



The Quoted  
Companies Alliance

Embargoed until 12:00am 17 May 2012

## Press Release

17 May 2012

### **Quoted Companies Alliance calls for primary equity market review following market failure**

The Quoted Companies Alliance, the independent membership organisation that champions the needs of small to mid-size quoted companies, has called on the Government to urgently review whether the UK's primary equity markets are fit for purpose.

This follows the announcement earlier this week that the PLUS-quoted market, which has provided a platform for over 150 smaller growing companies to raise equity and finance, is closing.

In a letter sent yesterday to the Chancellor George Osborne and Business Secretary Vince Cable, the Quoted Companies Alliance stressed that the closure of the PLUS-quoted market indicates the need for the Government to have a joined up policy for helping small and mid-size quoted companies raise money through primary equity markets.

The Quoted Companies Alliance has requested that the Government appoints a business leader to conduct a review to determine whether primary equity markets are helping small and mid-size quoted companies grow and create employment. The Quoted Companies Alliance has suggested three areas for review:

- **Fiscal policy for equity markets and small and mid-size quoted companies:** including what incentives investors have to invest their money in growing companies.
- **More visibility of small and mid-size quoted companies:** including a creation of a Small and Mid-Size Quoted Asset Class and ensuring UK indices are constructed and calculated in a way that more accurately reflects constituents and their contribution to the UK economy.
- **Leading the debate across Europe on the efficiency of primary equity markets:** including what changes to EU regulations and what EU initiatives could help deliver a better environment for small and mid-size quoted companies to raise money on a primary equity market.



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Tim Ward, Chief Executive of The Quoted Companies Alliance, comments: “The closure of the PLUS-quoted market means that over 150 small and mid-size quoted companies are going to need to find alternative ways to raise finance. At a time when banks are reluctant to lend, this is no easy task. We need to ensure that they have a variety of options to choose from and healthy equity markets to support them.”

“This is why the Quoted Companies Alliance is calling on the Government to take urgent action and ensure that small and mid-size quoted companies have primary equity markets that help them raise the vital finance that is necessary to promote growth.”

“Billions of taxpayers’ money has been spent on bank funding. Now is the time to look at equity and the important role this plays in financing growing companies.”

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**Notes to editors:**

1. The Quoted Companies Alliance’s letter to the Rt Hon George Osborne MP and the Rt Hon Vince Cable MP is available at:

[http://www.theqca.com/article\\_assets/articledir\\_116/58112/QCAlettertoOsborneCable\\_FutureofEquityMarkets\\_May12\\_Email.pdf](http://www.theqca.com/article_assets/articledir_116/58112/QCAlettertoOsborneCable_FutureofEquityMarkets_May12_Email.pdf)

2. The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. This sector is defined as those 2,000 companies that are quoted in the UK outside of the FTSE 350. We campaign, we inform and we interact to help our members keep their businesses ahead. Through our activities, we ensure that our influence always creates impact for our members. For more information please visit [www.theqca.com](http://www.theqca.com).