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UK Listing Authority
The Financial Services Authority
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primarymarketbulletin@fsa.gov.uk

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Dear Sirs,

Financial Services Authority - Primary Market Bulletin No. 5

Introduction

We are the Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of European**Issuers**, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Corporate Finance Advisors Expert Group has examined your proposals and advised on this response. A list of members of the Expert Group is at Appendix A.

Response

We welcome the opportunity to respond to this consultation. We have comments on two areas of the bulletin:

UKLA/TN/310.1 Indemnities, guarantees and similar arrangements

We believe that this guidance does not reflect the Government policy. We note that this has arisen from the Government's attempt to reduce red tape and reflects the policy brought in autumn 2012 to allow subsidiaries to be exempt from an audit requirement if subject to parental guarantee. From this guidance, it seems that the UKLA has decided that such guarantees will constitute class 1 transactions where the subsidiary is not wholly owned, thereby adding extra cost for listed companies who wish to pursue this opportunity.

Given that this is a statutory concession in line with Government policy to reduce red tape and that LR 10.2.5G already exempts indemnities given under the Companies Act 2006 relating to directors and auditors on the grounds that they are "not exceptional", we believe that it is confusing that the UKLA has chosen to treat this Companies Act 2006 indemnity as being "exceptional". We believe that the FSA should explain more clearly why one Companies Act indemnity is exceptional when other ones are not.

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies.

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UKLA/TN/310.1 Periodic financial information and inside information

We believe that this guidance is inconsistent with LR 9.7A.1R, which only requires that a preliminary statement must be announced “as soon as possible after it has been approved by the board”. Also the citation of DTR 2.5.1R’s “narrow circumstances” as relating to negotiations that remain in course ignores that the two key tests in that rule are:

- that the delay would not be likely to mislead the public; and
- that confidentiality can be maintained.

The public accepts and understands that results announcements are scheduled so that they can be made in orderly manner.

We would also note that no other major market in Europe or the USA takes this line.

We would query as to why this note is necessary and whether it is appropriate given existing well established and accepted market practice that works very efficiently.

If you would like to discuss this in further detail, we would be happy to attend a meeting.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'T. Ward', with a stylized flourish at the end.

Tim Ward
Chief Executive

Corporate Finance Advisors Expert Group

Samantha Harrison (Chairman)	RFC Ambrian Limited
Richard Evans (Deputy Chairman)	Strand Hanson Limited
Neil Baldwin/Mark Brady	Spark Advisory Partners
Azhic Basirov	Smith & Williamson Limited
David Bennett	Marriott Harrison
Tim Bird/Amerjit Kalirai	Field Fisher Waterhouse
Mark Brady	Spark Advisory Partners
Simon Charles	Marriott Harrison
Daniel Conti	RBC Capital Markets
Richard Crawley	Espirito Santo Investment Bank
Matthew Doughty	Dorsey & Whitney
David Foreman/Rick Thompson/ Mark Percy	Cantor Fitzgerald Europe
Sean Geraghty	Dechert
James Green	K & L Gates LLP
Lesley Gregory	Memery Crystal LLP
Tom Griffiths	Westhouse Securities
Chris Hardie	Arden Partners PLC
Daniel Harris	Peel Hunt plc
Dalia Joseph	Oriel Securities Limited
Amerjit Kalirai	Field Fisher Waterhouse
Jonathan King	Osborne Clarke
Jonathan Morris	Bates Wells & Braithwaite LLP
Nicholas Narraway	Moorhead James
Nick Naylor	Allenby Capital Ltd
Claire Noyce/Deepak Reddy	Hybridan LLP
Simon O'Brien	PricewaterhouseCoopers LLP
Philip Secrett	Grant Thornton UK LLP
Charles Simpson	Saffery Champness
Ray Zimmerman/Marc Cramsie	ZAI Corporate Finance Ltd