The Quoted
Companies Alliance

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Fabrice Demarigny
Secretary General
CESR
11-13 Avenue de Friedland
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Via email: secretariat@europefesco.org

16 June 2003

Dear Mr Demarigny,

QCA response to CESR Consultation Paper on Additional Level 2 Implementing Measures for Insider Dealing and Market Manipulation Directive

The Quoted Companies Alliance (**QCA**) is a UK based non-profit association, dedicated to promoting the interests of smaller quoted companies, defined as those quoted companies outside the FTSE 350, and thus the great majority of quoted companies in the UK, as well as those aspiring to a quotation. Our main concern with the current CESR consultation is the approach to “insider lists”.

The proposals in relation to the requirement on listed companies to draw up a list of people working for them who have access to inside information are likely to be unduly onerous for listed companies, as well as persons acting for them. We believe that meeting these requirements will be overly bureaucratic and expensive, and that are commercially infeasible.

It will often be difficult to identify precisely whether and when something becomes inside information. Such insider lists are not currently produced by UK companies in the way suggested by CESR, and to do so would create much additional work, without any obvious benefits.

We are also concerned about the lack of a safe harbour for reporting.

We believe that the focus should be not only on the legal requirements and policy objectives of the Directive, but also on the most practical way for achieving these objectives with minimum disruption and expense to companies and their advisers.

We have seen the UK CBI’s response to the CESR Consultation Paper, and endorse the CBI’s views.

Yours sincerely,

on behalf of Andrew Collins
Member, QCA Markets & Regulations Committee