



SPOTLIGHT ON MARKETS

JULY 2021 N°26

Are SPACs a good deal?

ESMA statement on disclosure and investor protection guidance on SPACs

ARE SPACS A GOOD DEAL?

In July, ESMA issued a Public Statement on the prospectus disclosure and investor protection issues raised by SPACs.

PUBLICATIONS

Your one-stop-shop information source in the world of financial markets brings together the latest reports, proposals and statements.

THE MONTH AHEAD

The closing consultations in August cover topics like Market Abuse, Market Data, Securitisation and CRAs.

IN THIS ISSUE

Are SPACs a good deal? With the rise of SPAC transactions and the growing interest from investors, it is essential that investors are provided with the necessary information before making any decisions. In this month's issue, we highlight ESMA's [Public Statement](#) on the prospectus disclosure and investor protection issues raised by SPACs.

In addition to the statement on SPACs, key publications from July include the fine of [DTCC derivatives repository](#) for EMIR data breaches, [ESMA's statement on payment for order flow](#), and the launch of [seven public consultations on CCP recovery regime](#). Furthermore, ESMA published four reports on sanctions: [Prospectus Activity and Sanctions for 2020](#), [use of sanctions for UCITS](#), [use of sanctions under AIFMD](#) and [the use of sanctions and measures by NCAs under MiFID II](#).

A full overview of all publications can be found in the newsletter, together with information on next month's closing consultations and vacancies.

For updates, follow us on [Twitter](#) and [LinkedIn](#).

ESMA IN JULY

FOCUS OF THE MONTH

3

ARE SPACS A GOOD DEAL?



PUBLICATIONS

4

THE MONTH AHEAD: AUGUST

CONSULTATIONS

6

OPEN VACANCIES

7

CONTACT INFO

8

Are SPACs a good deal?

There has been a significant rise in the activities of special purpose acquisition companies (SPACs) in the EU capital markets this year, and with that came growing interest from investors. It is therefore essential that investors are provided with the information necessary to understand the structure of SPAC transactions before making any decisions. In July, ESMA issued a **Public Statement** on the prospectus disclosure and investor protection issues raised by SPACs.

The statement set out ESMA's expectations on how issuers should satisfy the specific disclosure requirements of the Prospectus Regulation to enhance the comprehensibility and comparability of SPAC prospectuses. This should help to ensure that national competent authorities (NCAs):

- Take a coordinated approach to the scrutiny of SPAC prospectuses;
- Provide SPACs with an understanding of the disclosure that NCAs will expect them to include in their prospectuses; and
- Support investors' analysis of these transactions.

It is important to understand that SPAC transactions may not be appropriate investments for all investors due to risks relating to dilution, conflicts of interests in relation to sponsors'

incentives and the uncertainty as to the identification and evaluation of the target company. The proper application of the MiFID II product governance rules is vital.

Our statement will contribute to maintaining a high level of investor protection and promote a common consistent supervisory convergence by regulators across the EU. ESMA and NCAs will continue to monitor SPAC activity to determine if additional action is necessary to promote coordinated supervisory action aimed at ensuring investor protection.

What are SPACs?



SPACs are shell companies that are admitted to trading on a trading venue with the intention to acquire a business and are often referred to as blank check companies. The persons responsible for setting up SPACs are the sponsors, who typically have significant expertise in one or more economic sectors and use the SPAC to acquire companies in those sectors. SPACs sell their shares, often together with warrants, to investors to finance the acquisition. After the acquisition, the SPAC becomes a normal listed company.

PUBLICATIONS



Click to read the news items

30
July

Data for the systematic internaliser calculations

30
July

New bond liquidity data available

30
July

First CTP data available

28
July

MiFID II/MiFIR Annual Review Report on RTS 2

21
July

ESMA highlights areas for improvement in compliance with MiFID II suitability requirements

20
July

ESMA see small decrease in EEA prospectus approvals in 2020

20
July

ESMA's second report on sanctions under AIFMD

20
July

ESMA's fourth annual report on use of sanctions for UCITS

20
July

New Q&As available

19
July

ESMA finds NCAs imposed sanctions of €8.4 million for MiFID II breaches in 2020

19
July

ESMA consults on remuneration requirements under MiFID II

16
July

ESMA's third report on CSDR implementation

15
July

ESMA consults on amendments to MAR guidelines on delayed disclosure of inside information

9
July

ESMA consults on derivatives clearing and trading obligations in view of the benchmarks transition

15
July

ESMA statement on disclosure and investor protection guidance on SPACs

2
July

ESMA and EBA's final guidance on fit and proper requirements

13
July

ESMA consults on EMIR reporting guidelines

1
July

First report on national rules governing the marketing of investment funds

13
July

Methodology for assessing third country CCPs systemic importance

13
July

ESMA warns firms and investors about risks arising from payment for order flow

12
July

Seven public consultations on CCP Recovery Regime

12
July

DTCC Derivatives Repository fined €408,000 for EMIR data breaches

9
July

ESMA consults on the review of transparency requirements under MiFIR



Missed any ESMA publications? Check out [the full list](#) of news items on our website.

CONSULTATIONS

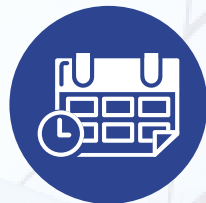


Closing



04/08/21

Public Consultation on Guidelines on the Disclosure Requirements for Initial Reviews and Preliminary Ratings



20/08/21

Public Consultation on the STS notification for on-balance sheet securitisations



27/08/21

Public Consultation on the Guidelines on transfer of data between Trade Repositories under EMIR and SFTR



27/08/21

Consultation Paper on MAR GLs on delay in the disclosure of inside information and interactions with prudential supervision

The full list of consultations and reply forms can be found on the [ESMA consultations page](#)





OPEN VACANCIES

POSITION

DEADLINE

ICT OFFICER
(Multiple profiles)

12/08/21

Traineeship notice – Legal
profile (F/M)

Open call
(without a specific deadline)

Traineeship notice –
Transversal profile (F/M)

Open call
(without a specific deadline)

Traineeship notice -
Financial Markets Profile
(F/M)

Open call
(without a specific deadline)

All open vacancies can be found on [ESMA's recruitment portal](#)



CONTACT INFO



ESMA

201-203 Rue de Bercy

75012 Paris



info@esma.europa.eu



Press office