

Daniel O'Connell, managing partner at law firm Kerman & Co, examines impending changes to AIM legislation.

The first quarter of 2005 has been extremely active, with 130 new admissions to AIM. Advisers are now looking ahead at forthcoming regulatory changes, and may be hoping for a quieter summer in which to absorb the implications.

July 1 will see regulatory changes with the introduction of new market abuse legislation, new prospectus legislation, related changes to the Listing Rules and the AIM Rules, and the completion of the listing regime review.

The Listing Rules will be divided into three sourcebooks within the FSA Handbook, rewritten in handbook format incorporating guidance into the rules. Listing Rules will cover admission and continuing obligations on the official list. Disclosure Rules will principally deal with the announcement of price sensitive information and the disclosure of dealings for companies on the official list.

Prospectus Rules will apply to offers of securities by all companies in the UK, whether


officially listed, on AIM or OFEX, or not traded on any market. Every prospectus will require approval by the FSA before publication (currently only required by listed companies).

Two principal exemptions exist – for offers raising less than euro2.5 million, and for offers to fewer than 100 persons. The definition of an "offer" will include placements made through financial intermediaries. Where a placing is carried out through discretionary brokers, the usefulness of the "100 persons" exemption will be greatly reduced. A prospectus will not be needed for introductions to AIM. The AIM Rules will redefine the content of admission documents where a prospectus is not required.

There are a number of issues to be addressed on the prospectus regime, market abuse and the disclosure of information. How will prospectus approval requirements impact AIM companies? Can the approval process accommodate the levels of activity seen on AIM? To what

extent will AIM's flexibility and independence be compromised?

Do companies have robust systems and procedures that identify price sensitive information and generate announcement decisions

appropriately and swiftly? Can market announcement decisions amount to market abuse by companies or their directors? Above all, have the boards of companies got the personnel to examine and meet all these challenges? 

Pascal Keane, corporate finance associate director at Dolmen Securities Ltd, looks at Irish activity on AIM.


AIM is increasingly seen as the 'go-to' market for small to medium-sized Irish companies with strong growth stories seeking to IPO.

A significant number of Irish-registered companies have successfully listed on AIM in the past 12 months, including Clearstream Technologies Group (which raised £5 million), CNG Travel Group (£22 million), Smart Telecom (£10 million), and Circle Oil (introduction only), such that there are now almost 20 Irish companies quoted on AIM.

Dolmen Securities has acted as nominated adviser to ThirdForce plc since 2004. In the same year, we acted as Irish placing agent for CNG Travel Group plc's £22 million

fundraising, completed at the same time as its admission to AIM. The firm is currently advising a small technology company in relation to its prospective fundraising and float on AIM, expected in May.

We expect a number of Irish companies to seek to go public in 2005. The majority of those are likely to seek either a single listing on AIM or a home listing on the Irish Enterprise Exchange (the Irish Stock Exchange's recently launched low cost, junior market equivalent to AIM) in tandem with a listing on AIM.

Dolmen Securities is a registered AIM Nominated Adviser and broker with offices in Dublin, Cork and Limerick. 

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