



**The Quoted  
Companies Alliance**

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The European Commission  
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15 July 2009

Dear Sirs,

**Communication from the Commission – European Financial Supervision (COM (2009) 252 final)**

***INTRODUCTION***

The Quoted Companies Alliance (QCA) is a not-for-profit membership organisation dedicated to promoting the cause of smaller quoted companies (SQC), which we define as those 2,000+ quoted companies outside the FTSE 350 (including those on AIM and PLUS) representing 85% of the UK quoted companies by number. Their individual market capitalisations tend to be below £500m.

The QCA is a founder member of European**Issuers**, which represents over 9,000 quoted companies in thirteen European countries.

Our ID number for the European Commission's register of interest representatives is 45766611524-47.

***RESPONSE***

We welcome the opportunity to respond to the Communication from the Commission dated 27 May 2009 regarding European Financial Supervision. Whilst we have nothing further to add on the overall structure of supervision to that contained in our letter of 10 April (responding to the original consultation on the future of financial services supervision in the EU), we hope that the great deal of work involved in this initiative will not detract from the ongoing review of the various Directives under the Financial Services Action Plan.

We refer specifically to the Prospectus Directive and the urgent need at this time of general recession to assist companies in their attempts to recapitalise to ensure ongoing financial strength in the next 2 or 3 years. The proposals we made to simplify the process whereby smaller quoted companies (SQC) can access capital markets by increasing the annual €2.5m full prospectus threshold and simplifying the process of rights issues meet an urgent need and hopefully will not be delayed.

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The present financial disaster is due to major faults which have been identified in the major financial markets invariably by large financial institutions. The need for capital by smaller quoted companies is separate and immediate and should not be delayed unnecessarily.

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If you wish to discuss these issues with us, we will be pleased to attend a meeting.

Yours sincerely,

A handwritten signature in black ink that reads "John Pierce". The signature is written in a cursive style and is underlined with a single horizontal line.

John Pierce  
Chief Executive