Cross-Border Listings Guide - Euronext Brussels

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# Quick Summary

## Initial financial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

*Main criteria.* The main eligibility criteria for listing equity securities on one of the Euronext markets, including Euronext Brussels, are:

A minimum distribution of 25% of the subscribed share capital or, at the absolute discretion of Euronext Brussels, a lower percentage of securities distributed to the public can be deemed sufficient to ensure liquidity (with a minimum of 5% if this represents at least €5 million, which is approximately US$5.53 million).

Three years of audited financial statements (subject to the applicability of certain exemptions).

Compliance with international financial reporting standards (IFRS) or US, Japanese, Chinese, Canadian, South Korean or Indian generally accepted accounting principles (GAAP) for accounting (see adjacent box).

A regulator-approved prospectus (which can be prepared and approved in English).

*Financial Statements.* In order to list its securities, a company must have three years of audited accounts or pro forma accounts. However, exemptions may be available in certain circumstances, as set out in the European Prospectus Regulation and its implementing texts.

*Ownership.* There are no ownership requirements applicable to the listing of a foreign company's securities, and there are no ongoing financial requirements after the initial listing.

*Interview.* There is no requirement for a company to conduct one or more interviews with the exchange, nor is there any requirement for a listed company to have and/or maintain a minimum number of security holders or a minimum trading price for its securities.

*Currency.* The currency denomination of securities may be either Euros (€) or US Dollars (US$).

*Compliance Officer.* There is no requirement for a foreign company to obtain a compliance adviser that is established with the exchange.

## Other initial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

*Transferability.* A company must ensure that its listed securities are freely transferable and negotiable, but exceptions can be granted (such as in the case of a shareholders' agreement).

There are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with the listing. However, lock-up agreements with underwriters are common in Belgium in connection with public offerings, and (subject to certain conditions) Belgian law provides for mandatory lock-ups for shares acquired during 12 months prior to the listing at a discount; however, this requirement does not apply to shares that were already listed on another market or exchange.

*Accounting standards.* Audited financial statements must be prepared in compliance with IFRS. However, the accounts of an issuer incorporated outside the EEA may be prepared under US, Japanese, Canadian, Chinese or South Korean GAAP or, for financial periods starting before 31 March 2016, Indian GAAP.

*Financial statements*. The prospectus should also include audited historical financial information, including balance sheets for the latest three financial years. Pro forma statements may be required if there has been a significant gross change in the company's position, such as a significant acquisition or merger.

*Operating history.* An operating history of three years is generally required.

*Minimum holders/trading price.* There are no requirements for a listed company to have and/or maintain a number of security holders or a minimum trading price for its securities.

*Management continuity.* Euronext Brussels does not require any specific period of continuity of management.

## Listing process

[Last updated: 1 January 2024, unless otherwise noted]

To admit shares to Euronext Brussels, a final prospectus approved by the competent authority (in most cases the Belgian Financial Services and Markets Authority, or FSMA) must be submitted to Euronext Brussels. The following is a fairly typical process and timetable for an IPO of an issuer on Euronext Brussels:

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2022-update/2022-euronext-brussels---listing-process.pdf?sc_lang=en)

## Corporate governance and reporting

[Last updated: 1 January 2024, unless otherwise noted]

The Euronext rule book and the local rules for Euronext Brussels do not contain specific corporate governance provisions. Separate corporate governance rules are set out in the Belgian Company and Associations Code and the Belgian Code on Corporate Governance for listed corporations. These rules apply only to Belgian companies and include rules and guidelines regarding:

The composition of the board of directors, including in terms of gender diversity and independent directors.

The appointment of an audit committee, nomination committee and remuneration committee within the board of directors.

The remuneration of directors and officers.

Related party transactions.

There are no residency requirements for directors or officers.

A company listed on Euronext Brussels must comply with the Belgian requirements implementing the European Transparency Directive. These include recurrent and occasional disclosure and reporting obligations to the market and the FSMA. Additional disclosure and reporting obligations apply *vis-à-vis* Euronext.

## Fees

[Last updated: 1 January 2024, unless otherwise noted]

A company seeking to list must pay both initial listing fees (comprising a fixed fee of €20,000 (approx. US$22,100)) and a variable fee) and annual fees. The initial listing fee for shares depends on the market capitalization of the issuer. For example, for issuers with a market capitalization between €100 million and €200 million (approx. US$110.50 million to US$221.00 million), the maximum fee can go up to €125,500 (approx. US$138,678). Additional shares listed subsequently will require additional payments. The fee for a technical listing on Euronext, consisting of a listing without a public offering or private placement by a company already listed in another country, is capped at €371,000 (approx. US$409,955). The annual fee is based upon the number of shares issued and market capitalization; fees range from €4,240 (approx. US$4,685) up to maximum €82,700 (approx. US$91,384) for large issuers. The FSMA will charge a fee upon approval of the prospectus and certain other actions or filings. The fees depend on the type of filing or approval requested.

# Overview of exchange

## Overview of exchange

[Last updated: 1 January 2024, unless otherwise noted]

Euronext Brussels is part of Euronext N.V. (Euronext), with other outlets in Amsterdam, Lisbon, Dublin, Oslo, Milan and Paris. Euronext Brussels is a "regulated market" within the meaning of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (MiFID II) and the Markets in Financial Instruments Regulation (Regulation (EU) 600/2014) (MiFIR), which came into effect on 3 January 2018.

Together, the Euronext markets list nearly 1,900 companies, worth €6.6 trillion (approximately US$7.29 trillion) in market capitalization as of end December 2023. Euronext is the largest European stock exchange in terms of both trading volume and value of shares traded. Shares listed on one of Euronext's markets can be traded on the other markets through a single order book. The shared trading platform offers the same market structure for all listed companies, and clearing is fully guaranteed for all securities. This allows issuers to tap efficiently into international institutional markets, as well as the local Belgian market.

The process to obtain a listing on Euronext Brussels is straightforward and well developed. The Belgian securities regulator, the Financial Services and Markets Authority (FSMA), has a long and solid track record of dealing with public offerings and listings, both domestic and foreign, and is generally very collaborative in the offering and listing process.

While the rules regarding listing and admission to listing have been harmonized significantly among the different Euronext markets, some differences due to legal and technical reasons remain. Also, an admission on one of the Euronext markets does not yet entail an automatic listing on another Euronext market, but such a listing can be used as basis for a simultaneous or additional listing on another Euronext market.

The main Brussels market includes listings of shares issued by Belgian and foreign companies and funds, as well as listings of bonds and other debt instruments. The regulated market of Euronext for equities is segmented according to market capitalization:

*Compartment A*: companies with a market capitalization of more than €1 billion (approximately US$1.1 billion).

*Compartment B*: companies with a market capitalization of between €150 million (approximately US$165.75 million) and €1 billion (approximately US$1.1 billion).

*Compartment C*: companies with a market capitalization of less than €150 million (approximately US$165.75 million).

Highly liquid companies are continuously traded throughout the day. Less liquid companies can be traded via auction.

Euronext Brussels also has a regulated market for Belgian derivatives and public debt instruments, multilateral trading facilities such as Euronext Growth, Euronext Access, and Euronext Expert Market.

Euronext Growth has been designed as a multilateral trading facility for smaller companies and imposes a lighter disclosure and compliance regime than the regime that applies to the main regulated markets of Euronext. Euronext Growth's platform offers one market structure and is operated in the same way for all Euronext Growth companies in the five Euronext Growth countries (France, Belgium, Ireland, Portugal and Norway).

Euronext Access has been designed as multilateral trading facility for start-ups and small and medium-sized enterprises that wish to join a stock exchange to finance growth and gain the reputational advantages of listing, but do not meet the criteria for admission to Euronext's regulated markets or Euronext Growth.

The rules and procedures described below relate to the regulated market only.

Euronext Brussels is governed by the Belgian Act of 21 November 2017 regarding infrastructures for markets in financial instruments and transposing Directive 2014/65/EU, and is recognized as a market operator under this Act. As a market undertaking, Euronext Brussels is responsible for the organization of the markets that it operates and for the admission, suspension and exclusion of the members of these markets. Euronext Brussels is also responsible for the admission, suspension and delisting of financial instruments on its markets. Euronext Brussels operates under the supervision of the FSMA. The Belgian Minister of Finance, upon advice of the FSMA, may grant, suspend and revoke the recognition of Euronext Brussels as a market operator, as well as the recognition of the markets that Euronext Brussels operates as regulated markets. The FSMA is the Belgian securities and financial markets regulator and supervises the conduct of the financial markets. The FSMA is also charged with the supervision and enforcement of aspects of the EU Market Abuse Regulation 596/2014, the EU Short Selling Regulation 236/2012, the EU Prospectus Regulation 2017/1129, and related regulations, and the supervision and enforcement of the Belgian legislation transposing the EU Transparency Directive 2004/109/EC, the EU Takeover Bid Directive 2004/25/EC, the EU UCITS Directive 2009/65/EC, and the EU Markets in Financial Instruments Directive 2014/65/EU and the EU Markets in Financial Instruments Regulation 600/2014. The Belgian National Bank (BNB) is charged with the prudential supervision of financial institutions.

# Principal listing and maintenance requirements and procedures

## Principal listing and maintenance requirements and procedures

[Last updated: 1 January 2024, unless otherwise noted]

There are no jurisdictions of incorporation or industries that would not be acceptable for a company to list on Euronext Brussels.

The main eligibility criteria for listing equity securities on one of the Euronext markets, including Euronext Brussels, are:

A minimum distribution of 25% of the subscribed share capital or, at the absolute discretion of Euronext Brussels, a lower percentage of securities distributed to the public can be deemed sufficient to ensure liquidity (with a minimum of 5% if this represents at least €5 million, which is approximately US$5.53 million).

Three years of audited financial statements (subject to the applicability of certain exemptions).

Compliance with the following accounting standards (see sections 3 and 4 for more information about accounting standards):

International Financial Reporting Standards (IFRS) if the issuer is incorporated in an EEA member state.

IFRS or accounting standards deemed equivalent (US, Canadian, Chinese, Japanese or South Korean GAAP, or, for financial years before 31 March 2016, Indian GAAP), if the issuer is incorporated outside of the EEA.

A regulator-approved prospectus.

In order to list its securities, a company must have three years of audited annual accounts or pro forma accounts. However, exemptions may be available in certain circumstances, as set out in the EU Prospectus Regulation, which is applicable in the EEA (the Prospectus Regulation), and its implementing texts. For example, Euronext may grant dispensation from this requirement if this is in the interest of the company and if the company concerned has made available sufficient information enabling investors to make an informed assessment of the assets and liabilities, financial positions, profit and losses and prospects of the company.

There are no ownership requirements applicable to the listing of a company's securities, and there are no ongoing financial requirements after the initial listing.

The Euronext Rule Book does not contain specific corporate governance provisions (see also section 5 below).

An issuer of equity securities such as shares or equivalent equity securities must appoint a listing agent for the first admission to listing of its securities and for any subsequent admission to listing of securities requiring the approval of a prospectus. The listing agent must assist and guide the company in connection with the admission to listing of its securities on Euronext Brussels.

There is no requirement for a company to conduct one or more interviews with the exchange, nor is there any requirement for listed companies to have and/or maintain a minimum number of security holders or a minimum trading price for their securities.

A company must ensure that its listed securities are freely transferable and negotiable, but exceptions can be granted (such as in the case of a shareholders' agreement). There are no requirements to place shares into escrow (or otherwise restrain them from being traded, such as through "lock-in" or "lock-up" arrangements) in connection with a listing. Lock-up agreements with underwriters are common in Belgium in connection with public offerings. Under certain conditions, Belgian law provides for a mandatory lock-up in relation to shares that have been acquired in the 12 months prior to an IPO at a price reflecting a discount *vis-à-vis* the IPO price. This mandatory lock-up, however, does not apply to shares that were already listed on a regulated market or other securities market or exchange outside of Belgium.

As mentioned, at the time of admission to listing, there must be a minimum public float of 25%, or, at the absolute discretion of Euronext Brussels, a lower percentage of securities distributed to the public can be deemed sufficient to ensure liquidity (with a minimum of 5% if this represents at least €5 million, which is approximately US$5.53 million).

The currency denomination of securities traded on Euronext Brussels is generally Euros (€) or US dollars (US$). Other currency denominations are in principle possible.

Euronext Brussels has a special trading group for special purpose acquisition companies (or SPACs), called the "SPAC Group". Financial instruments that are allocated to the SPAC Group many not be acquired by investors other than "professional clients", unless at the own exclusive initiative of such investor and such investor has been duly notified about the characteristics of the SPAC Group. Financial instruments are transferred off the SPAC Group as soon as there is evidence that the SPAC has merged, been acquired or been combined with (in whichever way) an effective business operating company and that the SPAC has made available to the public a prospectus or, where a prospectus does not have to be published, a document containing information such as a description of the transaction and its impact on the issuer. Euronext Brussels may subject the transfer off the SPAC Group to additional conditions that the FSMA may request.

Issuers generally have a paying agent who is a member of Euroclear, a settlement institution, active on the Euronext markets. The paying agent centralizes the payment of dividends and other corporate actions.

There is no requirement for a company to obtain a compliance adviser that is established with the exchange. Please note that the requirements are different for Euronext Growth.

The above listing requirements apply to Belgian as well as foreign issuers.

[Link to Table](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2024-update-10th-edition/euronext-brussels---long-form---principal-listing-and-maintenance.pdf?sc_lang=en)

# Listing documentation and process

## Listing documentation and process

[Last updated: 1 January 2024, unless otherwise noted]

Below is a table of the main documents generally required for the listing of a company on Euronext Brussels.

[Link to Table](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2020-update-8th-edition/euronext-brusselslisting-doc-and-proc_1.pdf)

The most important document to be prepared in connection with a listing on Euronext Brussels is the listing prospectus. If the listing is combined with an offering of the securities to the public in Belgium or other countries, an offering prospectus must also be made available. The prospectus for the listing can be drafted in such a manner that it can also be used for the offering of the securities to the public.

The listing and offering prospectus must be approved by the FSMA. Alternatively, a prospectus approved by the competent authority of the issuer's home Member State located elsewhere in the EEA may be passported into Belgium pursuant to the Prospectus Regulation.

The prospectus must satisfy the rules set out in the Prospectus Regulation. The Prospectus Regulation is supplemented by several European delegated regulations, and the Belgian Act of 11 July 2018 relating to public offerings of investment instruments and the admission of investment instruments to trading on regulated markets. Furthermore, the European Securities and Markets Authority (ESMA) has issued further guidance in relation to (among other things) the prospectus requirements. Pursuant to these rules, the prospectus must contain the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, profits and losses, financial position, and prospects of the issuer and of any guarantor, the rights attaching to the securities, and the reasons for the issuance and its impact on the issuer.

In particular, the prospectus must include disclosure relating to:

The persons responsible for the prospectus.

The auditors.

Risk factors relating to the company, its industry and the offered securities.

General information about the company.

A description of the company's business, operations, principal activities, the main products and services, and principal markets.

The company's strategy and objectives.

Investments by the company.

Organizational structure.

A description of the company's financial condition and operating results, changes in financial condition and results of the operations for the periods covered by the financial statements and any significant factors affecting its operating results.

Capital resources.

Regulatory environment.

Trend information.

Profit forecasts or estimates (albeit that such information is optional and not mandatory).

The company's management and corporate governance, including information on the remuneration and benefits paid to members of the management and board.

Number of employees and their share options.

Major shareholders.

Recent related party transactions.

Dividend policy.

Legal and arbitration proceedings.

Significant changes in the company's financial position since the end of the last financial period for which financial information has been published or included in the prospectus.

Details of the company's share capital, objects, articles of association or charter, rights attaching to shares, procedure for conducting general meetings of shareholders and other related information.

A summary of material contracts.

 In addition, with respect to financial information, the prospectus should also include audited historical financial information for the latest three financial years together with the audit report for each year. For an issuer incorporated in an EEA Member State, the accounts should generally be prepared under IFRS. For an issuer incorporated outside the EEA, the accounts should be prepared:

Under IFRS.

Under US, Japanese, Canadian, Chinese or South Korean generally accepted accounting principles (GAAP).

Under Indian GAAP, for financial years starting before 31 March 2016.

Any quarterly or half-yearly financial information that the company has published since the date of the last audited financial statements must also be included, together with any audit or review report with respect thereto. If there has been a significant gross change, such as a significant acquisition or merger, it is necessary to include pro forma financial information to reflect how the transaction would have affected its assets, liabilities and earnings if it had occurred at the beginning of the period covered by the report. The prospectus must also replicate the audit reports for each relevant period, including any refusals, qualifications, disclaimers or emphasizes of matter and the reasons for the same. If any financial data included in the prospectus is not extracted from the company's audited financial information, its source must be disclosed. Any significant post-balance sheet change in the financial position of the group must also be described.

It is important to involve the issuer's auditors early in the process. The auditors will not have to deliver to the FSMA or Euronext Brussels, prior to the approval of the prospectus, a certification that they have reviewed the information relating to the financial condition and the financial statements presented in the prospectus and in the prospectus as a whole.

If the securities to be listed are also offered and listed outside of the EEA, local rules regarding the listing and offering will also need to be followed, as appropriate. Where the offer includes a US tranche, the prospectus needs to conform to US disclosure standards.

The FSMA will review the draft prospectus filed with it. Draft prospectus filings are not publicly available. The Prospectus Regulation contains specific rules regarding the time window within which the FSMA must approve the prospectus. In practice, a company or its listing agent generally will make an informal arrangement with the FSMA as to timing for the delivery by the FSMA of comments on the draft prospectus and further filings by the company. Several rounds of comments can be expected, but usually a prospectus approval can be obtained within seven to nine weeks after the initial filing. A longer review period may occur if the listing is in connection with a capital raising or for a debt offering. Upon approval of the prospectus, the FSMA will issue its approval (for companies familiar with the US registration process, this is equivalent to the US SEC's effectiveness order), and the final prospectus will be posted by the FSMA and ESMA on their websites.

The prospectus does not need to be translated into Dutch or French. An English language prospectus can be used. However, Belgian issuers also must take into account the relevant legal regime that applies to corporate and other documentation that they issue and which could require them to prepare a full version of the prospectus in Dutch or French, as relevant.

*Typical process and timetable for a listing of a company on Euronext Brussels, combined with a capital raising*

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2022-update/2022-euronext-brussels---listing-documentation-and-process.pdf?sc_lang=en)

As referred to above, in the case of a technical listing (such as a listing without an offering), the process can be shorter. Also, the process for cross-listing a foreign company is not appreciably different from listing a domestic company.

Initial public offerings of domestic and foreign companies generally occur via a single prospectus, containing the information required by the Prospectus Regulation.

The Prospectus Regulation contains a number of exceptions and exemptions that in certain cases permit initial and follow-on offerings and listings of securities without an approved prospectus. For example, securities that have been listed on another regulated market in the EEA, for at least 18 months are exempt under the following main conditions:

The Prospectus was approved and published in connection with the earlier listing.

The ongoing obligations for trading on the other EEA-regulated market have been fulfilled.

A summary document is made available to the public, which also states where the most recent prospectus can be obtained and where the financial information published by the company pursuant to ongoing disclosure obligations is available.

Also, the listing of additional shares, representing over a period of 12 months less than 20% of the shares of the same class already listed on the same regulated market, does not require a listing prospectus.

The Prospectus Regulation also allows companies to prepare a simplified prospectus in certain circumstances including notably for companies whose securities have been admitted to trading on a regulated market continuously for at least 18 months.

The FSMA will need to approve in advance all advertising relating to the offering of securities to the public in Belgium or the listing of securities on Euronext Brussels.

# Continuing obligations/periodic reporting

## Continuing obligations/periodic reporting

[Last updated: 1 January 2024, unless otherwise noted]

*Key Transparency Directive requirements*

A company listed on Euronext Brussels must comply with the Belgian requirements implementing the EU Transparency Directive, which is applicable in the EEA (the Transparency Directive) and several implementing and delegated regulations.

The bulk of the Transparency Directive relates to the ongoing and recurrent publication by listed companies of financial and other information. These rules have been transposed into Belgian law mainly via the Belgian Royal Decree of 14 November 2007, as amended, regarding the obligations of issuers of financial instruments admitted to trading on a regulated market (commonly known as the Belgian Transparency Decree).

The Transparency Directive also contains rules regarding the disclosure of important shareholdings in listed companies. These rules have been transposed into Belgian law via the Belgian Act of 2 May 2007, regarding the disclosure of important participations in issuers with shares admitted to trading on a regulated market and regarding miscellaneous provisions and the Royal Decree of 14 February 2008, regarding the disclosure of important participations.

The filings and disclosures referred to below can be made in English. Belgian listed companies are subject to regional language requirements, and therefore also make their information available in Dutch and/or French, as applicable.

*General obligations*. As a general rule, a company listed on Euronext Brussels must provide the public with all necessary information in order to ensure the transparency, integrity and good functioning of the market. The information that is disclosed must be fair, precise and sincere, and must enable the holders of the financial instruments concerned and the public to assess the influence of the information on the position, business and profit or loss of the company.

*Recurring financial reporting requirements*. Pursuant to the Belgian Transparency Decree, a listed company must publish financial reports on a recurring basis, consisting of:

*Annual financial report*. This report must be published within four months after the end of the fiscal year. It must include:

The audited annual financial statements.

A management report.

A statement by the persons responsible within the company (for example, the Chief Executive Officer and/or Chief Financial Officer) that to the best of their knowledge:

The annual financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the company's consolidated assets, liabilities, financial position and profit or loss.

The annual management report includes a fair review of the development and performance of the business and the position of the company, with a description of the principal risks and uncertainties that it faces.

The non-consolidated financial statements.

If the company is not required to prepare consolidated financial statements, only the non-consolidated financial statements must be included. The annual financial report must be disclosed together with the auditor's audit report.

*Half-yearly financial report*. This report must be published within three months after the end of the semester. It must include:

A condensed set of financial statements.

An interim management report.

A statement by the persons responsible within the company that, to the best of their knowledge:

The condensed set of financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the company's consolidated assets, liabilities, financial position and profit or loss.

The interim management report includes a fair review of the important events that have occurred in the first six months of the financial year and their impact on the condensed financial statements, with a description of the principal risks and uncertainties for the remaining six months, as well as the major related party transactions during the relevant period and their impact on the condensed financial statements.

The auditor's audit or review report or a statement by the company that the financial statements have not been audited or reviewed.

*Interim management statements or quarterly financial reports*. Companies are not obliged to issue a quarterly report or interim management statement in relation to the first and third quarter of their financial year. Practice, however, remains that companies provide quarterly financial information or trading updates via interim management statements.

*Annual communiqué*. Companies are not obliged to publish so-called "communiqués" (press releases) relating to their annual financial result. However, if a company issues a press release relating to its business and financial results after the annual financial statements have been established by the board of directors, but before the publication of the annual financial report, it should at least contain certain minimum information as set forth in the Belgian Transparency Decree.

*Non-EEA issuers*. A non-EEA company that is listed in the EEA will have to select, among the EEA Member States where it has securities admitted to trading on a regulated market, a home Member State for the purposes of the Transparency Directive. This election remains valid unless securities are no longer admitted to trading on any regulated market in the home Member State (if the company's securities are admitted to trading in one or more other Member States, the company will have to elect a new home Member State from among such Member States where securities are listed on a regulated market). The regulator of this home Member State (which is the FSMA in Belgium) may recognize as equivalent the home country reports of non-EEA issuers, so long as the reports are filed and published in accordance with the European Transparency Directive and meet EEA-adopted minimum standards as to content. The details as to content for financial reporting are provided in Commission Directive 2007/14/EC of March 8, 2007. These include:

*Annual management reports*. The report will be deemed to meet the Transparency Directive's requirements if it contains:

A fair review of the development and performance of the company's business and of its position, together with a description of the principal risks and uncertainties that the company faces.

An indication of any important events that have occurred since the end of the financial year.

Indications of the company's likely future development.

*Half-yearly reports*. The report will be deemed to meet the Transparency Directive's requirements if it contains at least:

A review of the covered period.

Indications of the company's likely future development for the remaining six months of the financial year.

For issuers of shares and if already not disclosed on an ongoing basis, major related party transactions.

*Quarterly reports or interim financial statements*. The report will be deemed to meet the Transparency Directive's requirements if the company is required to publish quarterly financial reports.

*Applicable accounting standards*. The Transparency Directive requires annual and half-yearly reports to include consolidated financial statements, prepared in accordance with IFRS. Pursuant to a decision by the European Commission in December 2008, US and Japanese GAAP are considered to be equivalent to IFRS. According to this decision, as amended in April 2012, a non-EEA issuer is also permitted to prepare its annual and half-yearly consolidated financial statements in accordance with the generally accepted accounting principles of Canada, China or South Korea or, for financial years starting before 31 March 2016, India. A mechanism is in place allowing the European Commission to further monitor and decide on the equivalence of accounting standards of countries outside of the EEA converging to IFRS.

*Notification of outstanding shares and important shareholdings*. Pursuant to the Belgian Act of 2 May 2007, a listed company must disclose the outstanding capital, the number of outstanding securities with voting rights and the number of outstanding voting rights at the end of each calendar month during which there has been an increase or decrease. Belgian listed companies must also disclose the notifications that they receive from holders of securities who, alone or together with other persons, are required to disclose the number of outstanding voting rights (and securities with voting rights) that they hold in the company.

*Other ongoing transparency obligations*. In addition to the recurring obligation to publish financial reports, the Belgian Transparency Decree imposes a number of other transparency obligations:

A listed company must ensure an equal treatment of all holders that are placed in the same circumstances. It must also ensure that in Belgium all the facilities and information necessary to enable holders of financial instruments to exercise their rights are available and that the integrity of data is preserved.

A listed company must provide, as soon as possible:

Information on the place, time and agenda of general shareholders' meetings, the total number of shares and voting rights and the rights of holders of financial instruments to participate in these meetings.

Information on the place, time and agenda of general meetings of holders of debt instruments, and the rights of holders of debt instruments to participate in these meetings.

Information relating to its designation of a financial institution as its agent, through which holders of financial instruments may exercise their financial rights in Belgium.

All information relating to the rights attached to the holding of financial instruments, and:

For equity securities, (among other matters) information concerning the allocation and payment of dividends and concerning the issue of new shares, including information on any arrangements for allotment, subscription, cancellation or conversion.

for debt securities, information on the payment of interest, the exercise of possible rights of conversion, exchange, subscription or cancellation, and on repayment.

A listed company must make available a proxy form, on paper (or, where applicable, by electronic means), to each person entitled to vote at a general shareholders' meeting or a general meeting of holders of debt instruments. This must be provided together with the notice concerning the meeting or, on request, after the announcement of the meeting.

A listed company must disclose proposed amendments to its deed of incorporation or articles of association.

The FSMA can grant an exemption to a non-EEA listed company, allowing the company to comply with the above transparency obligations, if the applicable law of the company's country of origin imposes equivalent obligations or if the company complies with equivalent obligations. On the other hand, non-EEA listed companies must also make available to the public all information that they disclose outside of the EEA, to the extent that the information is relevant for the public within the EEA.

The above transparency obligations are in addition to more general disclosure obligations that are imposed by Belgian law and Belgian financial legislation, which include:

The publication of notices to convene general shareholders' meetings.

The publication of information regarding the repurchase by a company of its own shares.

Filings and publications for certain corporate events, such as amendments to the articles of association or election, resignation or dismissal of directors and auditors.

These requirements do not necessarily apply to foreign companies, but foreign companies may be subject to a similar regime pursuant to the applicable company law to which they are subject.

*Wide dissemination and storage of regulated information*. The yearly and half-yearly reports, together with the monthly reports on the number of outstanding shares and voting rights, press releases to disclose inside information (see below) and certain other information to be disclosed are considered to be "regulated information" whose distribution and retention must follow rules set forth in the Transparency Directive.

Under the Transparency Directive, regulated information must be disseminated, filed and then stored for a five-year period. As to the dissemination of regulated information, most of it must be:

Distributed in the form of a press release.

Made available on the company's website.

Provided to the media.

For financial reports, it is sufficient that a press release is distributed indicating where the full report is stored and can be retrieved. At the same time, the information so distributed must be filed with the FSMA.

The Transparency Directive requires "regulated information" to be centrally stored in an "officially appointed mechanism" and requires that there be at least one such mechanism in each EEA Member State. In Belgium, the FSMA has been appointed as the "officially appointed mechanism," and, since January 2011, the FSMA has put in place STORI, a central electronic database for filings by issuers that are subject to supervision by the FSMA, which is accessible to the public via the FSMA's website (*www.fsma.be*). In addition to a filing with STORI, Belgian law also requires that listed companies store the relevant information on their website, and that the FSMA's website contain a hyperlink to the relevant site of each listed company that is subject to its supervision. The website of a listed company must also include a yearly calendar of contemplated publications and disclosures.

A non-EEA company does not need to publish annual or half-year reports in Belgium. Rather, it can issue a press release, advising of the filing of the report and where it can be obtained. In addition, the full reports will need to be filed with the FSMA. The same method can be used for other voluminous information.

*Key Market Abuse Regulation requirements*

*Disclosure of inside information*. Article 17 of the EU's Market Abuse Regulation requires that issuers of financial instruments inform the public as soon as possible of inside information that directly concerns such issuers.

Inside information means information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the price of those financial instruments or on the price of related derivative financial instruments. Information will be deemed to be of a precise nature if it indicates a set of circumstances that exists (or may reasonably be expected to come into existence) or an event that has occurred (or may reasonably be expected to do so), and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of financial instruments or related derivative financial instruments. Information that, if it were made public, would be likely to have a significant effect on the prices of financial instruments or related derivative financial instruments is information that a reasonable investor would be likely to use as part of the basis of the investor's investment decisions.

Inside information is considered as "regulated information" (see above). A listed company must immediately disclose all inside information in the form of a press release, immediately distributed to the media. The company must take reasonable measures to ensure that the disclosure of inside information occurs as simultaneously as possible in all EEA Member States where it has financial instruments admitted to trading on a regulated market. This can be done by providing the information to primary providers of regulated information, who in turn disseminate the information to press agencies and websites located in Belgium and elsewhere.

A listed company may, under its own responsibility, decide to delay the disclosure of inside information if:

It is of the opinion that the immediate disclosure of the information is likely to prejudice the legitimate interests of the company.

The delay of disclosure is not likely to mislead the public.

The company is able to ensure the confidentiality of the relevant information.

If the company has postponed the disclosure of inside information, it must, immediately following the disclosure of such inside information to the public, notify the FSMA that disclosure of information was delayed and provide a written explanation as to how the conditions set out above were met.

Issuers who wish to make use of the possibility of delaying the disclosure of inside information must keep appropriate internal records containing (among others) (i) information on the dates and times when the inside information first came into existence, when the decision to delay disclosure was made and when the issuer is likely to disclose the information, (ii) the identity of the persons within the issuers responsible for making the decision to delay disclosure, the decision to disclose, the ongoing monitoring of the conditions for the delay and the provision of the required information to the FSMA, and (iii) evidence of the initial fulfilment of the conditions for delaying disclosure as set out above (including details on applicable internal and external information barriers and arrangements put in place to disclose the inside information as soon as possible where confidentiality is no longer ensured).

*Prohibitions on insider dealing and market abuse*. The Market Abuse Regulation imposes a number of specific prohibitions on insider dealing. These apply to all financial instruments trading on the regulated markets of Euronext Brussels. They also apply to financial instruments admitted to trading on a regulated market and certain other trading platforms elsewhere in the EEA, insofar as the acts concerned are performed in Belgium. In summary, persons who possess inside information and who know or reasonably should know that the information concerned constitutes inside information, may not do any of the following:

*Insider dealing*. They may not use such inside information to acquire or dispose of, or attempt to acquire or dispose of, for their own account or for the account of a third party, either directly or indirectly, the financial instruments to which the inside information relates.

*Unlawful disclosure of inside information*. They may not disclose the inside information to any other person, except where the disclosure is made in the normal exercise of their employment, profession or duties.

*Recommendation*. They may not, on the basis of inside information, recommend or induce another person to acquire or dispose of financial instruments to which the inside information relates.

Non-compliance with these prohibitions could lead to administrative fines imposed by the FSMA and/or criminal liability (subject to criminal fines and jail sentences).

Apart from the above prohibition on insider dealing, the Market Abuse Regulation also contains a number of prohibitions on market abuse and market manipulation.

Further to the EU market abuse legislation, there are also a number of safe harbors for stabilization in connection with a public offering of securities and for stock repurchase programs.

*Disclosure of certain management transactions*. The European Market Abuse Regulation and its implementing and delegated regulations put in place rules requiring directors and senior management to disclose dealings in their own company's shares to the market. Firms are also obliged to report suspicious transactions to the competent authority.

Under these rules, persons discharging managerial responsibilities within a listed company (such as officers and directors), as well as persons closely associated with them (such as family members), are required to report to the company and the FSMA all transactions related to shares or debt instruments of the company, or to derivatives or other financial instruments linked to them. The report must be filed promptly and no later than three business days of the transaction date. The report can be postponed if the total amount of the transactions carried out during a current calendar year is less than €5,000 (approximately US$5,525). A model form on which these transactions must be reported to the FSMA has been provided by the European legislator. The reports can be accessed by the public on the FSMA's website.

Subject to certain exceptions, persons discharging managerial responsibilities within a listed company shall not conduct any transactions on their own account or for the account of a third party, directly or indirectly relating to the shares or debt instruments of the issuer or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is obliged to make public.

*Insider lists*. Pursuant to the European Market Abuse Regulation, a company with financial instruments admitted to trading on a Belgian regulated market is obliged to draw up a list of all persons who have access to inside information and who are working for the company under an employment contract or otherwise performing tasks through which they have access to inside information, such as advisers, accountants or credit rating agencies.

The list must contain:

The identity of each person having access to inside information.

The reason why that person is on the list and his function.

The date and time when the person gained access to inside information.

The date when the list was created and updated.

Templates have been made available by the European legislator and have been further populated by the FSMA for use specifically in Belgium.

The insider list must be divided in separate sections relating to different inside information.

The list must be regularly updated, and the FSMA can request a copy thereof. The list must be immediately updated whenever:

There is a change in the reason why any person is mentioned on the list.

Any new person has to be added to the list.

Any person mentioned on the list no longer has access to inside information (providing the date since when this is the case).

These lists must be kept until five years after their establishment or update. Furthermore, the persons establishing the list must see to it that the persons mentioned on the list acknowledge their legal and managerial duties and that they are aware of the fines and measures in case of abuse or unauthorized disclosure of the information.

*Euronext Brussels requirements*

The Euronext Rule Book contains a number of additional ongoing reporting and other obligations. Most of these are similar to the obligations imposed by Belgian law. The main rules can be summarized as follows:

The listed company must promptly pay the fees charged by Euronext, in accordance with the conditions established by Euronext and communicated to issuers.

When a listed company issues additional securities of the same class as securities already admitted to listing, it must apply for admission to listing of the additional securities as soon as the new securities are issued (in the case of a public offering of securities) and no later than 90 days after their issue (in other cases).

The listed company must treat holders of securities of the same class issued by it equally in accordance with the rules and regulations applicable in Belgium.

The listed company must provide the market all necessary information to enable holders of its listed securities to exercise their rights.

The listed company must provide Euronext Brussels with all information which may impact the fair, orderly and efficient functioning of the markets operated by Euronext Brussels, or may modify the price of its securities (ultimately) at the same time at which such information is made public.

The listed company must inform Euronext Brussels of corporate or securities events in respect of its securities admitted to listing in order to facilitate the fair, orderly and efficient functioning of the market. The relevant information must be provided at least two trading days in advance of the earlier of (i) the public announcement of the timetable for any such corporate or securities event and (ii) the corporate or securities event having effect on the market or the position of the holders of the relevant securities. The information includes:

Amendments that affect the respective rights of different categories of securities.

Any issues or subscription of financial instruments.

Any mandatory reorganization (such as a stock split, reverse stock split, redemption in part or in whole of securities).

Any voluntary reorganization with or without option element (such as a tender offer, rights offer, repurchase offer).

Any securities distribution (for example a stock dividend, bonus issue), any cash distribution (such as a cash dividend), and any announcement of coupons or cash dividend non payment.

Any prospectus (or equivalent disclosure document) relating to public offerings.

Any reports on the status of liquidation and more generally any decision regarding any situation of (temporary) suspension of payments, bankruptcy or insolvency situation (or analogous procedure has been granted or declared applicable in any jurisdiction.

Any name change of the issuer.

The admission to listing or trading on any regulated market or other organized market.

# Corporate governance

## Corporate governance

[Last updated: 1 January 2024, unless otherwise noted]

The Euronext rule book and the local rule book for Euronext Brussels do not contain specific corporate governance provisions.

Separate corporate governance rules are set out in the Belgian Companies and Associations Code and the Belgian Code on Corporate Governance for listed corporations. These rules apply only to Belgian companies and include rules and guidelines regarding:

The composition of the board of directors, including in terms of gender diversity (at least one third of the directors should be of the opposite sex than the remaining directors).

The appointment of independent directors.

The appointment of an audit committee, nomination committee and remuneration committee within the board of directors.

The remuneration of directors and officers.

Dealing in securities by directors, officers and other insiders.

Related party transactions.

Several of these rules find their origin in the Shareholder Rights Directive (Directive 2007/36/EC, as amended), which also contains specific disclosure and other rules in relation to proxy advisors, institutional investors and asset managers, the identification of shareholders, the organization of general shareholder meetings, the facilitation of the exercise of shareholder rights, voting, the remuneration of directors and management, and related party transactions.

# Specific situations

## Specific situations

[Last updated: 1 January 2024, unless otherwise noted]

*Large companies*. There are no additional requirements, or any changes in the normal requirements, that apply to very large multinational companies.

*Industries*. Pursuant to the applicable prospectus legislation, additional disclosures are required for specialist issuers (such as property, mineral, scientific research-based companies).

# Presence in the jurisdiction

## Presence in the jurisdiction

[Last updated: 1 January 2024, unless otherwise noted]

There are no requirements for a listed foreign company to maintain a presence in Belgium (for example via an agent for service of process, resident directors or corporate offices).

There is no requirement for any corporate records (such as a register of holders) to be kept in Belgium.

# Fees

## Fees

[Last updated: 1 January 2024, unless otherwise noted]

*Initial admission fees*

The initial Euronext admission fees for equities are as follows:

A fixed fee of €20,000 (approximately US$22,100).

A variable fee, to be determined in function of the market capitalization as follows:

[Link to Table](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2024-update-10th-edition/euronext-brussels---long-form---fees1.pdf?sc_lang=en)

The total fee (fixed and variable) cannot exceed €2.5 million (approximately US$2.76 million).

The fee for a technical listing on Euronext, consisting of a listing without a public offering or private placement by a company already listed in another country is the standard initial admission fee capped at €371,000 (approximately US$409,955).

An additional admission fee of €15,900 approximately (US$17,570) for any additional listing taking place on Euronext Amsterdam, Lisbon, London or Paris, at the same time as, or later than the primary admission to Euronext Brussels.

An issuer transferring its equity securities from one Euronext exchange market (whether regulated or not) to another Euronext exchange market 6 months after the initial submission, will receive a 50% discount on the standard admission fee, with a minimum of €15,900 (approximately US$17,570). A transfer within 6 months after the initial admission is free.

Further equity issues by an existing public company will be charged according to the same fee structure as new admissions, but with a discount. The admission fee is capped at €1.6 million (approximately US$1.77 million). The admission fee for a subsequent admission of shares solely related to the payment of a bonus issue is capped at €371,000 (approximately US$409,955) per annum. The admission fee for a subsequent admission of shares pursuant to the exercise of stock options under a program is €600 (approximately US$663) per event.

*Annual Fees*

The annual Euronext listing fee is the sum of:

A commission based on the number of outstanding shares as at 31 December of the most recent year, calculated as follows:

[Link to Table](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2024-update-10th-edition/euronext-brussels---long-form---fees2.pdf?sc_lang=en)

For issuers with a market capitalization (based on the number of shares outstanding as of 31 December multiplied by the last closing price of the year) above €150 million (approximately US$165.75 million), an additional fee of €13.30 (approximately US$14.70) per million above €150 million (approximately US$165.75 million) is due.

The total annual fee of a category of shares cannot exceed €82,700 (approximately US$91,384).

In the case of dual or multi-listing on several Euronext markets in Europe, the full annual fee is applicable only in the market of reference. The annual fee of Euronext market of a second listing shall be the subject of a 50% rebate. Any additional listings shall not be the subject of any additional annual fees.

Issuers must pay a fee of €15,000 (approximately US$16,575) for material corporate events handled by any Euronext market.

*FSMA fees*

The FSMA will charge a fee upon approval of the prospectus and certain other actions or filings. The fees depend on the type of filing or approval requested.

# Additional Information

## Additional Information

[Last updated: 1 January 2024, unless otherwise noted]

Over the years, the FSMA has gained significant experience in working with foreign issuers and in dealing with cross-border securities law issues. For example, Belgium is the home Member State for several US-based issuers with equity offerings in the EEA. The FSMA's website can be found at *www.fsma.be* and includes information in English.

# Contacts

## Contacts within Baker McKenzie

Roel Meers, Koen Vanhaerents and Younes Sebbarh in the Brussels office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on Euronext Brussels.

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