



The Quoted
Companies Alliance

Press Release

29 March 2010

QCA lobbying on VCTs and ISAs pays off

The Quoted Companies Alliance (QCA), the representative body for the UK's small and mid-cap quoted company sector, is delighted with the Government's Budget announcement of plans to consult on widening the scope of the Venture Capital Schemes and the inclusion of AIM shares in individual savings accounts (ISAs). The decision follows pressure from the QCA and other industry bodies.

The Government intends to confer with industry groups on the evidence for widening the reach of the UK's Venture Capital Schemes, including the Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCTs), and will specifically look at increasing the limits on employee numbers, gross assets and annual investment, as well as considering whether 'gross assets' is an adequate measure of company size. The Government also plans to consult on the inclusion of AIM shares in ISAs, which would help to increase retail investment in AIM companies and also raise liquidity in the market.

The QCA, along with the London Stock Exchange and other bodies, has been lobbying the UK Government to consider both these issues as a way to increase investment into the small and mid-cap quoted company sector and help fill the equity gap for these companies, which together generate a large share of the country's wealth and employment.

In December 2009, the QCA wrote to the Chancellor, requesting that a working group be set up to look at the structure of equity markets and highlighted the confusing and piecemeal approach to tax rules relating to VCTs and the inclusion of AIM shares in ISAs. Following this, the QCA now has a petition on the Number 10 website, with over 400 signatories, to put pressure on the Government to take this issue seriously (visit: <http://petitions.number10.gov.uk/equityfunding/>).

Tim Ward, Chief Executive of the Quoted Companies Alliance, comments: "We welcome the Government's announcement in the Budget to consult on these tax measures.



**The Quoted
Companies Alliance**

“This is a clear sign that the Government is recognising that the small and mid-cap quoted company sector is at the heart of the UK economy. We look forward to continuing our dialogue with them to ensure that small and mid-cap quoted companies have greater access to capital, at a time when access to funding has been severely limited by prevailing economic conditions.

“This is a step forward in our campaign to get the Government to set up a working group to examine the structure of UK equity markets. But much more needs to be done to get joined-up thinking amongst Government departments on equity funding for small and mid-cap quoted companies, and we continue to call on Government to set up this group to facilitate this debate.”

- Ends -

Contact:

The Quoted Companies Alliance:

Tim Ward, Chief Executive

+44 (0)20 7600 3745

tim.ward@quotedcompaniesalliance.co.uk

Notes to editors:

The Quoted Companies Alliance (QCA) represents the UK’s small and mid-cap quoted companies. This sector is defined as those 2,000 companies that are quoted in the UK outside of the FTSE 350. The QCA promotes the interests and views of its members to Government, Europe, regulators and other professional bodies, educates its members on best practices and provides a vital forum for networking. Celebrating 18 years in 2010, the QCA forms its views through highly focused committees and working groups, made up of directors and professional advisors from across the small and mid-cap quoted company sector. For more information, please visit: www.quotedcompaniesalliance.co.uk.

To view the QCA’s petition to the Government, please visit:

<http://petitions.number10.gov.uk/equityfunding/>

To view the QCA’s letter to the Chancellor, please visit:

http://www.quotedcompaniesalliance.co.uk/submissions/2009/QCALettertoChancellor_Final_De c09.pdf