

CHANGES TO THE AIM RULES FOR NOMINATED ADVISERS

The following text is proposed to be inserted into the end of Schedule Three of the AIM Rules for Nominated Advisers.

Guidance to Admission Responsibilities

Before a **Schedule One** form is submitted in respect of a new **applicant**, a **nominated adviser** is required to submit an early notification form under rule 2 of the **AIM Rules for Companies**. Irrespective of the requirement for early notification, it is important for a **nominated adviser** to have early discussions with the **Exchange** where the circumstances of the **applicant** and its **AIM securities** could affect its appropriateness for **AIM**. The **Exchange** will generally consider the following non-exhaustive examples as matters that could affect appropriateness:

- questions as to the good character, skills, experience or previous history of a **director**, key manager, senior executive, consultant or major shareholder
- the rationale for seeking **admission** to **AIM** is not clear
- formal criticism of the **applicant** and/or any of its **directors** by other regulators, governments, courts, law enforcement or exchange bodies
- the **applicant** has been denied admission to trading on another trading platform or exchange
- the **applicant** has a vague or ill-defined business model or its business operations
- corporate structure and business models which may give rise to concerns regarding appropriateness for a public market, for example where there are issues regarding the legality of the **applicant's** business operations in the UK and any jurisdiction where they are materially carried on; or the **applicant** has not yet secured the key licences, government approvals, intellectual property rights or other property rights it will need to operate its business
- the **applicant** holds a derivative or economic interest in a material part of its assets or business operations via a risky contractual arrangement (for example contractual arrangements that are potentially unenforceable or may not be enforced or may be difficult to enforce in practice) with the owner of the assets or operations rather than by owning them itself or through a subsidiary

These factors can be of such importance that each in their own right may mean that an **applicant** is not appropriate for **AIM**. Further, there may be circumstances where an individual factor which may not on its own prevent an **admission** but when presented in combination with other factors may make an **applicant** not appropriate for **admission**.

Consequential amendments to the Ongoing Responsibilities and Engagement Responsibilities of Schedule Three of the AIM Rules for Nominated Advisers. These changes are shown in blackline.

Ongoing Responsibilities

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ADVISE THE AIM COMPANY ON ANY CHANGES TO THE BOARD OF DIRECTORS

OR4 – [second item]

- in relation to new directors, consider the requirements of AR2 ([and where relevant the guidance to admission responsibilities](#)) and take the appropriate actions including issuing and reviewing director's questionnaires, reviewing the director's CV and testing such information

Engagement Responsibilities

These apply when a **nominated adviser** is being engaged as a **nominated adviser** to an existing **AIM company**.

In satisfying these responsibilities, a **nominated adviser** should in addition refer to AR1 (in relation to ER1 below), AR2 (in relation to ER2), AR5 (in relation to ER3) [and where relevant the guidance to admission responsibilities](#) and consider what actions may be appropriate.

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