an approach to regulation which facilitates a smooth transition to become a public company giving them the chance to fulfil their growth potential.

b) For primary and secondary capital market intermediaries (i.e. credit institutions, investment services firms, securities companies)

- Expansion of business in new products.
- Increase of visibility and enhancement of reputation.
- Opportunities for self regulation.
- It is used to determine the value of the company creating a market for the company's shares, broadening the shareholder base.

c) For other capital market professionals (i.e. venture capitalists, advisers)

- Business expansion in new products.
- Exit strategy and investment realization for venture capitalists.

- Market valuation of investments.

d) For investors

- Development of new investment opportunities for investors who wish to invest in companies presenting high growth prospects, however having higher risk.
- It gives cash to shareholders by monetizing their investments. The initial investors have a one year lock-up period, but it also provides an exit route for existing shareholders.

III. SITUATION IN EACH COUNTRY

AUSTRIA

Minor relevance of alternative stock markets in Austria as the market is small.

In Austria, the regulated markets are the Official Market and Second Regulated Market operated by Wiener Börse AG pursuant to the Stock Exchange Act. Additionally, Wiener Börse AG operates the Third Market as an MTF (Multilateral trading facility).

MTF does not apply transparency criteria / regulation.

Currently there are 30 titles listed in MTF (no financial reports available).

BELGIUM / FRANCE / PORTUGAL

In Belgium, France and Portugal there is a common alternative stock market called NYSE Alternext, which operates in two more countries: Netherlands and UK. This description is common for those countries. Only constitution date is different by country: June 2006 in Belgium and May 2005 in France and Portugal.

NYSE Alternext is a multilateral trading facility (MTF) created to meet the needs of small and mid-sized companies seeking simplified access to the stock market. It offers an alternative route for small- and mid-caps that may lack the necessary resources needed to satisfy the requirements of a regulated market, to join an equities market. Its streamlined listing requirements and trading rules are suited to the size and business needs of such firms. The rules also ensure investor transparency. This market is not regulated within the meaning of E.U. directives.

NYSE Alternext is based on the same pan-European trading platform as the NYSE Euronext main cash market, enhancing liquidity. For smaller companies, NYSE Alternext can also assign brokers who act as liquidity providers to ensure sufficient liquidity for investors. The NYSE Alternext All-Share Index improves investors' ability to benchmark NYSE Alternext-listed companies, which also helps to promote trading.

Before entering to the market, companies have to choose a listing sponsor who will be responsible for assisting them during the admission and throughout their remainder listing life. This listing sponsor has to guarantee that all applicable criteria for listing are met and all ongoing reporting and disclosure duties of companies are complied. It will do this in consultation with the company and its legal advisers and auditors. The listing sponsor is usually an investment bank, but can also be an advisory firm, such as an accountant or corporate finance boutique, which will work alongside an investment bank for the capital raising (if any).

The main obligations which have to be followed are described as follows:

- **Accounts:** Accounts must be public and in compliance with International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP) for European Union (EU) or equivalent GAAP for non EU companies. The period should be at least the two years preceding the request for admission to negotiation. The report of audited annual accounts must include the annual financial statements (consolidated, if applicable), the scrutinized and discussed internal management report and the auditors' report. An interim half-year report compound by the half-year financial statements (consolidated, if applicable) and an operations report has also to be done. All papers must be published within 4 months after the end of the reference period. Monthly or quarterly information concerning corporate governance and accounting reports are not required.
- **Initial admission:** Shares may be offered for sale to institutional investors, qualified investors and retail investors, or to certain classes of such investors, such as management, employees, 'friends and family' and customers. Companies could be admitted to listing and trading on NYSE Alternext through:
 - **A traditional initial public offer (IPO)** where current owner will dilute their position by selling existed and/or new shares. In this case, prospectus have to be raised and approved by the regulator;
 - **A private placement** to a direct, chosen range of institutional or qualified investors. Indeed, Indeed, NYSE Alternext imposes a minimum of 3 investors besides any current firm related party;
 - **A direct listing** made by current investors who ask for admission to trading on an eligible market.

If the latest exercise has finished more than nine months prior the request on admission to trading, the issuer shall publish interim financial statements.

- **Minimum free float:** €2.5 million for all three listing methods described above. For direct listing, companies must have carried out a capital increase of € 2.5 million within one year prior to admission.
- **Securities:** Freely transferable and negotiable
- **Transparency and mandatory information:** Once listed, all companies have to permanently meet the terms of the **E.U. Transparency Directive** which sets:
 - **Financial information:** Issuers are required to reveal their annual and half-yearly financial position as well as disclose to general public and to national regulator all relevant information that may produce a material impact on their share price. For instance, companies have to report that an individual shareholder's stake reached, exceeded or dropped below certain threshold;
 - **Minimum harmonization:** the Directive grants Member States the right to impose additional reporting requirements on issuers.

BELGIUM

The pan-European NYSE Euronext operates two non-regulated markets: Alternext and the Free Market. Both are MTFs (Multilateral Trading Facility). They are not "regulated" both in the sense of European Directives and Belgian legislation as a result of which companies listed on these markets are **not obliged** to publish consolidated financial statements in accordance with **IFRS**. . On June 15th 2006, the first company was listed on Alternext Brussels (description is available above in Belgium / France / Portugal common part): Evadix. Currently, Alternext Brussels counts 13 listings (12 Belgian companies and one French company).

The **Free Market** of Brussels was created in November 2004. The criteria for admission to this market are much simpler, and listing costs are low. It provides a channel for disseminating buy and sell orders, with trades executed by NYSE Euronext member firms. The Free Market serves companies that are too young or too small to be listed on one of the regulated compartments of NYSE Euronext. The securities traded on this market have not gone through any admission procedures and issuers are not subject to any disclosure requirements. This means inter alia that the accounting requirements are those determined by the company's legal form and business, and all the requirements for periodic and inside information in particular do not apply. Although not obligatory, it is advised to publish an annual communiqué and an half-yearly financial report, with a survey table stating the key figures of the previous period (turnover, corporate results, net income) as well as the notes in this respect. Currently, the Free Market of Brussels counts 22 listings.

FRANCE

Alternext Paris description is available above in Belgium / France / Portugal common part.

Free Markets

The Free Markets—launched in Paris in 1996—provide small (micro-cap) companies with easy access to an IPO and a framework adapted to their specific needs. These markets are, in principle, open to any company, regardless of size, performance, maturity or industry.

The criteria for admission to the markets are much simpler and listing costs are low. Except for any relevant prospectus, the listing requirements for issuers on the Free Markets are lighter. Market abuse and transparency provisions do however apply in accordance with applicable laws. The securities traded on these markets have not gone through any admission procedures, and issuers are not subject to specific disclosure requirements. The Free Markets serve companies that are too young or too small to be listed on one of the compartments of the NYSE Euronext European Regulated Markets or on the NYSE Alternext markets.

Issuers tend to be relatively small operations – half have 24 or fewer employees and achieved an annual turnover of less than €4.8 million prior to IPO. However, the average company age at IPO is 10.5 years; it is therefore not a market for start-ups and important that a company has shown that it is able to withstand effects of an economic downturn.

Liquidity is in line with market capitalization. The Free Markets are less liquid than 'traditional' markets and money raised at IPO tends to be dominated by retail investors. In 2009, monthly turnover averaged €10 million.

The Free Markets target local companies that would like to finance the next phase of their development and benefit from the reputation bestowed on public companies, without having to satisfy all the requirements associated with a listing on the Regulated Markets.

They are, however, entry level markets and only represent the first step in a company's development. Once a company has grown sufficiently it is encouraged to consider a transfer to NYSE Alternext and later to a NYSE Euronext Regulated Market. Approximately 10 percent of all companies listed on the Free Market in Paris have pursued a listing on another market at a later stage.

The Free Market is not a regulated market. As such, the issuer of securities tradable on the Free Market is not bound by the same constraints as the issuer of securities on a regulated market. The main differences with regard to an admission to listing/trading on the Free Markets versus the NYSE Euronext European Regulated Markets are:

- No obligation to distribute a minimum percentage of shares to the public (free-float).
- No minimum market capitalization.
- No obligation to publish accounts in IFRS format.
- No obligation to provide a track record of certified financial statements.
- No obligation to declare breaches of shareholder thresholds.

The main differences with regard to an admission to trading on the Free Markets versus an admission to listing on NYSE Alternext:

Main Eligibility Criteria		
	NYSE Alternext	Free Markets
Minimum distribution	EUR 2.5 million (public offer) EUR 2.5 million (private placement)	NA
Past financial statements	2 years financial statements, with the last year certified	Two years of past financial statements recommended
Accounting standards	Domestic or IFRS	Optional IFRS or National Accounting Standards
Documents to be provided	Prospectus approved by the Regulator or offering circular without approval	Prospectus approved by Regulators in case of a public offering

in the
case of a EUR 5 million private
placements
with a number of qualified investors

Nevertheless, companies that would like to be considered for an admission to trading on the Free Market must prepare a prospectus and have it approved by the French regulator in case of a public offering on the Paris Free Market. The prospectus details the company's core business activities, its prospects and the characteristics of the securities to be admitted to trading. The issuer is assisted in the preparation of this document by a market member.

GERMANY

The rules, which provide investors with legal certainty and transparency, are either set by the public legislator or the stock exchange itself. In Europe, there are two ways of accessing the capital market: EU-regulated markets and markets that are regulated by the stock exchanges themselves (regulated unofficial markets). At Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange)¹, companies may list in the EU-regulated market segments Official Market or Regulated Market, or they may choose to include their shares in trading on the Open Market (Regulated Unofficial Market), which is regulated by the Frankfurt Stock Exchange itself.

The Regulated Unofficial Market, which was repositioned as Open Market in October 2005, with its sub-segment Entry Standard, is a segment based on private law. Companies are included in trading at fewer formal requirements. Entry Standard affords young small and medium-sized companies cost-efficient access to the capital market. For this reason, it is particularly aimed at qualified and experienced investors.

Open Market (Regulated Unofficial Market)

Open Market is not an organized market in the sense of the German Securities Trading Act. For issuing companies, the Open Market admission criteria are less strict than those for the two EU-regulated segments; Official Market and Regulated Market. Moreover, there are no follow-up obligations.²

The Regulated Unofficial Market was repositioned as Open Market in October 2005. Investors in this market segment must be aware that there is less information available on the respective companies. In contrast to the Official Market and the Regulated Market, issuers are not required to publish a prospectus featuring important company information. Furthermore, they are not obliged to publish ad-hoc announcements.

¹ The Frankfurt Stock Exchange is the biggest and therefore most important stock exchange in Germany. Furthermore, there are seven regional stock exchanges with similar admission criteria.

² Rules for the Regulated Unofficial Market (Open Market) on the Frankfurt Stock Exchange can be downloaded at http://www.boerse-frankfurt.de/EN/MediaLibrary/Document/20_FWB_Rules_Regulations.pdf.

In the Open Market at the Frankfurt Stock Exchange, German and foreign shares, fixed-income securities of German and foreign issuers are tradable. Shares from 60 countries are included in trading. Structured products such as certificates, warrants or reverse convertibles can be listed in the Regulated Market (operated by Scoach) or in the Scoach Open Market.

Entry Standard

Entry Standard is based on the rules of the Open Market (Regulated Unofficial Market), but it features additional requirements. For investors, this means increased transparency and more information. Companies contained in the Entry Standard have to publish an audited annual and management report on their website within six months after the official reporting period, as well as an interim report. Moreover, they are required to immediately publish any news or circumstances significant to the valuation of the share and / or company.

Investors active in Entry Standard must be aware that its transparency requirements are far less strict than those in General or Prime Standard. In comparison, investors are provided with less information, at an increased risk.

GREECE

The Alternative Market (EN.A.) is a market operated by the Athens Stock Exchange and supervised by the Hellenic Capital Market Commission (HCMC). EN.A. is characterized as a “non-regulated” market and it does not fall under the obligatory provisions that apply in regulated markets.

EN.A. is addressed to:

- Companies which seek funding and easier access to the Secondary Market
- Investors who look for alternative forms of investment and are willing to accept higher risk

The benefits arising from the operation of EN.A., for the different market participants, have been expressed in the introduction of this document. On top of that, there are some more benefits specifically for the Athens **Stock Exchange**:

- Further enhancement of its business and increase of its competitiveness, for the benefit of all market participants
- Decrease of its operating costs, with a corresponding reduction for all capital market participants

EN.A. started operating on February 2008, with the introduction of the first two companies. As of December 2012, 13 companies are listed in EN.A.

ITALY

Alternative market AIM Italy - MAC

Introduction

The Alternative Market AIM Italy - MAC is the market of Borsa Italiana (Multilateral Trading Facility) devoted to the Italian small and medium companies with high growth potential.

Prerequisites for admission to trading and reporting obligations

AIM is conceived for offering a faster and more flexible procedure to listing, protecting investors at the same time, thanks to an efficient regulatory system that meets the needs of small businesses and specialized investors.

During the admission phase no publication of a prospectus pursuant to the Directive 2003/71/EC is required and subsequently no publication of quarterly management reports is required. Listed companies have not to fulfil particular admission rules, the only requested condition is that the listed company have to choose a **Nomad** (consultant bank admitted by the Market) that have to follow the management the period before and post the admission to trading.

This market is based on the key figure of Nomad who is responsible to Borsa Italiana and is in charge to assess whether a company is eligible for admission and will guide that company throughout the period of permanence on the market. The company, after the listing, needs only to show the annual financial statement and a first half interim financial Statement.

Figures

AIM Italy - Mac started operating on 1st March 2012, at the moment 26 companies are listed but during the last months around 300 companies have requested information about the listing and probably the number of listed companies will raise fast in the future.

PORTUGAL

The Portuguese alternative stock market comprises three multilateral trading systems (MTS)³: NYSE Alternext Lisbon, NYSE EasyNext Lisbon and PEX, ran by two different entities. NYSE Euronext is in charge of first and second non-regulated markets and OPEX manages PEX MTS.

³ http://www.cmvm.pt/cmvm/sdi/informacao%20sobre%20mercados/pages/sist_neg_multilateral.aspx. MTS is a organized way to negotiate market securities with the meaning given in article 198, paragraph 1, (b)) and article 200th of Portuguese Security Market Code.

NYSE Euronext also controls the official regulated Portuguese stock exchange which was acquired in 2002. Both companies target to build a simplified, transparent and cost-competitive stock market designed specifically for the needs of small and midsize companies (SME). These kinds of non-regulated markets provide an alternative of growing up to SME turning them available to a wide range of investors.

Alternext Lisbon description is available above in Belgium / France / Portugal common part.

NYSE Easynext is a simpler hybrid MTS that admits either leveraged or structured products and common debt and equity securities. The applicant firm jointly with an authorized financial intermediary has to make a request throughout a standard application form in order to be listed. Together with the form, the applicant shall also submit:

- **Accounts:** The report of audited annual accounts comprised by the annual financial statements, the scrutinized and discussed internal management report and the auditors' report for the two years preceding the request for admission to listing has to be disclosed. Accounts must be in accordance with national GAAP or optionally under IFRS. Companies shall provide a copy of the business registration certificate statutes and a legal certified copy of all relevant decisions of the governing body.
- **Initial admission:** Companies have to publish a Technical Note containing information about the responsible for financial statements and a description of the securities to admit to market. For companies with less than 2 years, only the last available financial statement or, if this is not the case, a feasibility study is required.
- **Minimum free float:** Not applicable
- **Transparency and mandatory information:** Information about relevant facts is only mandatory for companies which were admitted to listing through a public offer. In this case, companies will have to announce to the market when certain thresholds are exceeded (the first one is 5%).

PEX is also a more flexible and less complex MTS hybrid market than the first one NYSE Alternext. The listing process is similar to NYSE Easynext. The claimant firm, optionally in conjunction with an adviser, has to apply in a proper form for admission to trading. Meanwhile the proponent has to disclose the following documents and/or information:

- **Accounts:** Annual accounts and management report with the opinion of the supervisory and legal certification of accounts, for the last three years, or, at least, the last financial year, when the issuer has started its activity for less than three years. If the issuer does not meet the conditions referred in the preceding paragraph, shall submit a business plan with the expected operating account for at least three years of activity, prepared by the Adviser, or, if it exists, by the financial intermediary which supports the application
- **Initial admission:** Companies have to present:

- Copy of registered office certificate and their registration number, business purpose, specification of direct or indirect holders of shares who exceeds the 2% of the share capital of the issuer;
 - Management and supervisory body firm composition;
 - Name and address of the representative for relations with the PEX and its replacement;
 - Certified copy of the decision to apply for the admission of securities to trading on PEX, adopted by the competent bodies of the issuer;
 - Copy of the business statutes of the issuer.
- **Minimum free float:** Not applicable
 - **Transparency and mandatory information:** Besides accounting obligations, all significant changes in the conditions of admission referred above on Initial admission topic.

SPAIN

MAB (Mercado Alternativo Bursátil) is a sub-market of the Spanish stock exchange, allowing smaller enterprises that are looking for further expansion to float shares, with an ad-hoc designed regulation (less strict in terms of regulation about information and disclosures to be provided to the market), and market fees fit to the needs of the entrepreneurial business. It is a growing market launched in July 2009.

The entities that can be listed in this market are:

- 1 SICAV (Sociedad de Inversión de Capital Variable). Similar to Asset Management Funds.
- 2 ECR (Entidades de Capital Riesgo). Similar to Venture Capital Funds.
- 3 Small and medium-sized non-financial enterprises looking for expansion.
- 4 SOCIMI (Sociedades de Inversión en el Mercado Inmobiliario). Similar tax framework as REITs (Real Estate Investment Trust).

Disclosure framework

MAB is owned and operated by the Spanish Stock Exchange (Bolsas y Mercados Españoles-BME) but regulated by the CNMV (Spanish Stock Market regulator).

The entities listed in MAB have the following disclosure requirements:

- 1 **Official formats.** The official format is the same for all listed companies i.e. companies listed in MAB as well as companies listed in the main market. It exists two different details to be provided:

- a. Half-yearly reports. They have to report the public financial information under the official format, as well as the half yearly non-audited individual and consolidated financial statements no later than three months after the end of the relevant six-month period to the Spanish regulator (CNMV).
- b. Annual reports. They have to report the public financial information under the official format, as well as the annual audited individual and consolidated financial statements no later than four months after the end of the relevant period to the Spanish regulator (CNMV).

2 Company website. Disclose all the financial information reported to the Spanish regulator (CNMV) in the company website.

3 Relevant information. The company must publish any decisions as soon as possible, as well as any facts and circumstances pertaining to the company that are likely to have a significant effect on the price of its shares.

4 Accounting standard applicable. The companies have to fulfil the following financial reporting standards:

IFRS or National GAAP (in this last case, for individual accounts of the parent company). If it is a European Union located company.

IFRS or US GAAP. If it is a non-European Union located company.

MAB. Study case

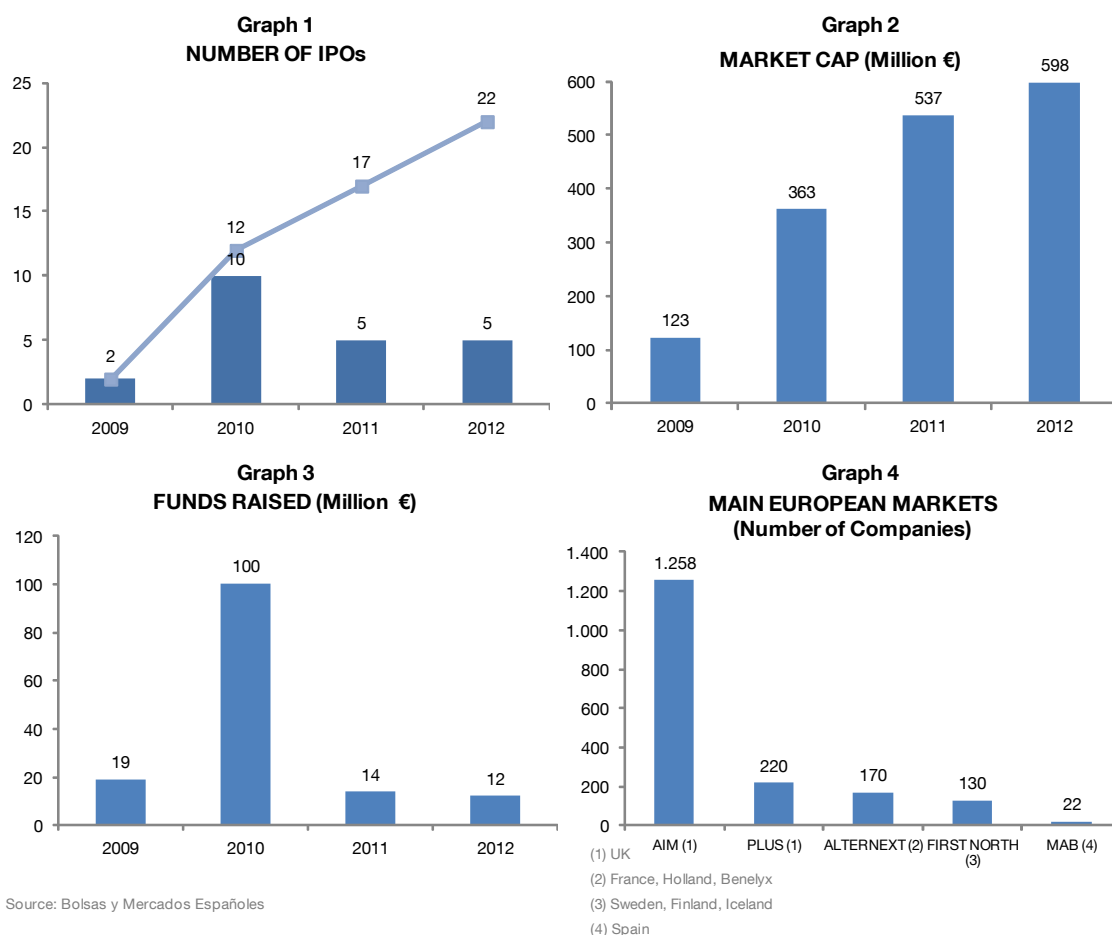
In the early days MAB was considered to be a stepping stone for companies to join the Stock Exchange's larger main market. However, MAB has grown and it is considered a successful growing stock market in its own right having 22 companies listed that have submitted IPOs (Initial Public Offering) to the markets (See Appendix Graph 1) with a spectrum of business activities from the most traditional to the most innovative one. The market represents a market cap of nearly € 600 million (See Appendix Graph 2) and the companies listed have been able to raise total funds of € 146 million as at December 2012 (See Appendix Graph 3). On the other hand, if you compare MAB with their European peers it is by far the smallest market (See Appendix Graph 4). But considering that the Spanish SMEs represent 99% of the total number of companies in the country, 80% of the total country employment and 65% of the Spanish GDP⁴, MAB can be seen as a growing market with a high potential to reach a vital role in the funding environment that can serve as a mechanism for companies to seek and access to capital.

MAB was an initiative launched before the financial crisis and now, with the financial markets closed tight, it can be seen as an open window to raise funds. After four years of operation, MAB has shown healthy growth of aggregate balance sheet of the companies, which in a crisis environment, not only reported increases in total equity (from 2007 to 2010 total equity increased by 114%²), but also

⁴ Source: Bolsas y Mercados Españoles (BME).

improvements in operating indicators (from 2007 to 2010 total turnover grew by 48%²), with a great ability to create employment (from 2008 to 2011 total employment rose by 36%²). Consequently, these companies not only found financing but also improved their ability to compete in a very demanding and globalized market.

Appendix



ANNEX: SUMMARY TABLE

	Austria	Belgium	France	Germany	Greece	Italy	Portugal	Spain
1. Prerequisites for admission to trading:								
a. Equity minimum	No	<u>Alternext:</u> € 2.500.000 public holding requirement <u>Free Market:</u> no minimum	<u>Alternext:</u> € 2.500.000 public holding requirement	Entry Standard: € 750.000	€ 1.000.000 on a consolidated basis	No minimum	<u>Alternext:</u> € 2.500.000 of market capitalization of the firm should be open to public Easynext and PEX: No minimum	No minimum
b. Accounting requisites	No	<u>Alternext:</u> Publication or filing of audited annual financial statements or pro forma accounts, consolidated where applicable, for the 2 financial years preceding the application to first	<u>Alternext:</u> Publication or filing of audited annual financial statements + publication of half year financial statements	Publication or filing of audited annual financial statements + publication of half year financial statements	The company must have published or compiled annual financial statements (audited by a Chartered Auditor) for at least two fiscal years prior to the submission of the application. Also, it must have been tax audited for all fiscal years except of the	No annual report is required for admission, but an AIM Italia company must publish annual audited accounts or statements of operations without delay and in any event not later than six months after the end of the	<u>Alternext</u> and <u>Easynext</u> : Audited annual accounts (consolidate if that is the case) in compliance with IFRS or national GAAP. Publication of half-year financial statements is also mandatory. PEX: Annual	Same level of details than the listed companies in the main market. The deposit of the data can be done in paper (the main market obliges also to send a XBRL file).

	Austria	Belgium	France	Germany	Greece	Italy	Portugal	Spain
		admission + publication of interim financial statements if the most recent financial year ended more than 9 months prior to first admission <u>Free Market:</u> No special requirements just those determined by the company's legal form and business			last two recently published.	financial year to which they relate. Such publication should be notified without delay.	accounts for the last three years preceding the request for admission to trading or for companies who have started in less than three years, the last available financial statement	
c. Other remarkable requisites	No	Appointment of a Listing Sponsor who must assist the company with its first admission and ensure (on an ongoing basis) that the company complies with the legal and regulatory requirements and	Appointment of a Listing Sponsor who must assist the company with its first admission and ensure (on an ongoing basis) that the company complies with the legal and regulatory	Minimum of 10% of free float Company must exist since more than 2 years	Appointment of a nominated adviser who must assess the appropriateness of the company requesting admission to the EN.A. and provide assistance and guidance with regard to the company's obligations for	The market is based on a key figure: the Nominated Adviser (Nomad), who is responsible to Borsa Italiana	Alternext: A listing Sponsor who has the duty of guarantee that all applicable criteria for listing and all ongoing reporting and disclosure duties of companies are complied must be	NO specific

	Austria	Belgium	France	Germany	Greece	Italy	Portugal	Spain
		contractual obligations resulting from the first admission to trading	requirements and contractual obligations resulting from the first admission to trading		the two years following admission.		appointed. Easynext: An adviser could be selected	
2. Accounting and formats								
a. Standards applicable (US/IFRS/ National)	No	conso: IFRS or national GAAP	: IFRS or national GAAP	IFRS or national GAAP	IFRS	IFRS or National GAAP or US GAAP	IFRS or national GAAP	IFRS or National
b. Formats standardize (Yes/No)	No	conso: No		No	No	NO	No	YES
3. Companies/ groups listed in alternative market								
a. Number of companies /groups	30	<u>Alternext:</u> 4 companies / 8 groups (2 apply IFRS) <u>Free Market:</u> 16 companies / 6 groups (0 apply IFRS)	164 companies / around 100 groups (estimation)	157 companies	6 companies / 7 groups	27/0	Alternext: 2 companies (both apply National GAAP) Easynext: 10 companies and 2 groups (all apply National GAAP) PEX: 0	9 companies / 13 groups
of which, non-financial companies/ groups	30	<u>Idem, no financial companies / groups</u> ⁵	160 / around 100 groups (estimation)	104 companies	5 NFCs / 6 NF groups	26	Alternext: 1 company Easynext: 10 companies and 2 groups PEX: 0	9 companies / 13 groups

⁵ According to the National Accounts' classification financial - non-financial

⁴ No alternative market for first quotations. It was closed in 2012.

	Austria	Belgium	France	Germany	Greece	Italy	Portugal	Spain
b. Capitalization of companies/groups	Not available	<u>Alternext:</u> € 20,94 million / € 102,3 million (IFRS: € 57,1 million) <u>Free Market:</u> € 27,18 million / € 52,34 million	<u>Alternext:</u> 5 788 million € / around 4.000 million €	1.770 million €	€ 56,27 million / € 74,46 million	871 million/0	<u>Alternext:</u> € 7.725 million <u>Easynext:</u> € 67.4 million/ € 80 million	598 million €
of which, non-financial companies/ groups	Not available	<u>Idem, no financial companies / groups¹</u>	<u>Alternext:</u> 5.685 million € / around 4 000 million €	430 million €	€ 21,54 million / € 61,72 million	13/0	<u>Alternext:</u> € 7.725 million <u>Easynext:</u> € 67.4 million/ € 80 million	598 million €
4. ERICA database: are some of the previous included in ERICA (yes/no)								
a. Yes. Then, number of groups included and capitalization (data 2011)	7, but only because these groups are also listed in the regulated market		Data are included in ERICA if IFRS is used	Yes. Data only included if IFRS is used and data available in CoCAS.				NO
No. Then, would you be in favour of including these data in ERICA for your country		No. Data can be included in ERICA if IFRS is used (not mandatory)			No, because they refer to very small groups compared to those already in ERICA	Not, but in the future the larger IFRS groups could be included	No, because generally they apply National GAAP	No.

Document Management

Document name **Stock taking exercise about alternative stock markets**
This document summarizes the situation of the alternative stock markets in Europe.

Release Doc7 - WGIII_alternativestockmarkets_2013_F
Date:27/09/2013

Revision History Each distributed document forms a "final version".
List of successive "final versions"

Revision version	Revision date	Summary of Changes
WGIII_alternativestockmarkets_2013_D1	15/07/2013	First draft version of the document
WGIII_alternativestockmarkets_2013_D2	05/09/2013	Second draft version of the document after contributions received
WGIII_alternativestockmarkets_2013_D3	24/09/2013	Third draft of the document, after London meeting
WGIII_alternativestockmarkets_2013_F	27/09/2013	Final version of the document, approved by the IIIWG

Distribution This document has been distributed to:

Version	Date of issue	Name
WGIII_alternativestockmarkets_2013_D1	15/07/2013	Members of the III WG
WGIII_alternativestockmarkets_2013_D2	05/09/2013	Members of the III WG
WGIII_alternativestockmarkets_2013_D3	24/09/2013	Members of the III WG
WGIII_alternativestockmarkets_2013_F	30/09/2013	Members of the III WG Members of the ECCBSO

Version management

Key dates: For each final version of the document, key dates for the national revisions or corrections
Name and date of revised document sent by each member

Members	Draft		Revision		Approval
	Name	Date	Name	Date	Date
Austria	Sabine Wukovits	13/08/2013	Sabine Wukovits	26/09/2013	26/09/2013
Belgium	Saskia Vennix	19/07/2013	Saskia Vennix	30/09/2013	30/09/2013
France	Jean-Luc CAYSSIALS Claire MANGIN	22/08/2013	Claire Mangin Jean-Luc Cayssials	27/09/2013	27/09/2013
Germany	Martina Hemsath	23/07/2013	Matthias Lörch Martina Hemsath Ulrike Pfeiffer	26/09/2013	26/09/2013
Greece	Olga Lymperopoulou	17/07/2013	Olga Lymperopoulou	26/09/2013	26/09/2013
Italy	Vincenzo Favale Riccardo Renzi	29/7/2013	Vincenzo Favale Riccardo Renzi	30/09/2013	30/09/2013
Portugal	Ana Bárbara Pinto	24/09/2013	Ana Bárbara Pinto	26/09/2013	26/09/2013
Spain	Manuel Ortega Pilar Saura	24/09/2013	Manuel Ortega Pilar Saura	26/09/2013	26/09/2013