

Present:	Andrew Collins	Charles Russell Speechlys	AC
	Fraser Elms	Herald Investment Management Limited	FE
	Jon Gerty	Shore Capital	JG
	James Stapleton	Winterflood Securities Ltd	JS
	Mark Tubby	finnCap	MT
	William Lynne	Hybrdian LLP	WL
	Kate Jalbert	Quoted Companies Alliance	KJ
	Maria Gomes (minutes)	Quoted Companies Alliance	MG

ACTIONS

1. APOLOGIES

Apologies were received from Simon Rafferty, Dalia Joseph, Paul Arathoon, David Cooper, Keith Hiscock, Claire Noyce, Jeremy Phillips, Katie Potts, Peter Swabey and Tim Ward.

2. MINUTES OF THE LAST MEETING (17 JUNE 2015)

The minutes were approved.

3. ISSUES FOR DISCUSSION

	Item	Action by SMEG
a)	<p>MiFID II/MiFIR</p> <p>JG mentioned that the latest draft of the Delegated Directive seems to indicate that the Commission is considering some changes to the inducement rules in relation to research, but which still seem to be of concern for smaller issuers.</p> <p>The Group agreed that the QCA should again highlight to the Commission the points raised previously regarding the lack of research for smaller companies and the potential negative effects of the MiFID II rules.</p> <p>Regarding the FCA Consultation paper on implementing MiFID II, the Group commented that it should not have an impact on our members, so it does not warrant a response.</p>	<p>MG to draft and send letter to European Commission on investment research;</p> <p>MG to raise issue with HM Treasury and ask for their views.</p>
b)	<p>CSDr</p> <p>The Group agreed not to submit a response to HM Treasury's Consultation on implementing CSDr as it is not directly relevant for our membership.</p>	None to note.
c)	<p>European Commission Call for evidence: EU Regulatory framework for financial services (RD: 31 January 2016, with Corporate Finance,</p>	ALL to send MG their examples to be included in

	<p>Corporate Governance, Financial Reporting and Legal Expert Groups)</p> <p>MG mentioned that the QCA is putting together examples of inconsistencies and overlaps across the different pieces of legislation to highlight to the European Commission in response to this consultation, and asked the Group to submit any comments to be added to our response.</p>	our response.
d)	<p>CPMI and IOSCO consultation on the harmonisation of the unique product identifier (RD: 24 February 2016)</p> <p>The Group decided not to respond to this consultation as it is not relevant for our constituency.</p>	None to note.

4. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action by FREG
a)	<p>Market Abuse Regulation – status update</p> <p>KJ mentioned that we are concerned about the interaction between the application of MAR rules for SME Growth Markets and the entry into force of MiFID II. She explained that the interval between the entry into force of MAR and MiFID II means exemptions for SME Growth Markets have been effectively removed and that small and mid-size quoted companies will be subjected to producing and keeping full insider lists. She added that issuers on growth markets should be able to take advantage of MAR's more proportionate rules regarding insider lists from the date MAR enters into force (and ahead of the entry into force of MiFID II, which may be even later than initially foreseen).</p>	None to note.
b)	<p>Policy Update Briefing (December 2015) – for information only</p> <p>This was not discussed.</p>	None to note.
c)	<p>Guest invitation for future meetings</p> <p>The Group suggested inviting the FCA to one of our future meetings to discuss MiFID II.</p>	MG/ Chris Stapeley to invite FCA.

5. AOB

JG mentioned that ESMA is developing guidelines for the assessment of knowledge and competence of individuals in investment firms providing investment advice or information about financial instruments, investment services or ancillary services to clients on behalf of the investment firm. He added there will be no grandfathering of the existing rules, so investment firms should be aware of this upcoming change.

Next meeting(s)

16.30 Wednesday 2 March 2016 (Venue: Charles Russell Speechlys LLP, 5 Fleet Place, London EC4A 3LX)