



Recommendation of the Council
concerning Regulations for the
Public Offer and for Stock
Exchange Listing or Quotation
of Foreign Securities

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Please cite this document as:

OECD, *Recommendation of the Council concerning Regulations for the Public Offer and for Stock Exchange Listing or Quotation of Foreign Securities*, OECD/LEGAL/0121

Series: OECD Legal Instruments

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Background Information

The Recommendation concerning Regulations for the Public Offer and for Stock Exchange Listing or Quotation of Foreign Securities was adopted by the OECD Council on 18 July 1974 on proposal of the Committee on Financial Markets. The Recommendation urged the facilitation of the sale of foreign securities as far as this is compatible with the protection of investors in the interest of a sound development of capital markets. The Recommendation was abrogated on 12 July 2017.

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Resolution of the Council of 26 January 1965 concerning the Improvements of Capital Markets of Member States [C/M(65)2(Final), Item 19];

HAVING REGARD to the terms of reference of the Committee on Financial Markets and, in particular, paragraph 4 of the Resolution of the Council of 17 November 1969, as amended [C(69)131(Final), C(71)28(Final)], which invites the Committee to report to the Council on its work and propose to it, as necessary, recommendations on questions concerning financial markets;

HAVING REGARD to the Report by the Committee on Financial Markets of 3 April 1974 concerning the Admission of Securities to Public Sale and to Stock Exchanges [C(74)61] and in particular its paragraphs 50 to 64 and 73;

CONSIDERING that in the interest of a sound development of capital markets it is desirable for Member countries to facilitate the sale of foreign securities as far as this is compatible with the protection of investors;

I. RECOMMENDS that Member countries should, without prejudice to the interests of domestic investors,

a) When considering applications for the admission to public offer in their own territories of the securities of foreign issuers,

- i) Give consideration, within the framework of their legislation, to the fact that such foreign issuers have complied in their own country with the requirements regarding disclosure of information and procedures for the exercise of the investor's rights and privileges;
- ii) Adjust their domestic disclosure and procedural requirements in any instances where they are unduly onerous for foreign issuers provided that such adjustment does not result in a material lessening of the protection for domestic investors;

b) Ensure, to the extent that this is within their competence, that recognised stock exchanges and other recognised security markets¹ when considering applications for admission to listing or quotation, of the securities of foreign issues comply, *mutatis mutandis*, with the Recommendations stipulated under a) i) and ii) above.

II. INSTRUCTS the Committee on Financial Markets to review the implementation of this Recommendation and to report thereon to the Council before the end of 1976.

¹ Article 21 (viii) and (x) of the OECD Code of Liberalisation of Capital Movements contains the following definitions:

(viii) "Recognised security market" shall mean a stock exchange or security market in a Member country (including an over-the-counter market organised by a recognised association of security dealers),

- which is officially recognised in the country where it operates,
- on which the public can buy and sell securities, and
- on which dealings take place in accordance with fixed rules;

(x) "Securities quoted on a recognised security market" shall mean securities which have been granted an official quotation or are officially listed on such market or for which dealing prices on such a market are published not less frequently than once a week.

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