



London
STOCK EXCHANGE

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30 July 2007

**For the attention of the
chairman/senior partner/compliance officer,
all member firms**

N56/07

STOCK EXCHANGE NOTICE

FEEDBACK STATEMENT: CONSULTATION ON PROPOSED RULE AMENDMENTS – REGISTERED ORGANISATIONS FOR AIM SECURITIES

Introduction

1. Stock Exchange Notice N18/07 "Consultation on Proposed Rule amendments - Registered Organisations for AIM Securities" invited comments on the proposed amendments to the Rules of the London Stock Exchange.
2. The Exchange would like to thank respondents for their considered and comprehensive comments.

The Exchange's role & jurisdiction

3. The Exchange has certain unique regulatory responsibilities as the market operator for AIM. In particular, the Exchange must safeguard investors' interests, maintain a proper market and ensure timely disclosure in AIM securities by enforcing issuers' continuous disclosure obligations.
4. The Exchange's proposed regime outlined in N18/07 sought to facilitate this by providing a defined methodology and regulatory framework for its member firms to trade in AIM securities off Exchange in a well ordered manner, whilst ensuring the continuance of the current levels of transparency and disclosure in the AIM market.

FSA's discussion paper

5. As noted in N18/07, the Exchange is aware that the FSA has been asked to conduct a study into the regulatory implications resulting from a change to the intermediary stamp duty relief rules. This has resulted in the FSA's recent discussion paper DP07/03 "Trading of MTF shares: impact of proposed stamp duty changes".

6. Some respondents questioned the timing of the Exchange's proposals given the FSA's discussion paper. The Exchange is keen not to pre-judge the outcome of FSA's review and is aware that DP07/03 is only a discussion paper. As such, the Exchange is only proposing to confirm those rules which will ensure trading in AIM securities remains transparent post-MiFID, recognising that some AIM issuers have a regulatory relationship with other trading venues.
7. The Exchange will therefore introduce the concept of the AIM primary market registered organisation as part of the Exchange's Rulebook Review for MiFID. The Rulebook Review detailed consultation is scheduled for release in the week commencing Monday 30 July 2007. For further information on the Rulebook Review, please see link below:

<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/rulebookreview2007/>
8. Following market feedback, the Exchange has decided to provide guidance to the relevant new rule, rather than have separate, stand-alone criteria for a venue's suitability as an AIM primary market registered organisation. This approach is better aligned with the objectives of the Exchange's new, simplified post-MiFID Rulebook.
9. Following feedback from respondents, the Exchange will wait until there is more certainty from FSA before confirming the AIM secondary market registered organisation regime.
10. The attachment to this Notice outlines the relevant rules. These rules will be effective from Thursday 1 November 2007.
11. Any comments or queries on this Notice should be addressed to Rosie Murphy Williams, Rules Development & Advice, phone +44 (0) 20 7797 3172, STX 33172, email rmurphywilliams@londonstockexchange.com.

Nick Bayley
Head of Trading Services

This Stock Exchange Notice will be available on the website at:
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable the Exchange to carry out its regulatory responsibilities.