

## **Meeting of the QCA Tax Expert Group**

**To be held on:** Wednesday 6 March 2019, 9.00am – 10.30am

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



### **AGENDA**

- 1. Welcome to Bill Dodwell, the new Tax Director, and Nigel Mellor, Senior Policy Adviser, at the Office of Tax Simplification (OTS), to give an update on the OTS's priorities and relevant issues to smaller companies.**
- 2. Apologies**
- 3. Minutes of the last meeting (7 November 2018)**
- 4. Issues for discussion and noting**
  - a) 2019 Budget: preliminary thoughts of QCA members
  - b) Smaller company issues - what are the issues that cause the most problems? For example CIR, compliance requirements etc.
  - c) Implications of Brexit for smaller companies
  - d) Future meetings and speaker priorities for 2019
- 5. For information only**
  - a. QCA review of which corporate governance codes AIM companies follow found that:
    - i. 89% follow the QCA Corporate Governance Code (823 companies)
    - ii. 6% follow the FRC's UK Corporate Governance Code (55 companies)
    - iii. 4% follow the code of another country or territory (34 companies)
  - b. The QCA/Peel Hunt Mid and Small-Cap Investor Survey was published in February. Some of the key findings include:
    - i. 62% of investors report that there is less research being produced on small and mid-caps since MiFID II came into effect.
    - ii. 86% of investors expect there to be fewer broking houses in the next 12 months as a result of MiFID II.
    - iii. Companies are taking action – 90% say they either have, or plan to, develop their corporate website to improve visibility to investors. Investors say that holding a capital markets day is the best way to improve visibility.

- c. The results of the QCA's Small & Mid-Cap Sentiment Index for H2 2018 were released in December. Findings included:
  - i. Small and mid-caps remain optimistic about their own prospects - 74% expect to increase the number of employees in the next 12 months
  - ii. 47% of small and mid-caps plan to raise capital in the next 12 months
  - iii. 67% of companies and 72% of advisors believe the new AIM Rule 26 (requiring companies to adopt a recognised corporate governance code) will improve the integrity of AIM.
  
- d. The project for updating the QCA Committee Audit Guide is progressing and is on course for release in the first half of this year.
  
- e. Henley Business School have been commissioned by the QCA and Downing LLP to undertake a research project to understand the role that NEDs play in smaller, growth companies. They are currently in the process of collating the findings from the interviews and focus groups they conducted and will be released in the first half of this year.

## **6. Any Other Business**

**Next Meeting:** Wednesday 5 June 2019, 9.00am – 10.30am (Venue: Crowe UK LLP, St Brides House, 10 Salisbury Square, London, EC4Y 8EH)