

Present: Gary Thorpe (Chairman)		GT
Maegen Morrison		MM
Paul Arathoon		PA
Ian Binnie		IB
Ross Bryson		RB
Jane Mayfield		JM
Martin Kay		MK
Julie Keefe		JK
Sarah Hassan		SH
Donald Stewart		DS
Anthony Turner		AT
Tim Ward		TW
Kate Jalbert		KJ
Maria Gomes (minutes)		MG
In attendance:		
Nilam Statham	(AIM Regulation)	NS
Kerry Goodwin	(AIM Regulation)	KG
Daniel Bellau	(Hamlins LLP)	DB
Alan Farkas	(Dorsey & Whitney)	AF
Jaspal Sekhon	(Charles Russell Speechlys LLP)	JS
Tom Shaw	(Charles Russell Speechlys LLP)	TS
Jodie Dennis	(Charles Russell Speechlys LLP)	JD
Michael Higgins	(Quoted Companies Alliance)	

ACTIONS

1. Welcome to Nilam Statham and Kerry Goodwin, AIM Regulation, to discuss the upcoming revision of the AIM Rules

GT welcomed NS and KG and thanked them for coming to speak to our Legal Expert Group.

NS thanked the Group for the opportunity to come discuss with this Group some ideas for a possible revision of the AIM Rules. NS mentioned that the AIM Regulation team appreciates the chance to discuss with the QCA's Expert Groups ahead of forming an opinion of what the revision of the rules should look like.

NS, KG and the Group discussed whether the rulebook should have a set of principles or whether it should be more prescriptive. NS explained that AIM Regulation wishes to balance regulation in a way that is adequate for growing companies and their circumstances. NS added that it is also important to allow lawyers and NOMADs to have an expectation on how the rules should be applied and give a framework so that they can make a consistent decision.

The Group discussed the current application of Rule 21 and how it has become practice that companies produce preliminary accounts. NS explained that the rules say that there is still a closed period, but that the directors can apply for a derogation. The Group discussed whether a list of derogations could be made and added to the rulebook. KJ added that the new Market Abuse Regulation could have an impact on these rules and offered to send NS ESMA's latest comments on this matter for further discussion.

KJ

The Group added that in terms of perception for investors, it is important to see directors invested in the company by participating in the fundraising. NS mentioned that this is a sensitive matter which could be seen as problematic and the wider integrity of AIM must also be considered.

NS, KG and the Group discussed Rules 8 and 15 and what would be the best option to deal with companies that wish to do very small cash outs. KG explained that this is one area that would be more open to abuse and should be addressed by AIM Regulation.

Regarding Rule 13 on related party transactions, NS discussed with the Group whether there would be the need to have carveouts while not being prescriptive. She added that this is a discussion often had with NOMADs, as some ideas could work better for some companies depending on how the profile of shareholder base is and how the company is going to be traded.

NS and KG thanked the Group for the opportunity and added that they would be glad to come back to talk about particular areas later in the process.

GT thanked NS and KG and they left the meeting.

2. Apologies

Apologies were received from Mebs Dossa, Stephen Hamilton, David Hicks, Nick Jennings and June Paddock.

3. Minutes of the last meeting (25 February 2015)

The minutes were approved.

4. Current Issues:

a) European Commission Consultation: Capital Markets Union Green Paper (RD: 13 May 2015)

This was already discussed during our previous meeting and was not further discussed.

b) European Commission Consultation: Review of the Prospectus Directive (RD: 13 May 2015) - QCA proposals to amend the Prospectus Directive – February 2015

GT mentioned that a QCA response to this consultation is being drafted and should be circulated to this Group for comments ahead of our next meeting. This response has been based on the document which we produced ahead of this consultation and which has already been shared with the European Commission (QCA proposals to amend the Prospectus Directive – February 2015).

KJ added that she is running a survey to identify the costs of producing a prospectus, and asked the Group to provide her with any possible data on this to help inform our response to the European Commission.

ALL

c) FCA Consultation: UK Listing Authority fees: covering the cost of regulation – with Corporate Finance Expert Group (RD: 20 April 2015)

The Group decided not to respond to this consultation.

TW mentioned that UKLA fees could add to the costs of producing a prospectus, which is something we should bear in mind.

d) HM Treasury/FCA Consultation: Implementation of the Transparency Directive Amending Directive (2013/50/EU) and other Disclosure Rule and Transparency Rule Changes (RD: 20 May 2015)

GT mentioned that it would be important to take a closer look at this consultation; he added that he would find a volunteer to do so and help draft a response.

GT/ALL

5. Communications/Future Meetings

- FCA Briefings on Market Abuse Regulation (for information)

This was circulated for information only and was not discussed.

- Revised Pre-Emption Group statement of principles

This was circulated for information only and was not discussed.

- Policy Update – February 2015 (for information)

This was circulated for information only and was not discussed.

- Future Guests

The Group suggested inviting the FCA team responsible for the Market Abuse Regulation to come to one of our next meetings.

MG/Chris Stapeley

6. Any Other Business

GT noted the Group's thanks to Stephen Hamilton for his help with drafting the QCA response to the ISDX consultation on proposed changes to the regulatory framework for its ISDX Growth Market.

Information for noting

- Next meeting

8.45am Thursday 26 March 2015 (Venue: Charles Russell Speechlys LLP)

1. Actions

Action	Person	Timing
Share with AIM Regulation ESMA's advice on MAR	KJ	ASAP [This has now been done]
Provide cost estimates for different types of prospectus/admission document (audit costs, legal fees, competent authority's fees, etc)	All	ASAP (before RD: 13 May 2015)
Find volunteer to look at and help draft response to HM Treasury/FCA Consultation: Implementation of the Transparency Directive Amending Directive	GT	ASAP (before next meeting)

Invite FCA to one of our next meetings re MAR	MG/Chris Stapeley	ASAP [This has now been done]
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