



**The Quoted
Companies Alliance**

01 February, 2010
AIM Journal
Bond Market open for AIM companies

AIM-quoted companies have another potential source of finance following the launch of the London Stock Exchange's new retail bond market. This is not just a market for large companies; it can be tapped by smaller companies as well.

At last autumn's QCA dinner, LSE chief executive Xavier Rolet made it clear that he believes that debt in small and medium sized companies could be attractive to retail investors.

Launched at the start of the month, there are currently 49 gilts and 11 corporate bonds traded but as the market finds its feet. The LSE expects the number of corporate listings to rise sharply. While most of the corporate bond listings are from FTSE 100 companies, the market is open to any bond that meets the listing requirements. The market is regulated and new issues are governed by the EU prospectus directive. Dealing sizes can be as low as £1,000.

The LSE is hoping to replicate the success of bonds markets in Europe, where retail bonds are big business. The Italian exchange, Borsa Italia, saw £110bn of bonds traded in the first half of 2009 with 590 bonds listed. But that is still small in comparison to Germany, where turnover annually is over €10bn.