

Ian-Patrick Lauder
Equity & Derivatives Market
London Stock Exchange
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29 January 2013

Dear Sirs,

Consultation on the market structure for the trading of smaller equity securities outside of the FTSE 350 Index

Introduction

We are the Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of European **Issuers**, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Markets & Regulations Expert Group has examined your proposals and advised on this response. A list of members of the Expert Group is at Appendix A.

Response

We welcome the opportunity to respond to this consultation. We believe that this was an opportunity to look at the issue of trading smaller equity securities as widely as possible. By excluding shares in indices and not considering tick sizes and security EMS from the consultation, this opportunity has been missed.

We believe that companies and their advisers should be made much more aware of the benefit of shares being traded on the optimum trading platform. More needs to be done by everyone and the London Stock Exchange in particular to raise this awareness. Many companies are not in a position to be able to opine on this subject. This is a grave omission in knowledge that needs to be rectified urgently.

The London Stock Exchange should consider establishing an independent panel of experts to agree the criteria and oversee the implementation of them. This panel would be independently chaired and include market makers, investors, advisers, registrars and companies.

Yours faithfully,



Tim Ward
Chief Executive

Quoted Companies Alliance Markets & Regulation Expert Group

Stuart Andrews (Chairman)	FinnCap
Martin Finnegan (Deputy Chairman)	Causeway Law
Umerah Akram*	London Stock Exchange plc
Andrew Collins	Speechly Bircham LLP
Sunil Dhall	Peel Hunt plc
Richard Everett	Lawrence Graham LLP
William Garner	Speechly Bircham LLP
Jon Gerty	Shore Capital Group Ltd
Paul Haddock*	ICAP Securities & Derivatives Exchange
Michelle Holt	Capita Registrars Ltd
Amerjit Kalirai	Field Fisher Waterhouse
Claire Noyce/William Lynne	Hybridan LLP
Linda Main	KPMG LLP
Brian McDonnell	Olswang
Richard Metcalfe	Mazars LLP
Robin O'Donnell	Numis Securities Limited
Philip Quigley	Smith & Williamson Limited
Simon Rafferty/James Stapleton	Winterflood Securities Ltd
Laurence Sacker	UHY Hacker Young
Chris Searle	BDO LLP
Peter Swabey	Equiniti

*As representatives of market providers, these members did not participate in this submission.