

Present:	Kate Jalbert (Acting chairman and minutes)	KJ
	David Hicks	DH
	Jane Mayfield	JM
	Nicholas McVeigh	NM
	Jaspal Sekhon	JS
	Donald Stewart	DS
	Maria Gomes	MG
In attendance:	Nilam Statham, London Stock Exchange	NS
	Patrick O’Sullivan, London Stock Exchange	PO
	Simon Graham	SG
	Nicola Mallett	NM

1. APOLOGIES

Apologies were received from Gary Thorpe, Maegen Morrison, Ian Binnie, Stephen Hamilton, Julie Keefe, Karish Andrews, Danette Antao, Ross Bryson, Jo Chattle, Sarah Hassan, Hilary Owens Gray, Tom Shaw and Tim Ward.

2. WELCOME TO NILAM STATHAM AND PATRICK O’SULLIVAN OF LONDON STOCK EXCHANGE

KJ welcomed NS and PO to the meeting. A discussion then took place on:

a. Results of AIM Rules Consultation:

NS thanked the expert group for their comments on the AIM Rules consultation. She noted that the consultation has now ended and that the rules are coming into effect shortly.

b. Market Abuse Regulation (MAR):

NS discussed the implementation of MAR and its effects on the AIM Rules. NS noted that Inside AIM No. 11 was meant to show the exchange’s thinking on how it will deal with the implementation of MAR with regard to the AIM Rules. NS noted that the exchange wants to keep AIM Rule 11 so that they can have a disclosure rule which they can look after and control. In practice, Aim Rule 11 and MAR’s obligation to disclose inside information have the same underlying principles and therefore disclosure should be the same under both.

From a real-time perspective, AIM will continue to do the monitoring, looking at price movements and AIM Rule 11 obligations. However, the FCA can phone up an issuer at any time, as they are the competent authority for MAR. NS noted that if the NOMAD asks the exchange whether they would consider something as inside information, then AIM can’t give advice as to issuers’ obligations under MAR – all they can do is advise is something needs to be disclosed under AIM Rule 11. Therefore, AIM issuers, in practice, will also have to get legal advice from their lawyers on their MAR obligations.

Expert group members raised some concerns over the fact that AIM companies may end up needing to do more work with regard to figuring out whether something needs to be disclosed as inside information than companies on the Main Market – who will only have the MAR obligation. NS noted that, whilst there may be areas where AIM Rule 11 disclosure obligations and MAR disclosure obligations do not overlap, for the most part, they believe that it will not cause too much of a change of current practice. Some expert groups also raised concern over ‘double jeopardy’ – where

one regulator decides to take action against a company, but the other does not. NS noted that this should not happen and expert group members noted that this should be made clear to the market.

NS also explained that there is also an issue with MAR regarding closed periods, prelims and PDMRs. As a result, it is likely that AIM Rule 21 and 17 may need to be amended or deleted. NS noted that under MAR there is a clause that lets issuers closed period end when the prelims are published, so long as this is required under market rules. She would welcome feedback on this, as they are reticent to require prelims, but want issuers to have the flexibility that is currently provided on the Main Market through the Model Code.

NS noted that the exchange will put out a consultation on AIM Rule changes as a result in MAR in January 2016.

KJ thanked NS and PO for attending the meeting and they left.

3. MINUTES OF THE LAST MEETING (29 October 2015)

The minutes were approved.

4. CURRENT ISSUES

	Document	Action by LEG
a)	<p>European Commission Review of the Prospectus Directive</p> <p>MG explained the current status of the Prospectus Directive (now the Prospectus Regulation) review. She noted that the QCA has a meeting with ESMA on 14 December to discuss Level II work on the Regulation.</p>	None at this stage.
b)	<p>Market Abuse Regulation – FCA consultation CP15/35 (RD: 4 February 2016) and Inside AIM No. 11</p> <p>MG noted that she and KJ are attending a number of roundtables on MAR throughout December. She is keen for feedback on the Model Code changes in particular and any other areas of the FCA consultation that expert group members think are worrisome.</p>	MG to draft the response and circulate to the Legal and Corporate Finance Expert Groups for comment.
c)	<p>European Commission Call for evidence: EU Regulatory framework for financial services</p> <p>MG explained that she is drafting the response to this consultation and will be circulating it for review shortly.</p>	MG to draft the response and circulate it for comment.
d)	<p>FCA consultation on delaying disclosure of inside information (CP15/38) (RD: 20 February 2016)</p> <p>MG noted that she is looking for a volunteer to draft the response to this consultation.</p>	<p>ALL – volunteer needed to review this consultation and draft a response.</p> <p>[MT has kindly volunteered to help with this consultation now]</p>

5. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action by LEG
d)	Policy Update (October 2015) This was circulated for information only and was not discussed.	None to note.

Date for next meeting: 8.45am Thursday 28 January 2016 (Venue: Charles Russell Speechlys LLP)