



**The Quoted
Companies Alliance**

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Emergency Budget Offers Mixed Bag For Small, Mid-Caps – QCA

The emergency Budget announced by the U.K.'s new coalition government is a mixed bag for the country's small- and mid-cap companies, a representative body said Wednesday, adding it will continue to lobby for further ways to encourage investment in the sector.

The Quoted Companies Alliance's Chief Executive Tim Ward, said more could be done through new and existing incentives to drive investment into the smaller quoted company sector, such as widening the scope of venture capital trusts and the enterprise investment scheme, as well as including shares listed on the Alternative Investment Market in individual savings accounts, or ISAs.

The QCA--which welcomed the planned cut in corporation tax rates--added that it supports the extension of the entrepreneurs' relief tax rates to the first GBP5 million of lifetime gains for qualifying disposals.

To qualify for the relief, shareholders have to have at least 5% of voting rights and ordinary share capital.

However the QCA said it would encourage the government to look at extending the tax relief to employee shareholdings by removing the 5% threshold, saying this would align employee and corporate interests.