

# European BACKGROUND INFORMATION Community

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BACKGROUND NOTE

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## COORDINATED LISTING REQUIREMENTS PROPOSED FOR EUROPEAN COMMUNITY STOCK MARKETS

Listing on one official exchange in any European Community country should automatically entitle securities to a listing on exchanges in any Community country, making life easier for American multinationals doing business in the "Nine."

A new Commission proposal would untie some of the red tape now complicating the listing of securities on more than one Community exchange by setting minimum conditions for listing. These rules would apply to all private and public stocks and debt securities. Initially, member countries could make certain requirements more stringent than those contained in the minimums. These differences would be eliminated by later laws, as the Nine moved toward a unified European capital market.

This proposal complements an October 1972 proposal, amended in December 1975 on the prospectus to be published when securities are admitted to official stock market quotation. Passage of this proposal into law would help coordinate national requirements on content, checking, and distribution of the prospectus when securities are first listed.

In addition to laying the base for a unified European capital market, these proposals would improve information available to European investors who are traditionally more suspicious of the stock market than are Americans.