
AIM NOTICE

27 January 2014



London
Stock Exchange

AIM NOTICE 38

**For the attention of the Nominated Advisers / Finance
Directors / Company Secretaries, all AIM Companies**

AIM RULES AND NOMAD RULES CONSULTATION

1. INTRODUCTION

London Stock Exchange plc (the “**Exchange**”) has recently undertaken a review of the AIM Rules for Companies (the “**AIM Rules**”) and the AIM Rules for Nominated Advisers (the “**Nomad Rules**”).

In this notice, we are consulting on proposed changes to the AIM Rules and the Nomad Rules, many of which are of an administrative or clarificatory nature, although there are some more substantive changes.

The proposed changes to the AIM Rules and Nomad Rules are attached to this notice and are available at www.londonstockexchange.com/companies-and-advisors/aim/advisors/aim-notice/aim-notice.htm

2. AMENDMENTS TO THE AIM RULES FOR NOMINATED ADVISERS

We propose to make certain changes to the Nomad Rules which include the following:

i. Eligibility rules on change of control

The Nomad Rules set out eligibility criteria for a firm wanting to become a nominated adviser. Nominated adviser status should not be regarded as a licence that can be sold or transferred but is granted specifically to a firm in its current form. Accordingly, we propose to clarify that upon a change of control, a new nominated adviser application is required. The proposed changes to Nomad rules 2 and 11 provide further explanation of our approach to a change of control.

ii. Continuing eligibility of Qualified Executives (“**QEs**”)

An important requirement for nominated adviser eligibility is adequacy of staff, including a minimum requirement of four QEs. Given the critical role of a QE to provide advice and guidance on the AIM Rules to companies, no changes are proposed to the criteria for new QE applicants to ensure they have a sufficient level of experience.

However, we recognise it is important to retain the experience and knowledge of those who have practised as a QE for a number of years and are actively involved in providing corporate finance advice to AIM companies. Accordingly, we are proposing changes to rule 4 to the effect that:

- existing QEs remain eligible if they have acted in a lead corporate finance capacity on three relevant transactions in the last five years rather the current three year period;



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- individuals with over five years continuous experience as a QE and who are actively involved in a corporate finance advisory role, in relation to AIM in particular, remain eligible if they have acted in a lead corporate finance role on one relevant transaction in the last five years.

In addition, we propose to clarify our existing approach that a new application is required when an individual joins another firm or nominated adviser applicant. We are also clarifying that both an existing QE and a QE applicant can cite the same Relevant Transaction where it can be demonstrated that each have been involved to an appropriate extent.

3. AMENDMENTS TO THE AIM RULES FOR COMPANIES

The proposed changes to the AIM Rules are mainly of an administrative and clarificatory nature with a limited number of substantive changes.

For example, we propose to clarify that the Exchange has jurisdiction over AIM companies no longer admitted to the market where they may have breached the AIM Rules while their securities were admitted to AIM.

Further, we propose to revise AIM Rule 11 not only to clarify that the bullet points are examples only but also to replace the reference to a “substantial” movement in the price of the AIM security with “significant”. We do not consider this to change the standard of disclosure but is intended to bring this more in line with the terminology used in the Financial Services and Markets Act 2000.

We also propose to include changes to the Guidance Notes to the AIM Rules to include (amongst other matters) technical guidance that has previously been discussed or clarified in Inside AIM.

4. RESPONDING TO THE CONSULTATION

We welcome comments and feedback from all AIM companies, nominated advisers and other market participants on the proposals contained in this AIM Notice.

If you are an AIM company wishing to understand further the implications of this notice, please contact your nominated adviser.

Responses or queries on this consultation should be sent on or before **Monday 3 March 2014** by email to: aimnotices@lseg.com

The Exchange will confirm the results of this consultation as soon as reasonably practical following the end of the consultation period and it is currently intended that the new rules will come into effect during 2014.

Nilam Statham
Head of AIM Regulation