



**The Quoted
Companies Alliance**

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Julie Ford
Corporate Law and Governance Directorate
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17 April 2009

Dear Ms. Ford,

BERR – DRAFT REGULATIONS FOR COMMENT – THE COMPANIES (SHARE CAPITAL AND ACQUISITION BY COMPANY OF ITS OWN SHARES) REGULATIONS 2009

INTRODUCTION

The Quoted Companies Alliance (QCA) is a not-for-profit membership organisation dedicated to promoting the cause of smaller quoted companies (SQC), which we define as those 2,000+ quoted companies outside the FTSE 350 (including those on AIM and PLUS) representing 85% of the UK quoted companies by number. Their individual market capitalisations tend to be below £500m.

RESPONSE

We support these proposals, as they are bringing the Companies Regulations 2009 in line with other recent regulatory changes and recommendations.

However, with regard to Part 2: Pre-emptive Rights Issues, if the goal is to bring these regulations in line with the Listing Rule's reduction of the rights issues subscription period, these draft regulations should reduce the minimum period of notice for pre-emption rights issues from 21 to *10 business days*, rather than 14 days as is currently stated in the draft. Amending it to 10 business days would then fully harmonise the Companies Regulations 2009 with the Listing Rules.

If you wish to discuss these issues with us, we will be pleased to attend a meeting.

Yours sincerely,

John Pierce
Chief Executive