



**London**  
**STOCK EXCHANGE**

10 Paternoster Square  
London EC4M 7LS  
Telephone +44 (0)20 7797 1000  
www.londonstockexchange.com

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

**N12/08**

## **STOCK EXCHANGE NOTICE**

### **REPORTING OF TRADES IN AIM SECURITIES**

#### **Introduction**

1. Following previous informal discussions with certain market participants, the Exchange has become aware that there is still some confusion among member firms regarding the correct reporting of trades in securities admitted to trading on AIM ("AIM securities"). This Stock Exchange Notice is issued now to assist all market participants by clarifying the Exchange's requirements.

#### **Correct reporting of trades in AIM securities**

2. Under paragraph 3000.2 of the Rules of the London Stock Exchange ("the Rules"), a trade in an AIM security is on Exchange if one or both of the parties to the trade is a member firm. Only two exceptions are permitted to this rule:
  - If the member firm and its customer/counterparty agree at or prior to the time of effecting the trade that it shall be subject to the rules of an AIM primary market registered organisation (as defined in the Rules); or
  - If the security is also admitted to trading on a regulated market in the European Economic Area ("EEA"). If this is the case, the trade should be reported in accordance with the transparency requirements established under the Markets in Financial Instruments Directive for shares admitted to trading on a regulated market.
3. As noted above, it has come to the Exchange's attention that there have been a number of instances in which trades in AIM shares have been incorrectly reported via a Trade Data Monitor or undertaken on other trading venues without a report being provided to the Exchange. Member firms are reminded that a trade report must be submitted to the Exchange in respect of every on Exchange trade in accordance with paragraph 3010 of the rules.

4. Member firms are permitted to provide information in relation to an on Exchange trade via additional publication mechanisms, subject to meeting the requirements of paragraph 3035 of the rules.
5. Any firm that identifies that it may have incorrectly reported trades in AIM securities should contact the Market Regulation and Policy team on the number below. The Exchange will continue to monitor member firms' compliance with paragraph 3000.2 of the Rules.

### **Stamp duty implications**

6. In addition to the above, member firms should have regard when trading AIM securities to HM Revenue & Customs' requirements with respect to Stamp Duty and Stamp Duty Reserve Tax ("SDRT"). Information on Stamp Duty and SDRT can be obtained from HM Revenue & Customs' website at:  
<http://www.hmrc.gov.uk/so/sdrt-guidance-mifid.pdf>.
7. Importantly, the provision of intermediary relief is managed through the systems of Euroclear UK and Ireland (CREST). Intermediary relief is available for trades in AIM shares when undertaken on the London Stock Exchange and, for these trades, settlement instructions submitted to CREST should include a correctly populated 'Trade System of Origin' ("TSO") field. The TSO for the London Stock Exchange is 'S', and member firms are reminded that this TSO should only ever be used for London Stock Exchange trades.
8. Any comments or queries on this Notice should be addressed to Tim Rowe, Trading Services, telephone +44 20 7797 3468 (STX 33468) email:  
[trowe@londonstockexchange.com](mailto:trowe@londonstockexchange.com).

Nick Bayley  
Head of Trading Services

This Stock Exchange Notice will be available on the website at  
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnotices/stockexchangenotices2008.htm>

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