

Present:	Jon Gerty (Acting Chairman)	Shore Capital Group Ltd	JG
	Andrew Collins	Charles Russel Speechlys	AC
	David Cooper	Cenkos Securities PLC	DC
	James Stapleton	Winterflood Securities	JS
	Fraser Elms	Herald Investment Management Ltd	FE
	Mark Tubby	finnCap	MT
	Tim Ward	Quoted Companies Alliance	TW
	Maria Gomes	Quoted Companies Alliance	MG
	Callum Anderson (minutes)	Quoted Companies Alliance	CA

In attendance:

Stephen Hanks	FCA	SH
Claire Noyce	Hybridan LLP	CN
Roshni Patel	Henderson Global Investors	RP

1. WELCOME TO STEPHEN HANKS, MANAGER – MARKETS POLICY, FINANCIAL CONDUCT AUTHORITY, TO DISCUSS MIFID II IMPLEMENTATION

JG welcomed SH to the meeting and thanked him to come speak to the Group.

SH mentioned that it was recently announced that the MiFID II transposition date would be delayed by a year; he added that it is expected that this legislation will be passed quickly.

SH explained that the MiFID II Delegated Acts were likely to be adopted by the beginning of April. Regarding the Regulatory Technical Standards, he mentioned that this is a very sensitive political issue which is still unresolved. SH noted that the European Parliament had written to the Commission enquiring about the delay of publication of delegated acts.

SH explained that the FCA will launch consultations on the drafting of conduct and market controls; however, this is dependent on Delegated Acts being adopted. He emphasised that it would be important to have guidance in place by 3 July 2017.

The Group asked SH about the issues arising from MiFID II rules on investment research on small companies. SH emphasised that ESMA was expected to provide advice on how institutions receiving research should value that research in due course. SH stated that the FCA had not yet confirmed the content of the final text on research or whether CSAs would be permissible

Regarding the implications of MiFID II for the application of the Market Abuse Regulation, the Group emphasised that clear guidance would be needed from the FCA to avoid any doubt as to which rules would be applicable to sales notes and research.

SH identified two issues that SMEs should examine in the near future: the impact of the double volume cap rules and the post trade transparency regime.

SH made no comment about what would happen to MiFID II if the UK public votes to leave the EU.

2. APOLOGIES

Apologies were received from Simon Rafferty, Nick Anderson, Paul Arathoon, Sunil Dahll, Julien Kasparian, William Lynne, Katie Potts, Peter Swabey, Andy Thompson, Shreena Travis and Ian Wright.

3. MINUTES OF THE LAST MEETING (20 January 2016)

The minutes were approved.

4. ISSUES FOR DISCUSSION

	Item	Action by SMEG
a)	MiFID II/MiFIR – status update This was discussed in 1).	None at this stage
b)	Share dematerialisation – discussion with BIS MG explained to the group that she would be attending a meeting with BIS to discuss their plans on implementing the share dematerialisation aspect of CSDR on 11 March. She asked the Group to let her know if anyone in their firms would have an interest in attending this meeting and helping to provide a view on this issue from a small and mid-size quoted company perspective.	ALL to inform MG if they wish to attend BIS meeting on dematerialisation

5. COMMUNICATIONS AND FUTURE MEETINGS

	Document	Action by SMEG
a)	Policy Update (February 2016) – for information only This was tabled for information only and was not discussed.	None to note
b)	Guest invitations to future meetings This was not discussed.	None to note

6. AOB

This was not discussed.

Next meeting – 4.30pm, Wednesday 20 April 2016 (Venue: Charles Russell Speechlys, 5 Fleet Place, London, EC4M 7RD)