

Present:	Gary Thorpe (in the Chair)	GT
	Tim Ward	TW
	Kate Jalbert	KJ
	Paul Arathoon	PA
	Richard Beavan	RB
	Ian Binnie	IB
	Martin Kay	MK
	Maegan Morrison	MM
	Julie Keefe	JK
	Hilary Owens	HO
	Mark Taylor	MT
	Anthony Turner	AT
In attendance:	Jaspal Sekhon (Minutes)	JS
	Charlie Ring	CR
	Tim Wass (in place of Stephen Hamilton)	TXW
	Sarah Hassan	SH

ACTIONS

1. Apologies

Apologies were received from Donald Stewart, Susan Hollingdale, Stephen Hamilton, Simon Cox, Ross Bryson, Chris Barrett, Mebs Dossa and Philip Lamb.

2. Approve the minutes of the previous meeting (28 November 2013)

The minutes of the last meeting were approved.

3. Review of actions from the last meeting

Please refer to the list of actions at the end of this document.

4. Current consultations and issues

a) Consultation Paper: ESMA – Policy orientations on possible implementing measures under the Market Abuse Regulation (Response Date: 27 January 2014)

GT has prepared a draft response paper and would welcome another expert group member reviewing it before it is submitted to ESMA. GT thought the main issue was around the proposals for insider lists which are very onerous. HO attended a conference call on the previous day with the GC100 where this was also discussed. She noted the comments echoed the concerns about insider lists as well as data protection concerns of issuers. In addition, a significant issue is the criteria for delaying an announcement, the level of disclosure required and the requirements for issuers to keep their own records. The GC100 are preparing a response to the consultation.

PA noted that Victoria Younghusband from Speechly Bircham is also looking into this. MM kindly agreed to review GT's draft and then KJ will circulate it to the rest of the group for comment.

MM/KJ

b) Draft Finance Bill 2014: Abolition of stamp duty reserve tax on growth market shares (Response Date: 4 February 2014)

KJ reported that the draft bill had been published and includes the provisions to remove stamp duty on the trading of AIM and ISDX shares. The Act will come into effect on 28 April 2014. Although she had tabled this item for information, if anyone in the expert group has any comments, they should pass them to her.

All

The Tax Expert Group is also looking at this issue as well. The main comments from the Tax Expert Group are that the procedure for markets to apply for exemption is not very clear and they will provide comments to HMRC and the Treasury.

JK noted that the exemption does not apply if some of a company's shares are listed on another recognised exchange. For example, if a company is dual-listed on AIM and TSX/ASX, it would not qualify for the exemption. KJ noted that the list of "recognised exchanges" is maintained by HMRC.

c) Consultation Paper: FCA Feedback on CP12/25: Enhancing the effectiveness of the Listing Regime and further consultation (Response Date: 5 February 2014)

PA has been working on the draft consultation response and he will circulate a draft early next week. He noted that it builds on the previous CP12/25 consultation response.

PA

d) ABI Report - Encouraging Equity Investment - Proposal to eliminate pre-launch IPO blackout period?

GT noted that no further action is required.

5. Communications

a) Priorities for 2014

As per 5b, the QCA will launch an initiative to get members' feedback on issues that most concern them to help set the priorities for 2014.

b) Membership Drive

TW reported that the QCA had held its board meeting earlier in the week. A concern had been expressed that the good work of the expert groups is not filtering out to the membership. The QCA needs to get better at communication and there will be a big membership drive starting with a process of asking members to highlight to the QCA which issues most concern them.

As part of the membership drive, all expert group members were asked to provide Hayley Zeff with a list of quoted companies who they act for who are not already members of the QCA.

All

c) Guest invitations

Suggestions for guest invitations included:

- The FCA
- AIM Regulation team
- BIS and/or the Treasury
- The London Stock Exchange in relation to regulatory strategy
- The FRC in relation to narrative reporting

d) Committee Drinks

GT reminded everyone about the drinks on Monday 3 February.

e) Trip to European Commission/Brussels

KJ noted that the Prospectus Directive review will be very high on the agenda and the QCA should have a clear idea about what changes it wants implemented. Accordingly, it would be a good idea to tie-in the trip with this and for the group to prepare a briefing paper that outlines which key changes to the Directive that we would like to see.

TW thought there were two main objectives to the trip. Firstly, trying to influence the Commission on the forthcoming review and, secondly, trying to influence ESMA in Paris and educate them more generally on capital markets and related issues. The intention is to go to Paris in the Spring.

KJ asked if anyone is interested in attending the trips they should let her or TW know. It would make sense for the people who are going on the trip to be the same group who were looking at the Prospectus Directive review and related issues.

All

KJ noted that the feedback from the Commission is that there has been very little take up of proportionate prospectuses. This was also the experience of the members of the Expert Group present at the meeting.

f) Policy Update (January 2014)

This was tabled for information only.

6. Any other business

TW noted that he was going to see BIS later that day for a roundtable discussion in relation to disenfranchisement of votes on takeovers.

KJ reminded members that the QCA are taking bookings for the annual dinner. There are not many tables left and she encouraged members to book a table sooner rather than later.

TW reminded members that the QCA conference will be held later this year. He also noted that the QCA had just published a survey which included very detailed feedback from fund managers about what they look for when investing in small and mid-cap quoted companies.

TW reported that there will be a consultation on the AIM Rules published this quarter. He understands that it has already been drafted. He has been told that it will contain fairly light amendments but there will be some open-ended questions and issues around governance.

KJ reported that the FCA will publish a consultation on the sponsor regime this quarter. KJ will circulate a copy to the expert group members.

KJ

TW noted that page 98 of the Autumn Statement had three encouraging issues. Firstly, the Government will look at whether or not retail bonds can be put into ISAs. Secondly, the Government will accelerate the abandonment of quarterly financial reporting (which has come out of the Transparency Directive review). Thirdly, there will be a consultation on public equity finance. TW has seen a draft of this paper and it will take an interesting format whereby responses can be submitted anonymously which should provide frank and wide-ranging responses.

HO reported that PLC has now published its precedent Relationship Agreement.

KJ noted that the QCA had decided not to submit a response to the consultation on the Government's review of the balance of competencies between the United Kingdom and the European Union (in relation to the free movement of services) because a number of other bodies had submitted responses which were identical to what the QCA intended to say about the subject.

KJ noted that the Takeover Panel has issued a practice statement on directors' irrevocable undertakings which KJ will circulate to the group.

KJ

TW had not received any responses from the expert group members in relation to their experiences of equity lines of credit. He would welcome any feedback and he noted that Darwin Strategic will be attending the secondary markets meeting on 19 February and an invite would be extended to other expert groups.

All

Information for noting

- Consultation update - responses submitted: None
- Next meeting

8.45am Thursday 27 February 2014 (Venue: Speechly Bircham)

7. Actions

Action	Person	Timing
Review the draft response to ESMA's consultation on Market Abuse	MM	ASAP
Circulate draft response of ESMA consultation on Market Abuse to the expert group for comment	KJ/ALL	ASAP (before 27 Jan 2014)
If anyone has any comments on the Draft Finance Bill 2014 (particularly in relation to the abolition of SDRT on growth market shares) they should send them to KJ.	All	04/02/14
PA to finalise consultation response on FCA CP12/25 and circulate a draft for review and comment.	PA	05/02/14
Provide Hayley Zeff with a list of quoted companies which expert group members act for but are not already members of the QCA	All	Next meeting
Let KJ or TW know if anyone is interested in contributing to the Prospectus Directive review and also attend the trips to Brussels and Paris.	All	Next meeting
Circulate a copy of the FCA consultation paper on the sponsor regime when it is published.	KJ	When published
Circulate a copy of the Takeover	KJ	ASAP

Panel's practice statement on directors' irrevocable undertakings		
Provide any feedback on equity lines of credit and similar products.	All	ASAP