



23 July 2002

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**For the attention of the
chairman/senior partner/compliance officer,
all member firms**

N27/02

STOCK EXCHANGE NOTICE

CONSULTATION - AIM RULES FOR COMPANIES

Introduction

1. The Exchange is consulting on a number of proposed changes to the AIM Rules for Companies ("AIM Rules"). Details of the proposed changes can be found at our website: www.londonstockexchange.com/AIM/rules. The consultation includes a proposed amendment to the disclosure requirements relating to directors' dealings.

Disclosure of related financial products

2. The AIM Rules are currently consistent with the principles of existing UK companies' legislation and listing requirements in requiring companies to disclose dealings by directors only where those dealings relate to interests in the shares of the company rather than solely economic interests. However, in light of the growing popularity of derivative products such as contracts for difference, the Exchange has discussed with its AIM Advisory Group whether the AIM Rules should be amended to require the disclosure of dealings in these products by directors of AIM companies.
3. As a result, this consultation includes a proposal to extend the disclosure requirements on AIM companies to require an AIM company to disclose all transactions undertaken by its directors in such instruments.

4. The proposed amendments comprise:
- incorporating a definition of “related financial product”, as “any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of AIM securities or securities being admitted, including a contract for difference or a fixed odds bet”;
 - requiring companies to disclose, in admission documents, details of any related financial products held by a director; and
 - expanding the definition of “deal” so as to require the ongoing disclosure by an AIM company of any transactions in related financial products by a director.

Consultation

5. Comments are invited on all proposed changes to the AIM Rules, as set out on the Exchange’s website, by 9 August 2002. Comments or queries should be addressed to Gillian Watson, Issuer Services, telephone 020 7797 2026 (STX 32026) or email: gwatson@londonstockexchange.com

Andrew McStravick
Director of Operations

This Stock Exchange Notice will be available on the website at www.londonstockexchange.com/regulation/notices/

Calls to the London Stock Exchange plc (“the Exchange”) may be recorded to enable the Exchange to carry out its regulatory responsibilities.