



The Quoted
Companies Alliance

Minutes of the Markets and Regulations Committee Meeting

held on 22 February 2012 at 5.00pm
at Speechly Bircham, 6 New Street Square, London EC4A 3LX

Present:	Martin Finnegan (chair)	Causeway Law	MF
	Andrew Collins	Speechly Bircham	AC
	Richard Everett	Lawrence Graham LLP	LG
	Alexandra Hockenhull	Xchanging plc	AH
	William Lynne	Hybridan LLP	WL
	Linda Main	KPMG LLP	LM
	Chris Searle	BDO LLP	CS
	Peter Swabey	Equiniti	PS
	Kate Jalbert	QCA	KJ
	Jacques Sultan (minutes)	QCA	JS

ACTIONS

1. Apologies

Apologies were received from Mark Cleland, Amerjit Kalirai, Richard Metcalfe, Katie Morris, Philip Quigley, Laurence Sacker and Tim Ward.

2. Approve the minutes of the previous meeting (16 November 2011)

The minutes of the last meeting were approved.

3. Discussion Items

• **Non-Bank Lending**

MF discussed how this is a complex issue and queried how much the LSE has been involved. CS noted that he has been in discussions with Evolution Securities on non-bank finance, but their interest is for a market for mid-cap companies.

MF noted the Merlin project highlights the need for alternative methods of financing. KJ noted that the German BondM Market and the new French model are increasing the profile of debt finance for small companies.

WL noted that it would be interesting to see the view of the corporate members. Some may feel that raising debt finance would be difficult and therefore needs to involve convertibles.

- **FSA Consultation on Amendments to the Listing Rules, Prospectus Rules, Disclosure Rules and Transparency Rules (RD: 26 April 2012)(joint working group with Legal and Share Schemes Committees, and Corporate Finance Advisory Group)**

MF noted that this was a far reaching consultation paper. There were plenty of issues for numerous committees to discuss. MF noted that the specific issues included, sponsor regime, parallel overviews, removal of the Class 3 concept and reverse takeovers.

MF noted that people should let KJ/JS know asap if they can volunteer to help draft a response. PS volunteered to assist with it.

PS

- **CSD Regulation – Update (PS)**

PS updated the committee on the Central Securities Depositories Regulation. There were a couple of issues with the regulation that the committee should be aware of. PS noted that the first issue was the settlement discipline. This would mean a pan-European settlement discipline, but PS hoped that it would mirror UK system. The second issue, and more controversial, is the integrity of the issuance. PS discussed how in Europe shareholder rights are much less. PS noted that there is a risk that Europe will attempt to bring about de-materialisation by 2018. The European Commission will publish their proposals on 7 March 2012. PS noted that depending on the proposals, the Quoted Companies Alliance should consider speaking to MEPs about this.

- **Consultations**

- **MiFID & MiFIR**
- **Market Abuse Directive & Market Abuse Regulation**
- **Transparency Directive**
- **Prospectus Directive**

KJ gave an update on all the latest details on European Directives and Regulations.

- **Audit Directive**

There was a general discussion over the latest development in the audit directive.

4. **Future Meetings**

- **Guest invitations to future meetings:**

MF suggested that there should be a meeting with the LSE about bonds. MF noted that a member of the European Commission could be useful. KJ noted that if you discuss what topics you would like to discuss, then the QCA could decide upon the most suitable guest. MF suggested a cross committee meeting to discuss the FSA listing rules. KJ will discuss with Tim Ward.

KJ/TW

5. **AOB:**

PS noted that there had been plenty of boiler-room scams that companies must be aware of.

6. **Next Meeting:**

17:00 Tuesday 17 April 2012 (at Speechly Bircham LLP, 6 New Street Square, London EC4A 3LX)

17.00 Wednesday 20 June 2012 (at Speechly Bircham LLP, 6 New Street Square, London EC4A 3LX)

7. **Action Points**

Invitations for future meetings	CS/JS	ASAP
FSA Consultation on Amendments to the Listing Rules	ALL/PS	ASAP
Cross Committee Meeting to discuss the FSA Listing Rules	KJ/TW	ASAP