

Luxembourg

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Statutes and regulations

- 1 What are the relevant statutes and regulations governing securities offerings? Which regulatory authority is primarily responsible for the administration of those rules?

The Law of 10 July 2005 on the prospectus for securities (the Prospectus Law) governs the approval of the prospectus to be published in connection with the public offering of securities in Luxembourg (subject to certain limited exceptions) and the admissions for trading on the regulated market of the Luxembourg Stock Exchange (LSE). Admissions to trading on the LSE are also subject to the Grand-Ducal Regulation of 13 July 2007 on the keeping of an official list (the Official List Regulation) adopted in the context of MiFID and the rules and regulations of the Luxembourg Stock Exchange (LSE Rules).

The Prospectus Law implements Directive 2003/71/EC (the Prospectus Directive). It also provides for the rules governing offers to the public and admissions to trading on Luxembourg's regulated markets of securities excluded from the scope of the Prospectus Directive; for these securities, simplified prospectuses have to be drawn up. Further, the Prospectus Law provides for the authority empowered to determine the required content for a prospectus for the admission of securities on an alternative market (which is not a 'regulated market' as defined by the Prospectus Directive). At the time of writing (March 2011) Luxembourg has not yet implemented Directive 2010/73/EU amending the Prospectus Directive (Amendment Directive) but intends to do so prior to year end. The Amendment Directive needs to be implemented by 1 July 2012.

A public offering in Luxembourg of units or shares of open-ended undertakings for collective investment, and the admission of such units or shares to trading on the regulated market of the LSE, will be governed by the Law on undertakings for collective investment. The offering and admission to trading on the regulated market of the LSE of shares in closed-ended undertakings for collective investment and risk capital investment companies (SICARs) are governed by the Prospectus Law. Closed-ended funds are those funds that do not repurchase shares at the request of investors.

The Commission de Surveillance du Secteur Financier (CSSF) is the regulatory authority responsible for the administration of the rules on public offers of securities within the scope of the Prospectus Directive in Luxembourg, and on admissions to trading of such securities on a regulated market situated in Luxembourg.

Presently, there is only one regulated market in Luxembourg, which is operated by the LSE (which also operates the Euro MTF, a market that is not a 'regulated market' in the meaning of the Prospectus Directive).

The CSSF will also administer the rules on the public offer in Luxembourg of securities excluded from the scope of the Prospectus Directive.

The securities excluded from the scope of the Prospectus Directive are set out in article 1.2 of the Directive and include: securities issued by EU or EEA member states, their regional or local authorities

or by international public bodies of which one or more EU or EEA member states are members, the European Central Bank or the central bank of EU or EEA member states as well as securities guaranteed by EU or EEA member states or their regional or local authorities; 'small' issues (less than €2.5 million (increased to €5 million under the Amendment Directive) over 12 months and certain non-subordinated, non-convertible debt securities issued continuously or in a repeated manner by credit institutions for a total amount of less than €50 million (increased to €75 million under the Amendment Directive) over a period of 12 months); and money market instruments with a maturity at issue of less than 12 months.

The CSSF is the authority responsible for regulating the LSE. The LSE is responsible for the content requirements of the simplified prospectus to be drawn up in connection with admissions to trading on the LSE's regulated securities market of securities outside the scope of the Prospectus Directive, and for the admission to trading of securities on the LSE's alternative market, the Euro MTF.

The required content for simplified prospectuses outside the scope of the Prospectus Directive are set out in the LSE Rules and are largely inspired by the rules provided by the now abrogated content provisions of Directive 2001/34/EC (the Admissions Directive), together with the exemptions that were provided for thereunder.

The public offering and admission to trading of units or shares in open-ended undertakings for collective investment are not covered by this chapter.

If securities are offered as consideration during a takeover offer, all or certain of the provisions of the Law of 19 May 2006 (the Takeover Law) transposing Directive 2004/25/EC (the Takeover Directive) may apply depending on whether the target is a Luxembourg company and whether its shares are listed on the regulated market of the LSE.

Public offerings

- 2 What regulatory or stock exchange filings must be made in connection with a public offering of securities? What information must be included in such filings or made available to potential investors?

Any person intending to make a public offer of securities in Luxembourg must notify the CSSF in advance and publish a prospectus (or, as the case may be, a simplified prospectus) that must be approved by the CSSF. The requirements in connection with an application are set out in the Prospectus Law and CSSF Circular 05/210 or 05/226. No filing is required with the LSE in respect of a public offer of securities. The application must include: a draft of the prospectus containing all information that, according to the particular nature of the issuer and of the securities offered to the public, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the issuer and of any guarantor, and of the rights attached to such securities; and any additional information that must be included in the prospectus but that has not yet been included in the submitted draft. A prospectus for securities within the scope of the Prospectus

Directive will need to contain a summary conveying the essential characteristics and risks associated with the issuer, any guarantor and the securities (and, under the Amendment Directive, so-called 'key information'), unless the securities offered are wholesale debt securities. There is no requirement for a summary in the case of a simplified prospectus or a prospectus for listing of securities on a regulated market if such securities have a denomination of at least €50,000 (increased to € 75,000 under the Amendment Directive) (wholesale securities). Any documents included by reference in the prospectus or simplified prospectus must also be filed with the CSSF. The same rules will apply in the case of an application to the CSSF to approve a prospectus in connection with an admission to trading on the regulated market of the LSE of securities that are in the scope of the Prospectus Directive. In that case, a separate application for the admission will also need to be filed with the LSE.

The issuer may draw up the prospectus as a single document or as separate documents composed of a registration document that contains the information relating to the issuer and a securities note that contains information concerning the securities and a summary. For the non-equity securities listed in article 8(4) of the Prospectus Law and in article 22(6) of Regulation (EC) 809/2004 (as amended), the prospectus can, if the issuer chooses, consist of a base prospectus containing all relevant information concerning the issuer and the securities to be admitted to trading. The final terms of the offer may not be included in the base prospectus, in which case they shall be provided to investors and filed with the CSSF as soon as practicable when each public offer is made. The information given in the base prospectus will be supplemented if necessary with updated information on the issuer and on the securities to be offered.

The content requirements for a prospectus for securities within the scope of the Prospectus Directive result from Regulation (EC) No. 809/2004 (as amended) implementing the Prospectus Directive as regards information contained in prospectuses, as well as the format, incorporation by reference, publication of such prospectuses and dissemination of advertisements.

No summary is required in the case of a prospectus for the admission of wholesale securities to trading on the regulated market of the LSE or in connection with a simplified prospectus.

In the case of an offer to the public or of an admission to trading on a regulated securities market outside the scope of the Prospectus Directive, the content rules of the simplified prospectus are set by the CSSF (in the case of a public offer) and by the LSE (in the case of the admission of such securities to trading on the LSE), respectively. Rules on the content of simplified admission prospectuses are set out in the LSE Rules and largely correspond to the content rules (and related exemptions) under the now abrogated content requirements of the Admissions Directive. Pursuant to CSSF Circular 05/210, the CSSF will consider that a simplified prospectus submitted to it for approval in connection with a public offer of securities, which are outside the scope of the Prospectus Directive, will comply with the content requirements of the law if it complies with the LSE Rules.

The rules regarding the content of the prospectus to be published for the admission of securities to the Euro MTF market of the LSE are set out in the LSE Rules.

- 3 What are the steps of the registration and filing process? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

Under the Prospectus Law, for an offer to the public or admission to trading on the LSE of securities within the scope of the Prospectus Directive, an offeror whose securities are not yet listed on a regulated market, or who has not yet offered securities to the public, will need to submit a prospectus at least 20 business days before the making of the public offer or the admission to trading. In all other cases, the application must be made at least 10 business days before the intended date.

The above period only begins when a complete file is submitted. For a first-time offeror or an as yet unlisted issuer, or in the case of a transaction of some complexity, it is advisable to file documentation some time in advance.

No offer to the public may be made or admission to trading may be authorised until the relevant prospectus has been approved by the CSSF.

For securities outside the scope of the Prospectus Directive, a simplified prospectus must be filed with the CSSF in the case of a public offer, and with the LSE in the case of admission to trading on the regulated market of the LSE. For securities to be admitted to the Euro MTF market of the LSE, a prospectus must be filed with the LSE. The Prospectus Law provides for a 10-business-day review period by the CSSF, in the case of a public offer of such securities (which is increased to 20 business days for issuers that have not yet offered securities to the public). In the case of admission of such securities to trading on the regulated market of the LSE, the Prospectus Law provides for a 10-business-day review period by the LSE. The LSE Rules provide for a minimum 10-day advance filing in connection with the admission to the Euro MTF market of the LSE.

- 4 What publicity restrictions apply to a public offering of securities? Are there any restrictions on the ability of the underwriters to issue research reports?

After the prospectus has been approved, it must be deposited with the CSSF (in the case of admissions to trading on the regulated market of the LSE of securities outside the scope of the Prospectus Directive, the prospectus must be deposited with the LSE) and must be made available to the public as soon as practicable and in any case within a reasonable time in advance of, or at the latest on, the date of the start of the public offer or of the admission for trading.

In addition, for an initial public offer of a class of shares that are not already admitted to trading on a regulated market and that are to be admitted for the first time, the prospectus must be available at least six business days before the end of the offer period.

For a public offer of securities outside the scope of the Prospectus Directive, the same six-business-days rule applies for any first offer to the public (no period is specified by the Prospectus Law for the Euro MTF market).

The prospectus must be published either in one or more newspapers with a wide circulation in Luxembourg or in a printed publication that must be available free of charge at various locations such as at the LSE and the registered office of the issuer or the financial intermediaries that place or sell the securities, and at the Luxembourg paying agent. It may also be published electronically on the internet site of the issuer and the financial intermediaries, the site of the LSE (in case of admission to listing) or, for those prospectuses within its jurisdiction, the site of the CSSF. The Prospectus Law provides that issuers which only publish the prospectus in a newspaper or in a printed publication must also publish it on their website and on the website of the relevant financial intermediaries.

Similar rules apply for the publication of the simplified prospectus in the case of securities excluded from the scope of application of the Prospectus Directive and in respect of the prospectus drawn up for admission to the Euro MTF market.

Any promotional communication or advertisement relating to an offer of securities to the public or their admission to trading on the regulated market of the LSE must be clearly recognisable as such, and the information it contains must not be inaccurate or misleading and must be consistent with the information contained in the prospectus. It will also have to indicate that a prospectus has been or will be published and where investors are or will be able to obtain it. The same rule applies to advertisements in connection with a simplified prospectus.

Luxembourg has implemented Directive 2003/6/EC on market abuse, which deals with the ability of underwriters to issue research reports in article 6.5, and Directive 2003/125/EC as regards the fair

representation of investment recommendations and the disclosure of conflicts of interests.

According to the Luxembourg law on market abuse, underwriters that produce or disseminate investment recommendations intended to be made public must ensure that such information is fairly presented and is transparent by disclosing the person responsible for its production, by distinguishing facts from other non-factual information, and by ensuring that all sources are reliable or, where this is not the case, by clearly stating this and by identifying all projections, forecasts and targets as such. Additional obligations in relation to the fair presentation of recommendations include the indication of all-important sources, the methods for the assessment of the financial instrument, the meaning of the recommendation, its time horizon and the date of the latest amendment of the recommendation. The investment recommendation must also contain an indication as to the internal codes of conduct and the 'Chinese walls' applicable to the person producing or disseminating such recommendation. Underwriters must also disclose conflicts of interest, such as any significant financial interest in the relevant financial instruments or any business relation with the issuer of such financial instruments.

Furthermore, underwriters must disclose any shareholding of more than 5 per cent held in the capital of an issuer or held by the issuer in the capital of the underwriter.

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- 5 Are there any special rules that differentiate between primary and secondary offerings? What are the liability issues for the seller of securities in a secondary offering?

In principle, shareholders in a Luxembourg company have a preferential subscription right in proportion to the number of shares held if new shares are issued against cash. But the shareholders meeting, at which the share capital increase is resolved, may limit or withdraw such preferential rights. If the general meeting approves an authorised share capital to be issued at the discretion of the board of directors, it may also authorise the board of directors to limit or withdraw preferential subscription rights.

In addition, the articles of incorporation of the issuer may provide that where the capital of the issuer consists of several share classes, preferential subscription rights only exist for shareholders of the class in which further shares are issued, or that the preferential rights of shareholders of the other classes can only be exercised after the holders of the class concerned by the increase have exercised their rights.

Under the Prospectus Law, for secondary offerings to existing shareholders, a prospectus must in principle be published, unless the shareholders are only qualified investors, or there are fewer than 100 individuals or legal entities per EU or EEA member state other than qualified investors.

For admissions to list on the LSE, no new prospectus is required if the new shares represent, over a 12-month period, less than 10 per cent of the shares of the same class already admitted to trading on the LSE.

Where the secondary offering is not undertaken by the issuer, but by a seller of securities, the same rules will apply under the Prospectus Law.

In terms of liability, under the Prospectus Law, the liability for information furnished in a prospectus will rest with the issuer, the offeror, the person applying for the admission to trading, or the guarantor, as the case may be.

Placing by financial intermediaries will also come under the requirement to publish a public offer prospectus unless they act as part of the primary offer, or if they make a secondary offering and do not fall under an exemption to publish a prospectus (see question 7).

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- 6 What is the typical settlement process for sales of securities in a public offering?

Typically, securities offered to the public in Luxembourg will be settled through Clearstream Banking SA and Euroclear Bank SA/NV.

Private placings

- 7 Are there specific rules for the private placing of securities? What procedures must be implemented to effect a valid private placing?

Under the Prospectus Law and as detailed in CSSF Circular 05/225, essentially any offer of securities within the scope of the law to more than one person will constitute a public offer. An exemption from publishing a prospectus will only apply to offers to qualified investors or to less than 100 individuals or legal entities (increased to 150 under the Amendment Directive) per EU or EEA member state other than qualified investors, or where the offer is for a total of at least €50,000 per investor or where each security has a nominal value of at least €50,000 (in each case increased to €100,000 under the Amendment Directive). For ease of reference, such offers will be referred to hereafter as 'private placements', even if technically they constitute public offers that benefit from an exemption from publishing a prospectus.

There are no particular procedures to be implemented when carrying out a private placement except, of course, to ensure that the conditions for exemption are met. The financial intermediary carrying out such a private placement will need to have the appropriate authorisation for its own activities.

There is no further requirement in the Prospectus Law in connection with the private placement of securities, except as referred to in question 8.

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- 8 What information must be made available to potential investors in connection with a private placing of securities?

The Prospectus Law states that material information provided to one targeted, qualified, or special type of investor must be disclosed to all of them; however, it does not determine what information is 'material'. Because of the liability attached to a prospectus under general statutory law, any issuer or offeror making a private placement, and the financial intermediary placing the securities privately, should include in their private placement memorandum any material information necessary for investors to make an informed assessment of the securities offered.

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- 9 Do restrictions apply to the transferability of securities acquired in a private placing? And are any mechanisms used to enhance the liquidity of securities sold in a private placing?

There are no restrictions on the transferability of securities acquired in a private placement, except where a resale of the securities meets or falls under the definition of 'public securities offering', in which case a prospectus will need to be approved by the CSSF unless an exemption to the requirement to publish a prospectus applies.

Where privately placed securities are admitted to trading on the LSE, such restrictions and requirements do not apply for ordinary sales through the stock exchange.

Offshore offerings

- 10 What specific domestic rules apply to offerings of securities outside your jurisdiction made by an issuer domiciled in your jurisdiction?

There are no special rules applying to securities offered outside Luxembourg by a Luxembourg issuer, except when Luxembourg is the home member state for the purposes of the Prospectus Directive, in which case the Prospectus Law applies.

Particular financings

- 11** What special considerations apply to offerings of exchangeable or convertible securities, warrants or depositary shares or rights offerings?

The issue of securities exchangeable or convertible into shares by a Luxembourg company requires the general meeting of shareholders to have approved an authorised share capital and to have authorised the board of directors of the issuer to withdraw preferential subscription rights of existing shareholders.

Under the LSE Rules, exchangeable or convertible securities, or securities with warrants attached, can only be admitted to trading on the LSE if the underlying shares are already listed on the LSE or on another regulated market, or are admitted simultaneously.

Derogation from this rule may be obtained if the LSE is satisfied that the holders of such securities have at their disposal all information necessary to form an opinion concerning the value of the shares to which these securities relate.

Underwriting arrangements

- 12** What types of underwriting arrangements are commonly used?

Underwriters typically underwrite or purchase the newly issued securities or the existing securities offered in a secondary offering. Such underwriting is typically not undertaken on a joint basis, subject to certain limited exceptions.

- 13** What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and over-allotment options?

The indemnity clause in underwriting agreements aims to indemnify the underwriters against any damages and liabilities arising from a breach of the representation and warranties in the underwriting agreement, or from inaccuracies, misstatements of facts or omissions in the prospectus. The representation and warranties typically cover not only the issuer or the guarantor of the securities, but also their group and at least their main subsidiaries. Underwriting agreements with respect to Luxembourg issuers would normally follow international market standards. Likewise, underwriting agreements contain typical force majeure clauses. These clauses normally operate as a condition precedent to the underwriters' obligation to underwrite and pay for the securities or as a clause enabling them to terminate the underwriting agreement.

Besides an underwriting fee, a management fee and a selling fee, underwriting agreements typically provide for a success fee at the discretion of the issuer, which in practice will depend on the success of the placing and on the price achieved by the underwriters.

Underwriting agreements typically provide for over-allotments together with a 'greenshoe'.

- 14** What additional regulations apply to underwriting arrangements?

There are no Luxembourg regulations applying to underwriting agreements.

Ongoing reporting obligations

- 15** In which instances does an issuer of securities become subject to ongoing reporting obligations?

Issuers whose securities are admitted to trading on the regulated market of the LSE will become subject to the ongoing disclosure obligations of the Transparency Law of 11 January 2008 (subject to certain exceptions provided for in that law) if Luxembourg is the home member state of that issuer. Issuers admitted to the Euro MTF market of the LSE will be subject to the ongoing reporting require-

ments in the LSE Rules. An issuer whose securities are admitted to the regulated market of the LSE will also be subject to an obligation to publish the yearly report provided for by the Prospectus Law and certain information required by the Takeover Law (see question 16). Under Luxembourg securities laws, there are no ongoing reporting obligations for issuers whose securities have been offered to the public but have not been admitted to trading on the LSE.

- 16** What information is a reporting company required to make available to the public?

Issuers admitted to regulated market

An issuer whose securities are admitted to trading on a regulated market and whose home member state for the purpose of Directive 2004/109/EC (the Transparency Directive) is Luxembourg, is subject to a range of periodic and continuous reporting obligations, the exact scope of which will depend on whether the securities admitted are equity securities or non equity securities. Certain sovereign issuers and issuers of debt securities with a minimum nominal amount of €50,000 (increased to €100,000 under the Amendment Directive) will be exempt from the requirement to publish periodic information.

Periodic information consists in the publication of a yearly financial report, a half-year financial report for issuers of shares and debt obligations, and, for issuers of shares, either interim management statements or quarterly financial reports.

Issuers must also publish certain information for holders of their shares or debt securities in connection with the holding of shareholder or bondholder meetings and in connection with changes to the rights attaching to their shares or their debt securities. Issuers must also publish any new issues of debt securities which are admitted to trading on a regulated market. Regulated information with respect to issuers whose home member state for Transparency Law purposes is Luxembourg must also be deposited with the CSSF and stored with the LSE acting as Officially Appointed Mechanism (OAM).

Under the Prospectus Law, an issuer must publish a yearly report containing or referring to all information it has published or made available to the public over the preceding 12 months in compliance with securities regulations. The CSSF has indicated that issuers who comply with all their deposit and storage obligations under the Transparency Law will be considered as having complied with this requirement. This obligation does not apply to issuers of non-equity securities with a denomination per unit of at least €50,000. This requirement will be abrogated upon implementation of the Amendment Directive.

Under the Market Abuse Law, issuers must publish sensitive information, provided they may delay the publication of such information under the conditions set by the Market Abuse Law.

The Transparency Law contains several obligations in respect to the notification of major voting thresholds. In that respect issuers of shares will need to publish each month the situation of their capital and voting rights in case any changes have occurred during the relevant month. Issuers of shares will also need to publish any notification received from investors regarding the reaching or crossing of voting thresholds by such investors.

Under the Takeover Law, issuers of shares must publish certain information including on the structure of their capital and significant direct and indirect shareholdings, on restrictions on the transfer of securities and voting rights, on shareholder agreements, on changes of control clauses and on golden parachutes.

Issuers admitted only to Euro MTF

Issuers admitted only to the Euro MTF are subject to publication requirements of the LSE Rules. Issuers must publish their annual consolidated and non-consolidated financial statements. Issuers whose shares are admitted to trading on the Euro MTF must also publish a semi-annual report.

Issuers must publish information on any major new developments within their fields of activity that are not of public knowledge

and that may, by their impact on their assets, financial position or the general course of their business, lead to a substantial movement in the price of their shares or debt securities.

Issuers must also publish any amendments to the rights attached to their shares or debt securities and issuers of shares admitted to trading must publish changes to major holdings within their share capital of which they are aware.

Generally, the information made available to the Luxembourg market must be equivalent to that provided to the other regulated markets where the securities are admitted.

Anti-manipulation rules

- 17** What are the main rules prohibiting manipulative practices in securities offerings and secondary market transactions?

Insider dealing and market manipulations are prohibited by the law of 9 May 2006 on market abuse. Under the law of 10 August 1915 on commercial companies (the Companies Act), it is a criminal offence to fraudulently cause or attempt to cause the price of company shares, bonds or other securities to rise or fall. Other criminal offences under the Companies Act are referred to in question 20. The rules of the LSE contain rules of conduct on the exchange activities of the members of the stock exchange, including a prohibition on acting with the purpose of manipulating prices.

Price stabilisation

- 18** What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

Luxembourg permits stabilisation to be carried out before the commencement of trading on a regulated market. The disclosure obligations pursuant to article 9.1 of Commission Regulation (EC) No. 2273/2003 as regards exemptions for buy-back programmes and stabilisation of financial instruments are not applicable in the context of an offer for financial instruments where a prospectus has been drawn up in accordance with the Prospectus Directive and the Prospectus Regulation.

The details of all stabilisation transactions must be notified by issuers, offerors or the entities carrying out the stabilisation acting, or not, on behalf of such persons to the CSSF for those transactions on financial instrument admitted to dealing on a regulated market in Luxembourg or for whom an application for dealing to such a market has been made. The CSSF must be notified no later than the end of the seventh market day following the date of execution of such transactions. Persons carrying out stabilisation transactions will be

Update and trends

On 11 December 2010, Directive 2010/73/EU (the Amendment Directive), which amends the Prospectus Directive and the Transparency Directive, was published in the Official Journal of the European Union. The Amendment Directive provides that it must be implemented no later than 1 July 2012. No Luxembourg draft bill of law has yet been published.

In addition to the changes highlighted in certain sections above, the main changes of the Amendment Directive include the following:

- the exemption to the obligation to publish a prospectus for offers to employees will be extended to securities of issuers with a head office or registered office in the EU, and securities that are admitted to trading on a regulated market in a jurisdiction outside the EEA where the legal and supervisory framework over such market has been recognised as being equivalent by the EU Commission;
- the definition of 'qualified investor' (which is relevant for determining whether one of the exemptions from the obligation to publish a prospectus is available) will be aligned with the 'professional client' and 'eligible counterparties' definitions under MiFID;
- the requirement to include certain defined key information in the prospectus summary;
- in case of securities programmes using a base prospectus, the content of final terms will have to be strictly limited to information relating to the securities being offered or admitted to trading.

It is expected that the rules governing offers and the admission to trading of securities which are out of the scope of the Prospectus Directive will be adjusted in a similar manner.

subject to the other reporting and disclosure provisions in the aforementioned Commission Regulation. There are no additional specific Luxembourg obligations.

Liabilities and enforcement

- 19** What are the most common bases of liability for a securities transaction?

The most common basis of liability in a securities offering is the liability for incorrect, inaccurate or incomplete information contained in the prospectus. Under Luxembourg law, the liability vis-à-vis the underwriters by the issuer or the offeror will be contractual, whereas the liability of the issuer or the offeror vis-à-vis subscribers or purchasers of the securities will be based on civil liability in tort

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principles, unless there is a direct contract between the issuer or offeror and subscriber or purchaser of the securities, in which case the liability will be contractual.

20 What are the main mechanisms for seeking remedies and sanctions for improper securities activities?

Under the Prospectus Law, the CSSF has broad powers to take action in case of improper activities, including the power to require the addition of further information in the prospectus, to suspend a public offer or an admission to trading on the LSE, to prohibit any advertisements regarding an offer, and to prohibit a public offer or trading on the LSE. The CSSF may also order the cessation of any practice contrary to the Prospectus Law.

The CSSF has the power to levy an administrative fine.

A person who knowingly makes an offer of securities to the public in Luxembourg without an approved prospectus under the Prospectus Law commits a criminal offence.

As well as the prohibition in the law on market abuse and the prohibition of manipulating the price of securities provided for by the Companies Act (see question 17), it is also a criminal offence tantamount to fraud for a person to cause investors to subscribe to or purchase securities by simulating subscriptions or payments to a company, or by publicising subscriptions or payments that such person knows do not exist or by associating persons with the relevant company where such description is untruthful, or by publishing any other fact that such person knows to be false.