

Minutes of the QCA Legal Expert Group



Held on: Tuesday 16 January 2018

Venue: CMS, Cannon Place, 78 Cannon Street, London, EC4N 6AF

Present:

Mark Taylor (Chair)	Dorsey & Whitney	MT
Danette Antao	Hogan Lovells International LLP	DA
Daniel Bellau	Hamlins LLP	DB
Andrew Chadwick	Clyde & Co LLP	AC
Paul Cliff	Gateley LLP	PC
Murdoch Currie	Bates Wells Braithwaite LLP	MC
Stephen Hamilton	Hills and Reeve LLP	SH
David Hicks	Charles Russell Speechlys LLP	DH
Martin Kay	Blake Morgan	MK
Julie Keefe	Norton Rose Fulbright LLP	JK
Nicholas McVeigh	Mishcon De Reya	NM
Jaspal Sekhon	Hill Dickinson LLP	JS
Jane Wang	Fasken LLP	JW
David Willbe	Lewis Silkin	DW
Tim Ward	Quoted Companies Alliance	TW
Callum Anderson (minutes)	Quoted Companies Alliance	CA

In attendance:

Nicole Gyring-Nielsen	CMS	NG
-----------------------	-----	----

1. APOLOGIES

Apologies were received from Philippa Chatterton, Simon Cox, Kate Francis, Nicholas Narraway and Donald Stewart.

2. MINUTES OF LAST MEETING (26 October 2017)

The minutes were approved.

3. ISSUES FOR DISCUSSION

	ITEM	ACTION
a)	Operation of the Expert Group MT introduced himself as the Expert Group's new chair and welcomed Expert Group new members. He added his thanks to previous chair Gary Thorpe for his contribution to the QCA.	None.

<p>b)</p>	<p>London Stock Exchange consultation – Changes to AIM Rulebooks</p> <p>MT noted that London Stock Exchange had published a consultation on the AIM Rulebooks following its Discussion Paper in autumn 2017.</p> <p>He explained that there were proposed changes regarding formalising the early notification process, guidance to nominated advisers on appropriateness consideration and London Stock Exchange’s AIM Rule 9 powers and corporate governance.</p> <p>The Expert Group exchanged views on the proposed changes to AIM Rule 26 and the potential need to issue a “comply or explain” statement. There was consensus that the Rule should be amended so that an AIM company should issue a statement on its website stating which recognised corporate governance code it follows along with the date on which the statement was last updated and that this should be done on at least an annual basis.</p>	<p>CA to circulate draft response to the Expert Group.</p> <p>ALL to send comments to CA before 29.01.18 deadline.</p>
<p>c)</p>	<p>European Commission public consultation on building a proportionate regulatory environment to support SME listing</p> <p>MT explained that the consultation’s objective was to identify ways to cut red tape, whilst building a supportive environment for SMEs wanting to list their shares on SME Growth Markets, without jeopardising investor protection and market integrity.</p> <p>TW emphasised the importance for the QCA responding to this email. He summarised how the QCA had influenced the content of the consultation through its participation in a technical workshop on removing regulatory barriers for SMEs seeking to raise capital on public markets, which took place in November 2017.</p> <p>The Expert Group agreed to engage with the consultation and support the production of a response. It briefly discussed the questions regarding the Market Abuse Regulation with respect to insider lists and managers’ transactions.</p>	<p>CA to contact Expert Group members to request comments on the consultation.</p> <p>Selected Expert Group members and their firms to help produce first draft response.</p> <p>CA to circulate draft response to the Expert Group.</p> <p>ALL to send comments to CA before 26.02.18 deadline.</p>
<p>d)</p>	<p>ESMA consultation – Draft regulatory technical standards under the new Prospectus Regulation</p> <p>DH briefly summarised the contents of the proposed RTSs under the new Prospectus Regulation with particular focus on key financial information, supplements and advertisements and how to ensure that any data included in the prospectus is machine readable.</p> <p>DH suggested that Richard Evans of the Primary Markets Expert Group be contacted with regards to advertisements and the publication of the prospectus. He added that BDO should be contacted with regards to any draft RTS on key financial information.</p>	<p>CA to liaise with Richard Evans of the Primary Markets Expert Group and BDO to determine whether a response is necessary.</p>

e)	<p>Outlook for 2018</p> <p>The Expert Group exchanged views on the economic conditions and growth prospects of small and mid-size quoted companies.</p>	None.
f)	<p>Brexit</p> <p>TW explained that he had attended an interesting dinner hosted by a German business association, where Brexit was a highly discussed topic. He added that the QCA would continue to engage with the relevant government departments, as well as the European Commission representation in London.</p>	None.

4. COMMUNICATIONS AND FUTURE MEETINGS

	ITEM	ACTION
a)	<p>Takeover Panel Response Statement – Asset sales and other matters</p> <p>The Response Statement was noted by the Expert Group.</p>	None.
b)	<p>Takeover Panel Response Statement – Statements of intention and related matters</p> <p>The Response Statement was noted by the Expert Group.</p>	None.
c)	<p>Policy Update (January 2018)</p> <p>This was tabled for information only and was not discussed.</p>	None.
d)	<p>Guest invitations to future meetings</p> <p>The Expert Group agreed that the CMA should be invited to attend the next meeting. It was also suggested that Tony Pullinger of the Takeover Panel, the FCA’s team dealing with the Market Abuse Regulation and Edward Craft of the QCA Corporate Governance Expert Group should be invited to future meetings.</p>	CA to invite and confirm guests to future Expert Group meetings.

5. ANY OTHER BUSINESS

TW explained that Anthony Robinson would be joining the QCA as Head of Policy and Communications in February 2018.

6. NEXT MEETING

Tuesday 13 March 2018, 9.00am – 10.30am (Venue: Charles Russell Speechlys, 5 Fleet Place, London, EC4M 7RD)