
AIM NOTICE

8 March 2018

AIM NOTICE 50

For the attention of all AIM companies, applicant AIM companies and nominated advisers

FEEDBACK ON AIM NOTICE 49 AND CONFIRMATION OF CHANGES TO THE AIM RULES AND NOMAD RULES

1. INTRODUCTION

On 11 December 2017, London Stock Exchange plc (the “**Exchange**”) issued AIM Notice 49. Attached to the notice was London Stock Exchange’s Feedback Statement and Consultation, summarising the responses received to the Discussion Paper published on 11 July 2017. AIM Notice 49 also included a consultation on proposed changes to the AIM Rules for Companies (the “**AIM Rules**”) and to the AIM Rules for Nominated Advisers.

This Notice provides feedback on the consultation and confirms the resulting rule changes.

2. FEEDBACK ON RESPONSES RECEIVED ON AIM NOTICE 49

The Exchange received 11 responses to the consultation from a range of market participants. We would like to thank everyone who responded. Attached to this Notice is a statement providing the Exchange’s feedback on areas of the proposed rule changes that attracted the most comment.

3. IMPLEMENTATION OF NEW RULES

The rule changes proposed in AIM Notice 49 will be implemented in full from 30 March 2018 subject to some minor changes. Updated versions of the AIM Rules and the AIM Rules for Nominated Advisers are available to download, in clean and marked-up versions, from the Exchange’s [website](#) from today.

A template for nominated advisers to use to provide early notification of information on AIM applicants will be available on the Exchange’s [website](#) as of today and may be renewed or changed from time to time. The Schedule One form has also been updated to reflect the proposed changes.

The revised rules will come into effect on 30 March 2018.

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4. QUERIES ON THIS NOTICE

Queries from AIM companies on this Notice should be addressed to their nominated adviser.

Queries from nominated advisers should be sent to AIM Regulation at: aimregulation@lseg.com.

Nilam Statham
Head of Primary Market and AIM Regulation

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FEEDBACK STATEMENT IN RELATION TO AIM NOTICE 49

AIM RULES FOR COMPANIES

Formalising the early notification process	<p>Respondents were supportive of the formalisation of the early notification process. In response to questions raised by some respondents regarding how the process will work in practice:</p> <ul style="list-style-type: none">• we can confirm our consideration of the information provided during the early notification process will run in a similar manner to the current Schedule One form, which nominated advisers will be familiar with; and• where information is not yet available, a nominated adviser may state this in the early notification template and update the Exchange when the information becomes available. If this is the case, we would expect the nominated adviser to give consideration to the appropriate timing of making the early notification, taking into account whether sufficient information can be provided to allow for a meaningful discussion.
Corporate governance requirements for AIM companies	<p>Respondents were supportive of the new obligation for an AIM company to disclose on its website details of how it complies or explains against a recognised corporate governance code chosen by the board of directors.</p> <p>Some respondents recommended that ‘recognised corporate governance code’ be defined. We remain of the view that we should not prescribe a list of recognised codes and that it remains preferable for AIM companies to have a range of options to suit their specific stage of development, sector and size. The proposal outlined in the Discussion Paper was that an AIM company should comply or explain against one of the industry codes of its choosing which is appropriate for a company admitted to a public market and included examples of existing codes such as the QCA Corporate Governance Code and the UK Corporate Governance Code. The Discussion Paper further referred to AIM companies who also have a home listing, and recognised that it may be more appropriate for such companies to report using an appropriate standard in their home jurisdiction.</p> <p>Some respondents noted the Exchange’s comments in the consultation paper regarding the existing obligation under AIM Rule 26 to keep information on an AIM company’s website up to date. They suggested that applying this to corporate governance disclosure is potentially more onerous for AIM companies than DTR 7. Accordingly, we have amended the rule to require an AIM company to review its corporate governance disclosures annually. We expect that in most cases this review will take place at the same time as an AIM company prepares its annual report and accounts. The AIM company’s website should include the date on which its adherence to the code was last reviewed and, in conjunction with this review, update its AIM Rule 26 disclosures to remain accurate.</p> <p>The implementation of the new corporate governance requirements in AIM Rule 26 by AIM companies will take effect from 28 September 2018 to provide AIM companies and nominated advisers with adequate time to prepare for the change. All new applicants to AIM from 30 March 2018 are required to state which corporate governance code they intend to follow but otherwise will have until 28 September 2018 to fully comply with the new requirements in AIM Rule 26.</p> <p>London Stock Exchange considers that good standards of corporate governance are a significant contribution to a company’s long term success. Accordingly, AIM companies and nominated advisers are reminded that good corporate governance</p>

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	is supported by a meaningful explanation of the company's practices against the principles of the chosen code, rather than simply identifying areas of non-compliance. This principles-based approach to corporate governance is consistent with our overall approach to AIM.
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AIM RULES FOR NOMINATED ADVISERS

Guidance for nominated advisers on appropriateness considerations	Respondents welcomed the guidance being introduced for nominated advisers on matters the Exchange will consider relevant to the appropriateness of a new applicant.
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