



**The Quoted
Companies Alliance**

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Adetutu Odutula
Markets Policy
Financial Services Authority
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Canary Wharf
London E14 5HS

Email: cp08_21@fsa.gov.uk

2 March 2009

Dear Ms. Odutula,

Consultation Paper 08/21 - Financial Services Authority Consultation on amendments to the Listing Rules and feedback on DP08/1

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.

The QCA is a founder member of European **Issuers**, which represents over 9,000 quoted companies in thirteen European countries.

RESPONSE

Choice

Similar to our comments stated in our response to FSA DP08/1 – A review of the structure of the listing regime - we believe, certainly from a small/mid-cap perspective, that introducing a new European directive minimum listing for UK companies is unnecessary and differentiating between a 'Premium' and a 'Standard' listing for UK companies adds an extra layer of complexity and could cause confusion.

We support fully the concept of choice for issuers and in the sector we represent UK companies already have a variety of options for listing under the current regime.

Supervision

Opening a directive-minimum listing regime to UK companies could result in a number of issues for the FSA as regulators. As the directive-minimum listing regime lacks the requirement for a sponsor or nominated advisor, this may result in companies coming to market that are not suitable for it. This would mean that the FSA might require more internal

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resources to regulate the Standard Listing segment and so put a strain on its capacity to cope.

Governance

Finally, in relation to the migration from a Premium to a Standard Listing, we see the lack of shareholder approval for the move as open to criticism and could be interpreted as an erosion of shareholder rights as the corporate governance regimes are different. Although the form of securities held by the shareholder is unlikely to be altered, the perceived value of the shares in the company could be affected by the migration, as the shareholder originally chose to invest in a 'Premium' Listed company. As a result, we believe it should be necessary for a Premium Listed company wishing to migrate to a Standard Listing to obtain shareholder approval.

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

Yours sincerely,

A handwritten signature in black ink that reads "John Pierce". The signature is written in a cursive style and is underlined with a single horizontal line.

John Pierce
Chief Executive