




Disclosure requirements and their assessment by SMEs traded on alternative markets in Poland (NewConnect) and Germany (m:access)

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Abstract

Motivation: Financial access limitations are a main barrier to the development of SMEs. One of the methods of bridging the capital gap is SME access to the stock markets, in particular to an alternative market (MTF). Compared to regulated markets, MTFs offer more liberal entry conditions and in many cases prior to MAR implementation they proposed more liberal disclosure requirements.

Aim: The aim of the article is to analyze the disclosure requirements resulting from MAR directive and to test their perception by issuers listed on the alternative markets in Poland (NewConnect) and Germany (m:access). The research focused on the assessment of difficulties in performing disclosure requirements and checking whether there is a difference in perceiving the scale of difficulties in fulfilling disclosure duties in both countries.

Results: Analysed markets are subject to MAR, so as a rule, there are no differences in the reporting requirements. There is, however, a difference in perceiving them



in both countries. The analysis of German issuers shows that, unlike Polish companies, most of them defined their disclosure obligations as simple. This may result from higher knowledge of the regulations than in Poland. The opinion on disclosure requirements by NewConnect issuers had an impact on the amount of time and human resources devoted to disclosure obligations. The research has also shown that issuers in both markets generally assess well the cooperation with authorized advisers who help them, *inter alia*, in disclosure obligations.

Keywords: disclosure requirements; MAR; MTF; NewConnect; m:access
JEL: G10; G15; G18

1. Introduction

Financial access limitations are a main barrier to the development of SMEs. One of the methods of bridging the capital gap is SME access to the stock markets, in particular to an alternative market (MTF). The aim of the article is to analyse the disclosure requirements resulting from MAR directive and to test their perception by issuers listed on the alternative markets in Poland (NewConnect) and Germany (m:access).

A study based on Computer Assisted Web Interviewing (CAWI) was carried out involving two research samples — 74 issuers of the NewConnect market and 23 issuers of the m:access market. The study was conducted from September 6, 2017 to March 2, 2018. Since the analysed markets are subject to the Market Abuse Regulations, as a rule, there are no differences in the disclosure requirements between them. The main research question was the assessment of difficulties in performing disclosure requirements and checking whether there is a difference in perceiving the scale of difficulties in fulfilling disclosure duties in both countries.

In the case of such differences, additional research studies will concern the relationship between the assessment of difficulties in fulfilling disclosure obligations by NewConnect and m:access issuers and: (1) the time spent on fulfilling them, (2) using the issuers' human resources, and (3) the assessment of cooperation with an authorized adviser.

The results of the research, apart from their contribution to the discussion on the asymmetry of information in the capital market, may also be of practical importance to alternative market organizers. For example, they may prove that companies are prepared to fulfil the information obligations after the introduction of MAR rules or may provide important guidance on the role of Authorized Advisers, who are an important element of the ATS markets, in helping companies meet the public company criteria.

The structure of the article is as follows. After the introduction, there is a brief review of the literature on the subject. The second part presents and interprets the research results, and the last part contains conclusions.

2. Literature review

Limitations in access to finance are an important barrier to the development of SMEs. The phenomenon of the mismatch between the demand for capital reported by SMEs and the supply of financial institutions and the capital market is described in the literature as a financial gap, the funding gap or an equity gap (Cressy, 2012; Harper, 2005; Kasner, 2011). The financing gap is understood as a limited access to external financing, both internal and external. The equity gap means limited opportunities to obtain additional equity capital for the current and investment activities (more: Wilson et al., 2018).

There are many ways to reduce the financial gap — ranging from debt financing to equity financing. One of the methods of bridging the equity gap is SMEs' access to the stock markets, in particular to alternative markets (Multilateral Trading Facilities). According to FESE (2020) alternative market is a stock exchange market with less restrictive listing requirements comparing with main markets (Regulated Markets)¹. Alternative markets attracted many SMEs looking for financing both in developed and emerging economies becoming in fact SME exchanges. The main factors attracting SMEs to alternative markets are, next to less restrictive listing requirements, lowered fees for listing, custody and market maker services, private placement mechanism treated as IPO, reduced governance requirements and reduced disclosure requirements (Harwood & Konidaris, 2015). While they make it easier to raise capital and help reduce costs of issuance, there is a risk of lowering investors' protection, should information asymmetry emerge. This mainly applies to disclosure requirements imposed on listed companies.

Information asymmetry (Akerlof, 1970; Spence, 1973; Stiglitz, 2004) in financial markets relates to the idea that one party of a transaction has better information than the other (Bhattacharya et al., 2013).

The phenomenon of information asymmetry contributes to widening the capital gap as it can be associated with the lack of knowledge of potential investors about available investments leads to a disagreement between the company requesting financing and investors who have the capital. This should also lead to higher cost of capital to compensate an information disadvantage (Easley & O'Hara, 2004).

The development of SME markets must consider the balance between the appropriate level of investor protection and reduced disclosure requirements. As the result there was a discussion if and how to regulate this issue. La Porta et al. (2006) analyzed three main different approaches to regulation of capital markets including: (1) to leave securities market unregulated, or (2) to standardize the private contracting framework, the violation of which can be the basis for initiating court proceedings or (3) for engagement of the public supervisory regulator.

¹ In EU, alternative markets operate within the legislative package MiFID II as Multilateral Trading Facilities.

Both literature and practice have generally departed from the proposal to unregulated capital markets by government, although, especially in older papers there is a branch of literature saying that optimal government policy is to leave capital markets unregulated (Coase, 1960; Macey, 1994). The arguments behind that idea include political intervention leading to higher costs in the case of regulated markets (Romano, 2001). In turn, private enforcement of standardized regulations takes time and is often too expensive especially for individual investors. According to Glaeser & Shleifer (2003) courts are vulnerable to subversion, especially in of significant inequality environment of wealth and political power. This cannot be solved only by standardization of the law. The solution to this problem is regulatory activity and public enforcement of securities law by the specialized government regulator.

The organization and functioning of alternative trading systems in the European Union member states has been regulated by the implementation of MiFID II. The purpose of this directive was to increase the level of transparency and trust, to provide investors with better protection and to grant supervisory authorities appropriate powers. Second, a unified Market Abuse Regulations (MAR) were introduced to ensure equal and efficient access to information in the EU countries. According to MAR, the national supervisory authorities are responsible to detect and protect against market abuse and are entitled to impose sanctions against not-compliant market participants.

3. Market Abuse Regulation: brief overview

On July 3, 2016, the provisions of the Regulation (EU) No 596 (2014) on market abuse (the so-called MAR — Market Abuse Regulations) were introduced, which significantly influenced the supervision over alternative markets in UE and the principles of disclosure reporting by listed issuers.

The MAR directive aims to improve investor protection and ensure integrity and increase confidence in the EU's financial markets. The provisions of the regulation are directly applicable in all Member States, which means that there was no need to implement them into the national legal order. The applicable regulations cover not only the regulated market, but also alternative trading platforms. As a result, MTF issuers, which so far has been subject to the regulations issued by market organizers, are now subject to unified MAR regulations.

An important change resulting from the regulation, is the unification of the inside information concept. According to Article 7 of MAR, inside information should be: (1) precise, (2) non-public and (3) if it were made public would be likely to have a significant effect on the prices of the issuer's financial instruments or related derivative financial instruments. Therefore, the definition of inside information requires the issuer to assess circumstances and events in terms of meeting the conditions of the definition, in the context of interpretation, market practice and other available guidelines. The issuer must inform the public as soon as possible about any inside information relating directly

to them. Article 17 of MAR states that the issuer shall ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public and, where applicable, in the officially appointed mechanism. MAR clearly states that the disclosure of inside information to the public cannot be combined with the marketing of its activities. The issuer's additional duty is to post and maintain on its website for a period of at least five years, all disclosure information.

In terms of disclosure obligations, MAR also introduced changes to the rules for drawing up lists of persons having access to inside information, so-called insider list (Article 18), changes in the procedure for delaying the publication of inside information (Article 17 sec. 4), changes in the rules of reporting on transactions concluded by persons discharging managerial responsibilities and persons closely related to them (Article 19) and modifications in closed periods, that is in periods in which insiders cannot 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 (Article 19).

The MAR regulation defines not only a common regulatory framework for market abuse, but also a catalog of measures to prevent it. Until MAR was effective, in case of MTFs, issuers provided inside information based on the rules of the alternative markets, and the fulfillment of their disclosure obligations was supervised by its organizer. In accordance with MAR, the supervision of the correct fulfillment of disclosure obligations by MTF issuers has been directly carried out by the national supervisory authorities (e.g. KNF in Poland, BaFin in Germany) thanks to the MTF organizers². Listed companies (or entities applying for introduction to trading) are subject to administrative penalties for violation of the provisions of the regulation imposed by the supervisor.

4. The research design and characteristic of respondents

4.1. Methods

The subject of the research is the assessment of disclosure requirements by companies listed on two alternative markets: NewConnect in Poland and m:access in Germany. The survey was conducted from September 6, 2017 to March 2, 2018. Invitations to take part in the study were sent to 407 companies listed on NewConnect and 52 companies listed on m:access. To increase the correctly completed questionnaires, a classic telephone interview was introduced alongside the Internet questionnaire. Ultimately, the total number of respondents was 74 companies listed on the NewConnect market (18.18% of all listed companies on this market) and 23 companies listed on the m:access market (44.23%).

² The organizer of the MTF is obliged to notify its supervision authority about significant breaches of the obligations regarding the publication of inside information.



The survey questionnaire consisted of 30 questions, 8 of which were devoted directly or indirectly to disclosure requirements (Table 1). Its form and content were consulted with the most active NewConnect authorized adviser (INCSA) and representatives of the Börse München (Munich Stock Exchange). Due to the willingness to perform a comparative analysis of the issuers' assessment of disclosure obligations on two alternative equity markets and to facilitate coding of the received responses, most of the questions contained in the survey were constructed in closed form.

4.2. Characteristics of respondents: NewConnect issuers

The study covered 74 companies listed on the NewConnect³ market. The debuts of the surveyed issuers took place in 2007–2017. This means that the research sample represents almost the entire period of operation of the Polish alternative trading system. The most numerous group are small enterprises — 41.7%. Further, micro and medium-sized enterprises account for 33.3% and 25% of the surveyed companies, respectively⁴. Polish respondents raised a total of PLN 521.1 million in primary and secondary issues, including PLN 54.2 million for micro, PLN 253.7 million for small businesses and PLN 201.2 million for medium-sized enterprises. The analysis of the value of the capital raised shows that most companies raised capital in the range of PLN 1 to 3 million (28 respondents). This range is most frequently represented by micro-enterprises. Distribution of surveyed issuers in terms of size and value of the company's total capital raised is presented in Table 2.

The surveyed companies represent diversified sectors. Services (including financial services) are the most numerous — 37 respondents (nearly 52%), commercial (including e-commerce) (25%), construction (13.9%) and IT (9.7%). The service sector raised the most capital — almost twice as much as all the other sectors.

4.3. Characteristics of respondents: m:access issuers

The survey covered 23 issuers listed on the m:access market⁵. The respondents' debuts took place in 2005–2017, excluding 2006 and 2008. The analysis of is-

³ NewConnect was launched on August 30, 2007 as an alternative market organized by the Warsaw Stock Exchange. The main goal of NewConnect is to enable the development of small and medium-sized enterprises, in particular those belonging to the new technology sector. Compared to the regulated market, NewConnect offers more liberal entry conditions. Till the enforcement of EU market abuse law in 2016 NewConnect provided more liberal disclosure requirements for the listed companies.

⁴ The classification of respondents to the appropriate category of micro, small and medium-sized enterprises was carried out on the basis of Commission Regulation No. 364 (2004) of February 25, 2004 amending Regulation (EC) No 70/2001 as regards extending its scope to include aid for research and development.

⁵ m:access was launched on July 1, 2005. It operates as an alternative trading system

suers shows that 11 respondents are small and 11 are medium enterprises. Not a single microenterprise appeared among the surveyed issuers. Respondents raised a total of EUR 655.9 million from primary and secondary issues, including small entrepreneurs EUR 142.2 million and medium-sized entrepreneurs EUR 482.7 million. Most issuers, small enterprises, raised funds up to EUR 10 million. In turn, the capital above EUR 21 million was raised mainly by medium-sized entrepreneurs (Table 3).

As in the case of NewConnect, the service sector (including financial services) is the most numerous in the group of m:access respondents (5 small and 8 medium-sized enterprises). It was followed by the IT (7 respondents), commercial (including e-commerce) and construction (1 respondent each) sectors. Due to the regional nature of m:access, respondents are characterized by less geographic diversification than in the case of NewConnect. Almost 2/3 have their headquarters in Bavaria. In addition, the two issuers are registered abroad, in the Netherlands and Switzerland.

5. Results

5.1. The perceived difficulty to fulfil disclosure requirements in the context of the MAR Directive

The disclosure obligations for the majority of the surveyed NewConnect issuers were difficult (slightly over 60% of respondents). Less than 15% of companies described it as simple, and nearly 11% as very difficult. Only one issuer indicated that its disclosure obligations were very simple (Chart 1). Interestingly, for 65% of the surveyed micro, 54% of small and 88% of medium-sized enterprises the listing obligations were difficult or very difficult. In the group of companies for which the disclosure obligations were easy, a large group were companies from the service industry, whose activities are related to the capital market.

In contrast to Polish companies, more than half of the respondents listed in m:access described their disclosure obligations as simple or very simple (70% of respondents), and only 30% as difficult (Chart 1). The respondents who assessed the duties as simple or very simple slightly dominated in the group of medium-sized companies (60% of the surveyed companies), similar to the group of small companies (71% of the surveyed companies).

The issuers were also asked to comment on the new regulations of MAR. The scope of questions included: (1) the knowledge of the new regulations, (2) the degree of their implementation and (3) assessment of their impact

(MTF). The aim of the organizer (Börse München — Munich Stock Exchange) was to create a special stock exchange platform for small and medium-sized enterprises looking for equity financing. The admission criteria have been adapted to their specific needs. Contrary to the regulated market, m:access was characterized by less restrictive entry conditions, however, in order to protect potential investors, disclosure obligations has been extended.

on the existing disclosure obligations. The vast majority of entrepreneurs listed on the NewConnect market (almost 98% of the surveyed companies) were familiar with the new regulations. Only one third of the respondents expressed their readiness to implement them. Only for two NewConnect companies the new regulation facilitated the implementation of listing obligations and made it significantly more difficult for nearly 80% of the surveyed companies. The rest of respondents had no formed opinion on the subject.

All respondents listed on the m:access market declared knowledge of the new provisions of the MAR Regulation, and only one company was unprepared for MAR implementation. As in the case of Polish respondents, for the vast majority of German issuers, the new regulations made it difficult to fulfil the listing obligations (almost 87% of the surveyed companies).

5.2. The perceived difficulty to fulfil disclosure requirements, the time and human resources engaged to listing obligations

The majority of the surveyed companies listed on NewConnect estimated the weekly time spent on fulfilling the listing obligations (including disclosure obligations) below 10 hours (68% of the surveyed companies) whereas in case of m:access companies it was less than half (11 out of 23 companies). Except for one case, all m:access respondents in this group considered the disclosure reporting easy (Table 4).

Based on this data a potential correlation between the time allocated to listing duties and the scale of the difficulty of fulfilling disclosure requirements was examined. The purpose of this study was to check whether the extension of the time spent on fulfilling disclosure obligations is reflected in their negative assessment. Non-parametric Spearman's rank correlation coefficient was used to verify this relationship. A statistically significant relationship (for $p^*=0.05$) between the assessment of disclosure obligations and the time devoted to their implementation was obtained only for Polish companies ($p < p^*$, i.e. $0.009 < 0.05$). Therefore, the null hypothesis that there is no relationship between the studied variables should be rejected for the companies listed on NewConnect. Spearman's rank correlation coefficient for Polish issuers shows a correlation equal to 0.30. The obtained result may mean that the increase in the negative assessment of disclosure obligations among issuers listed on the NewConnect market is accompanied by an extended period of time devoted. Interestingly, the relationship between the time devoted to the implementation of disclosure obligations and the assessment of the scale of their difficulties is particularly visible for Polish companies that have raised capital in the amount not exceeding PLN 10 million.

Fulfilling the disclosure requirements as well as other obligations related to being a listed company (investors and public relations) consumes not only time but also resources of the company. Most of the Polish issuers surveyed (57%) employ one or more people dedicated to fulfil the listing obligations (Table

5). In the case of medium-sized enterprises, this ratio rises to 75%. In the case of m:access issuers, a slight majority of companies did not see the need to employ additional people in connection with the stock exchange listing (52% of issuers), while the enterprise category (micro, small or medium) did not change the attitude of issuers on the issue in question. Statistical analysis shows however that there is no significant relationship (although slightly positive) between the perception of disclosure requirements and the number of people devoted to fulfil listing obligations.

5.3. The perceived difficulty to fulfil disclosure requirements and the assessment of the services provided by authorized advisors

Considering the limited knowledge of SMEs in the functioning of the capital market and their limited human resources, the organizers of alternative markets delegate to so called authorized advisors⁶ some obligations related to the control of issuers planning to be listed, preparing them for their debut and supporting them in the initial period of being listed on the stock exchange.

Table 6 shows the answers to the questions addressed to the issuers of the analyzed markets regarding the assessment of cooperation with their authorized advisors. The responses show that both the companies listed on NewConnect and on m:access evaluate this cooperation quite well. The average rating on a scale of 5 (where 1 is the worst and 5 is the best) is slightly better for the Polish than for the German market (3.71 vs 3.55).

Considering the responses regarding the assessment of cooperation with an authorized adviser and issuers' opinion on the difficulties in fulfilling disclosure requirements, it was decided to check whether there is any relationship between them. Spearman's the non-parametric rank correlation coefficient to verify tested relationship was used. The study did not show a statistically significant relationship (for $p^*=0.05$) between the assessment of disclosure obligations and the assessment of cooperation with an authorized adviser for issuers listed, both in the case of the NewConnect and m:access markets. Therefore, the null

⁶ Pursuant to the NewConnect (2020, Article 18) *Alternative Trading System Rules*, an authorized adviser is an investment firm or another entity being a commercial law company providing services related to economic activity, including financial consulting, legal advice or financial audit entered on the list kept by the Warsaw Stock Exchange. In turn, according to the m:access Regulations on Commercial Terms and Conditions in force on the Open Market, Emissionsexperte (a German name for an authorized advisor) is a company with outstanding experience in stock market consulting during and after the issue process, which is admitted to domestic stock exchange trading or has concluded an agreement for the provision of Emissionsexperte services with the manager and operator of the Munich Stock Exchange — the company Bayerische Börse AG (Geschäftsbedingungen für den Freiverkehr an der Börse München, Articles 17–18). The minimum period of the issuer's cooperation with authorized advisor on the NewConnect market is 36 months, and on the m access market — 12 months. The institution of authorized advisers is modeled after the nominated advisor of the London AIM Market.

hypothesis that there is no relationship between the studied variables should be accepted. The analysis of the insignificant statistical correlation coefficients for NewConnect issuers ($r_s=0.01$) and m:access issuers ($r_s=-0.18$) indicates that the assessment of service by an authorized adviser is not equated with the difficulties in fulfilling information obligations.

6. Conclusion

The reason for market abuse law harmonizing the regulation for insider trading, market price manipulation and unlawful disclosure of inside information in the EU countries (Ferrarini, 2004; Hansen & Moalen, 2009). The introduction of MAR was aimed at further increasing the capital market integrity and investor protection in the EU in a situation of rapid development of the financial market, where new financial instruments are offered and traded, including alternative capital markets where companies tailored for SMEs.

The study showed that issuers in both countries are familiar with the regulations of MAR, although, made it more difficult to fulfil disclosure obligations. This may occur due to the fact that — from the issuers' point of view — the new provisions of MAR define inside information in an imprecise form⁷, while at the same time giving supervision over the correct performance of the disclosure duties to supervisory authorities. Before their introduction, NewConnect and m:access issuers were responsible for offenses to the organizers of alternative markets on which they were listed. Administrative sanctions, in line with MAR, which are much higher than before, may also apply to both the issuer and individual members of the company's management board, in case of gross breach of disclosure obligations. It is also important in the perception of the disclosure requirements that, despite the introduction of the MAR regulation, they must be compliant with the MTF rules. This applies, for example, to periodic information and current information that does not meet the definition of inside information according to MAR. The compliance with the provisions of the alternative market regulations is still supervised by the MTF organizers.

The survey results show that almost two years after the MAR regulations were enforced only 1/3 of Polish issuers were ready to apply them in their own organizations. This may be worrying, but after the implementation of the MAR regulations, issuers in Poland were attacked by a massive information campaign (or frankly a disinformation), in which there was a lot of black PR and black scenarios under the slogan of the upcoming MARMageddon, etc. (WSE, 2017). Due to such attitude towards MAR, most Polish respondents could find it difficult to fulfil their disclosure obligations, unlike m:access issuers. On the Ba-

⁷ The company's management board must consider whether a given situation and event is already subject to reporting. There are potential interpretative problems in determining whether the information is already precise enough to fall under the definition of inside information, the information indirectly or directly affects the company, or the information have an insignificant or significant effect on the share price.

varian stock exchange, almost all companies declared their readiness to carry out the new regulations and considered fulfilling disclosure obligations easy.

The opinion on disclosure requirements by NewConnect issuers had an impact on the amount of time devoted to conducting these obligations and although no significant impact on the necessity to appoint a person or persons to fulfil these obligations. In the case of German issuers, there was no statistically significant correlation between the assessment of the difficulty of executing the disclosure obligations and the amount of time devoted to them, or the number of people dealing with this issue.

The practical conclusion from our research concerns the need for more appropriate and useful education of companies listed on alternative markets. The Warsaw Stock Exchange in particular should to a greater extent organize various discussions and training sessions on listing regulations including disclosure requirements and influence more publications explaining the correct, compliant behaviour of listed companies, which will counterbalance the black PR that appears in Polish media.

Our research has also shown that issuers in both markets generally assess well the cooperation with authorized advisers who help them, inter alia, in fulfilling disclosure obligations. This proves their positive and significant role as institutions of alternative markets. It also shows that their professionalism, reflected in the high quality of the services they offer, should be supported by alternative market organizers.

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Appendix

Table 1.
Selected questions from the survey questionnaire for companies listed on NewConnect and m:access

1. How complicated do you find information obligations?					
a) very simple	b) simple	c) no opinion	d) difficult	e) very difficult	
2. Are you aware of the changes to the regulations concerning disclosure obligations that entered into force in the MAR Regulation?					
a) yes		b) no			
3. How do you assess the impact of these changes on the fulfillment of disclosure obligations?					
a) made it difficult		b) made it easier		c) no opinion	
4. If the answer in question 2 is YES, do you feel prepared for these changes?					
a) yes		b) no			
5. How do you estimate the weekly time devoted to fulfilling the listing obligations?					
a) (0–10h)	b) (10h–20h)	c) (20h–30h)	d) more than 30h		
6. Do you have a person/department in your company dedicated only to performing listing obligations?					
a) yes		b) no			
7. If the answer to question 6 was YES, please specify the number of people fulfilling the listing obligations of your company:					
a) 1 person		b) 2–3 people		c) more people	
8. How do you rate the work of the Authorized Adviser?					
a) very bad		b) bad		c) neutral	
			d) good		e) very good

Source: Own preparation.

Table 2.
NewConnect respondents sorted by the size of a company and by the raised capital

Size	<1M PLN	(1–3]M PLN	(3–10]M PLN	(10–20]M PLN	>20 M PLN	Sum
micro	6	11	4	1	0	23
small	6	10	9	3	5	33
medium	3	5	4	3	3	18
sum	15	27*	17	7	8	74*

Notes:

* One company stayed anonymous and was not assigned to the size category.

Source: Own preparation.



Table 3.
m:access respondents sorted by the size of a company and by the raised capital

Size	<10M EUR	(10–20]M EUR	>20M EUR	Sum
micro	0	0	0	0
small	6	4	1	11
medium	4	3	4	11
sum	10	7	6*	23*

Notes:

* One company stayed anonymous and was not assigned to the size category.

Source: Own preparation.

Table 4.
The answers to the question: How do you estimate the weekly time devoted to fulfilling the listing obligations?

Specification	(0–10]h	(10–20]h	(20–30]h	>30h	Sum
NewConnect/disclosure duties	50	19	3	2	74
simple/very simple	11	1	0	0	12
difficult/very difficult	32	16	3	2	53
no opinion	7	2	0	0	9
m:access/disclosure duties	11	6	3	3	23
simple/very simple	10	2	2	2	16
difficult/very difficult	1	4	1	1	7
no opinion	0	0	0	0	0

Source: Own preparation.

Table 5.
Number of employees devoted only to listing obligations

Specification	Nobody	Number of employees engaged			Sum
		1 person	2–3 people	>3 persons	
NewConnect/disclosure duties	32	29	12	1	74
simple/very simple	3	9	0	0	12
difficult/very difficult	24	16	12	1	55
no opinion	5	4	0	0	9
m:access/disclosure duties	12	9	2	0	23
simple/very simple	8	8	0	0	16
difficult/very difficult	4	1	2	0	7
no opinion	0	0	0	0	0

Source: Own preparation.

Table 6.
The answers to the question: How do you rate the work of the Authorized Adviser?

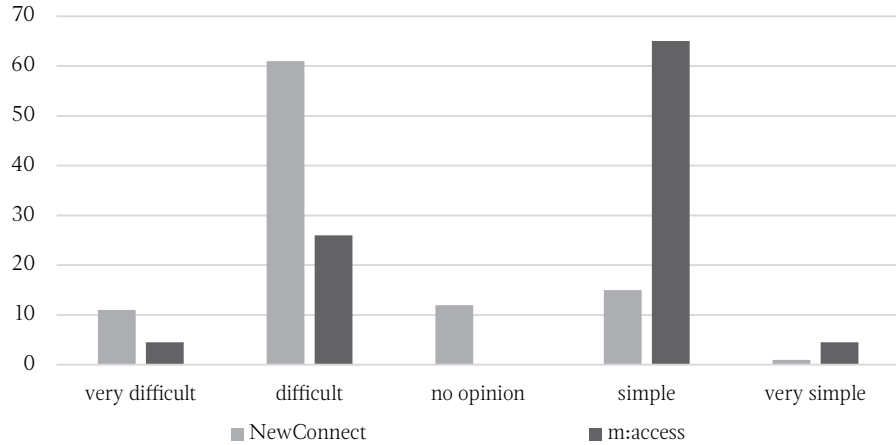
Specification	Very bad	Bad	Neutral	Good	Very good	Sum
NewConnect/disclosure duties	5	5	11	19	19	59*
simple/very simple	1	1	2	2	3	9
difficult/very difficult	4	4	9	14	13	44
no opinion	0	0	0	3	3	6
m:access/disclosure duties	1	1	9	7	4	22*
simple/very simple	1	0	6	5	3	15
difficult/very difficult	0	1	3	2	1	7
no opinion	0	0	0	0	0	0

Notes:

* 15 NewConnect and 1 m:access companies did not rate their authorized advisors.

Source: Own preparation.

Chart 1.
Perception of disclosure obligations by NewConnect and m:access issuers (in %)



Source: Own preparation.