



Quoted Companies Alliance

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13 October 2017

Dear Sirs,

**CP17/21 – Proposal to create a new premium listing category for sovereign controlled companies**

We welcome the opportunity to respond to the consultation on the proposal to create a new premium listing category for sovereign controlled companies.

We support the proposal to create a new premium listing category for sovereign controlled companies with tailored requirements. We believe that establishing such a segment will boost Britain's international competitiveness by providing new global investment opportunities within the UK's public markets. It is essential for public markets to be attractive to companies – both large and small – as this helps concentrate liquidity. Therefore we welcome initiatives that encourage companies to list in London across the market spectrum.

As the UK leaves the European Union, it will become even more important for the listing regime to be designed in such a way that facilitates access to public equity markets for the widest range of companies. The market must always be able to provide both a means to raise finance and to trade shares, catering for as wide a variety of companies and investors as possible.

The new segment will also increase the number of listed companies applying certain rules that go beyond the standard listing regime, ensuring the preservation of necessary investor protections. We agree that, in order to join the new segment, a sovereign controlled company should be required to provide the additional disclosures such as producing annual reports, holding shareholder meetings and explaining their performance to analysts using conference calls and public presentations. We believe that the FCA has found the right balance in the rules and disclosures suggested.

We note that companies in this segment will not qualify for inclusion in the FTSE indices; this is appropriate given the nature of the segment and the different disclosures required from a Premium Listing.

Although we welcome the proposed expansion of companies listing on UK public markets, we strongly encourage the FCA to replicate the principle of creating proportionate and appropriate rules and segments to suit particular types and sizes of company by providing a similar arrangement for smaller listed companies.

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies.

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Allowing smaller listed companies to follow an alleviated or transitional regime that still provides investors with the necessary protections would incentivise more small companies to both continue to be listed and seek listing on a regulated market. This will improve overall liquidity, increase the number of companies in the FTSE All-Share Index and enable funds that are restricted to investing only in regulated markets to have more choice and better risk/return management.

We would be delighted to meet and discuss how this could be done in further detail.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'TW', with a horizontal line extending to the right.

Tim Ward

Chief Executive