



**The Quoted
Companies Alliance**

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Oliver Shah, *City A.M.*
Darling urged to boost SMEs

A TRADE body representing small and mid cap listed companies has written to chancellor Alistair Darling criticising the government's haphazard approach to growth markets.

The Quoted Companies Alliance (QCA) raised concerns over a range of proposals which it said could seriously damage markets such as Aim and Plus. It called for either the Treasury or the Department for Business to take responsibility for smaller firms.

In particular, the QCA flagged up inconsistent tax rules. Under present arrangements Aim and Plus-quoted shares cannot be held in SIPPs or ISAs, while EIS and VCT investors cannot buy shares from the Official List, facts the organisation said impeded liquidity for many small firms.

The QCA is also worried that changes to the EU's Prospectus Directive could make fundraising more onerous for Aim and Plus-quoted companies than for companies on the Official List.

Chief executive Tim Ward has asked the Treasury to set up a working group to focus on the various policies affecting UK equity markets. Ward wants to see better cooperation with countries such as France, which is introducing specific legislation on small listed companies. He warned growth stocks "could just wither on the vine if Europe isn't careful".

Ward said: "Coming out with piecemeal changes is not good enough. Someone within government should take ownership of this. We need a clear vision of how equity funding for small companies can be encouraged."