

Meeting of the QCA Investor Working Group

To be held on: Wednesday 17 April 2024, 9.00am – 10.30am.
Videoconference call



AGENDA

- 1. Apologies**
- 2. Welcome to Sunil Dhall of Peel Hunt and Deputy Chair of the UK Equity Markets Association (UKEMA) to provide an overview of UKEMAs activities and priorities.**
- 3. Issues for discussion:**
 - a) Recap of action points from last meeting, including:**
 - i. Investment Research Review and payment optionality for research; and
 - ii. The UK ISA.
 - b) Update from the QCA and other IWG members about any recent policymaker interactions.**
 - c) HM Treasury – UK ISA consultation:**
 - i. Views on investee eligibility (ordinary shares, fund vehicles (and UK focus requirements), corporate bonds, gilts etc.);
 - ii. Technical questions (allowing subscriptions to multiple UK ISAs, cash holding rules, transfers between ISAs, other design features and compliance challenges); and
 - iii. Conveying the response (supporting evidence for our proposed form of UK ISA and communication strategy).
 - d) Building the case for investing in small and mid-caps on a risk/return basis.**
 - e) Priorities for the next meeting and proposed timing.**
- 4. Communications (for information only)**
 - a) QCA Audit Report**

In February, we published a report looking into the cost of audits and the availability of auditors for smaller companies. We found that, since 2017/18, audit fees have increased substantially, going up by 75% over the last five years. Our research findings concluded that:

- Between 2017/18 and 2022/23, the average percentage change in audit fees across all markets was 127%:
 - LSE Main Market companies' audit fees had an average increase of 97%.
 - AIM companies witnessed an average increase of 110% in audit fees.
 - Aquis companies experienced an average increase of 97% in audit fees.
- Of a sample total of 220 companies across the LSE Main Market, AIM and Aquis, 183 companies faced an increase in audit costs.

If you would like to read the report, click [here](#).

5. Any Other Business

6. Next meeting: TBC