



The Quoted
Companies Alliance

QCA Legal Committee

Minutes of the meeting held on: Thursday 4 November 2010 at 8:45am

McGrigors LLP, 5 Old Bailey, London EC4M 7BA

Present:	Donald Stewart (in the Chair)	DS
	Laura Nuttall	LN
	Chris Owen	CO
	Tom Shaw (via conference call)	TS
	Kate Jalbert (Minutes)	KJ

ACTIONS

1. Apologies

Apologies were received from Richard Beavan, Matt Bonass, Madeleine Cordes, Jonathan Deverill, Ross Bryson and Tim Ward.

2. Approve the minutes of the previous meeting (30 September 2010)

The minutes of the last meeting were approved.

3. Prospectus Directive Working Group

• **Proportionate Prospectus**

KJ reported that there was a working group meeting in October to discuss this again. It was broadly agreed that Nicholas's document outlined the right material and Stuart Andrews, Chairman of the Markets & Regulations Committee is going to update the preface to the document and the tables based on the discussion. KJ will follow up with Stuart Andrews on his progress with this. **KJ**

TS noted that it would be useful to show statistics in the preface of the document that illustrate the drop in public offers following the enactment of the Prospectus Directive. KJ explained that the QCA has these statistics and it is not a problem to insert them into the document. TS also noted that it would be useful to try to get other European statistics that show this drop. KJ will follow this up with EuropeanIssuers. **KJ**

TS explained that it would be useful for all committee members to come to the next committee meeting with an old prospectus or admission document in order to see the differences in disclosure. **ALL**

• **Meet with CESR/ESMA Representatives in early 2011**

All committee members present agreed that it would be useful to meet with CESR/ESMA in early 2011. KJ noted that CESR is due to become ESMA as of January 2011. KJ and CS will start to set up this meeting. **KJ/CS**

4. Consultation Update

• **Ministry of Justice Consultation on guidance about commercial organisations preventing bribery (Section 9 of Bribery Act 2010) (RD: 8 November 2010):**

Committee members discussed the draft response, which was kindly done by LN. TS noted that in the response to Question 1 there should be a reference to Section 7 of the Act. The Committee also discussed Question 2 and thought that it could be rephrased with questions as to how the SFO would react to situations regarding facilitation payments.

LN noted that the main issue with the guidance is that it is really only a series of questions, rather than helping companies determine "adequate procedures". TS noted that the QCA's response should highlight this.

DS pointed out that the response should also address the issue of a NOMAD's liability with regard to the Act. LN will add some commentary in the response on this.

LN will update the draft response and circulate it ahead of the response date. LN also explained that Transparency International has issued in depth guidance on the Bribery Act. KJ will look it up and circulate a link to it. **KJ**

- **HM Treasury/BIS Financing Business Growth: The Government's response to Financing a Private Sector Recovery:**

DS noted that the Treasury has now responded to the Business Finance Green Paper and that the response has positive proposals in it, including the Government's intention to bring two key changes to the Prospectus Directive quickly (the increase in the fundraising threshold to €5m and increase in the investor threshold to 150).

DS also highlighted the UK Innovation Fund, which was explained more in the response. DS asked KJ to get in touch with someone at Hermes who is working this area to see if they would potentially come to the committee as a guest speaker. **KJ**

5. Current Issues/Communications

a) Guest Invitations:

DS suggested inviting someone from BIS or HM Treasury to debrief the committee on the Government's response to the Business Finance Green Paper. The Committee also suggested having someone from the Takeover Panel come to discuss the proposed changes to the Takeover Code. **KJ/Chris Stapeley**

b) European Issuers: Nothing further to report.

c) Proposed dates for 2011: KJ noted that this was for information only and to highlight any problematic dates to Chris Stapeley.

6. Any Other Business

- **Brussels Trip – 25 November 2010:**

DS explained that there was not much interest from committee members in going to Brussels, but instead there is interest in going to Paris to meet with CESR/ESMA in 2011. DS and TW are going to go to Brussels still on 25 November 2010 to meet with a member of Michel Barnier's cabinet.

7. Dates of Next Meetings:

Thursday 25 November 2010 at 8:45am (Venue: Speechly Bircham LLP)

8. Actions

Action	Person	Timing
Follow up on progress of the next draft of the Proportionate Prospectus document.	KJ	ASAP
Ask European Issuers if they have data from European countries on the number of public offers since the PD came into force	KJ	ASAP
Bring an old prospectus or admission document to the next committee meeting.	ALL	For November Meeting
Start planning trip to CESR/ESMA in 2011	KJ/Chris Stapeley	ASAP
Circulate a link to Transparency International's Bribery Act Guidance	KJ	ASAP
Get in touch with Hermes re UK Innovation Fund	KJ	ASAP
Invite guest speakers to future meetings	KJ/Chris Stapeley	ASAP