Social media and other forms of electronic communication are powerful tools which can be of significant value to AIM companies when communicating with a broad range of investors and stakeholders. Such communications may include 'twitter', non-regulatory news feeds, an AIM company’s website etc. Whatever the form of public communication, these are subject to the same rules regarding disclosure of regulatory information.

With the increased use of such forms of communication, AIM companies should consider with their nominated adviser how to manage social media in the context of their obligations under the AIM Rules for Companies (“the AIM Rules”).

**Requirement for notification to a RIS “no later than it is published elsewhere”**

The fact that information released through other outlets may be, or may eventually become publically available, is not a substitute for making a notification under the AIM Rules no later than it is disclosed elsewhere. This includes releasing the information to the media even on an embargoed basis. So, disclosure by social media alone will not meet an AIM company’s disclosure requirements and an AIM company must continue to use traditional means of regulatory dissemination which take precedence.

AIM Rules 10 and 11 are important in ensuring there is equal, fair and timely disclosure of regulatory information to the market and that integrity in the market is maintained. The consequence of not doing so, from an AIM Rules perspective, may be the suspension of an AIM company’s securities from trading pending a compliant notification where there has been unusual share price movement because of an inequality of information in the market. We may also require an AIM company to issue a clarification notification where comments made via social media by directors, or persons on behalf of an AIM company are inconsistent with notifications made via a RIS.

Further, if London Stock Exchange considers that an AIM company has breached AIM Rules 10 and/or 11, it will investigate and take such disciplinary action as it considers appropriate.

An AIM company should, of course, have regard to MAR which is within the remit of the FCA and must be considered separately to its AIM Rules obligations. Where premature or selective disclosure has been made, or where communications are designed to cause share price volatility (e.g. through a tip or leak of confidential information about the AIM company) this may also give rise to issues beyond the AIM Rules, and are within the
remit of the FCA’s powers relating to market abuse.

**Systems, procedures and controls**

AIM companies that make use of social media should consider with their nominated adviser how the dissemination of information is supervised and monitored to ensure compliance with its disclosure obligations under the AIM Rules.

The systems, procedures and controls an AIM company puts in place (as required by AIM Rule 31) should take into account the use of social media and other forms of electronic communication used by the company in order to manage its’ disclosure obligations under the AIM Rules. Communication policies should be considered in a meaningful way, taking into account the needs of the particular company and in this context, some obvious things to consider, by way of example only, include:

- Does the AIM company have a clear policy on the use of social media as part of its existing communications policies;
- How effective is that policy in practice, for example, how does the AIM company ensure that the policy is read and understood by all relevant persons;
- How regularly is the policy reviewed and how does the AIM company identify and ensure the policy is updated when necessary;
- If an AIM company engages third parties to disseminate regulatory information on its behalf including via social media, how has it satisfied itself that the third party will not compromise compliance with the AIM Rules; and
- In the context of an AIM company’s obligations under AIM Rules 10 and 31, what are its protocols in talking to its nominated adviser in advance of the release of information via social media.

As a final point, consideration should be given by an AIM company and its nominated adviser (as part of its OR3 obligations) as to how to be reasonably be kept informed about social media posts, for example relevant internet discussion forums. This is important in the context of enabling the nominated adviser to be alerted to potential disclosure issues for its AIM companies such as whether a false market might be developing in an AIM company’s securities, as well as indicating a leak of confidential information.

An AIM company through its nominated adviser should continue to make London Stock Exchange aware of significant rumours or problems relating to internet discussions, which may impact on the orderly market in the securities. Whether the AIM company is required to make a notification will depend on the particular circumstances.

Date: 12 December 2016