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Monday 21 August 2023

Dear HM Treasury colleagues,

Draft Statutory Instrument: The Public Offers and Admissions to Trading Regulations 2023

We welcome the opportunity to respond to the draft statutory instrument on the Public Offers and Admissions to Trading Regulations (POATRs) 2023.

The Quoted Companies Alliance *Legal Expert Group* has examined the proposals and advised on this response from the viewpoint of small and mid-sized quoted companies. A list of Expert Group members can be found in Appendix A.

We believe that the draft statutory instrument is a significant step forward for equity issues in the UK and we welcome the opportunities which the new regime will present for fundraisings by listed and unlisted companies. We had the following broadly-based observations:

- The changes to the liability regime for forward-looking statements represents not just a legal change but a cultural one, with the emphasis on full and good faith disclosure and, in practice, we believe that issuers will remain reluctant to avail themselves of its benefits until there is a broader understanding of how the new law will work in practice.
- The potential for MTF admission documents to be treated as prospectuses so as to confer on issuers the benefits of the new regime is warmly welcomed. Indeed, we have long believed that MTF admission documents should be capable of being treated as prospectuses. The new regime will not only encourage retail investment but also reduce the cost and time to market for many small and mid-sized companies seeking a trading facility for their shares.
- However, we would not want the “MTF as a prospectus” development to result in the vetting concept being extended to MTF admission documents. These should continue to be the domain of the MTF operators within a broader regulatory framework.
- Finally, we note the broader category of “Relevant Securities” used for determining whether the securities are subject to the general prohibition on offers to the public. We would counsel that care

is taken to avoid a situation where loan notes of the type often seen in private equity transactions might fall into the “relevant securities” definition by default - although we acknowledge that the exemptions are likely to take an issue of such instruments outside the prohibition in any event.

We await with interest the FCA’s consultation process as it begins to flesh out the proposals using its enhanced rule-making powers.

If you would like to discuss our response in more detail, please do not hesitate to contact us.

Yours sincerely,



James Ashton
Chief Executive

Appendix A

The Quoted Companies Alliance *Legal Expert Group*

Mark Taylor (Chair)	Dorsey & Whitney (Europe) LLP
Stephen Hamilton (Deputy Chair)	Mills & Reeve LLP
Paul Airley	Fladgate LLP
Danette Antao	Hogan Lovells International LLP
Paul Arathoon	Charles Russell Speechlys LLP
Kate Badr	CMS
Naomi Bellingham	Practical Law Company Limited
Ross Bryson	Mishcon De Reya
Philippa Chatterton	CMS
Paul Cliff	Gateley
Matt Cohen	Stifel
Jonathan Deverill	DAC Beachcroft LLP
Sarah Dick	Stifel
Tunji Emanuel	LexisNexis
Kate Francis	Dorsey & Whitney (Europe) LLP
Claudia Gizejewski	LexisNexis
Sarah Hassan	Practical Law Company Limited
David Hicks	Charles Russell Speechlys LLP
Kate Higgins	Mishcon De Reya
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Martin Kay	Blake Morgan
Jonathan King	Osborne Clarke
Jennifer Lovesy	KPMG
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Catherine Moss	Shakespeare Martineau LLP
Hilary Owens Gray	Practical Law Company Limited
Kieran Rayani	Stifel
Jaspal Sekhon	Hill Dickinson LLP
Patrick Sarch	Hogan Lovells LLP
Gary Thorpe	QCA Director
Robert Wieder	Faegre Drinker LLP
Sarah Wild	Practical Law Company Limited
John Young	Kingsley Napley LLP