

## PLUS as a Recognised Investment Exchange in London

Did you know there is a new stock exchange right in the heart of London? PLUS Markets plc is a fully competitive cash equity exchange, offering a deep pool of liquidity by supporting small order flow at low transaction cost and able to offer a full range of trading and listing solutions.

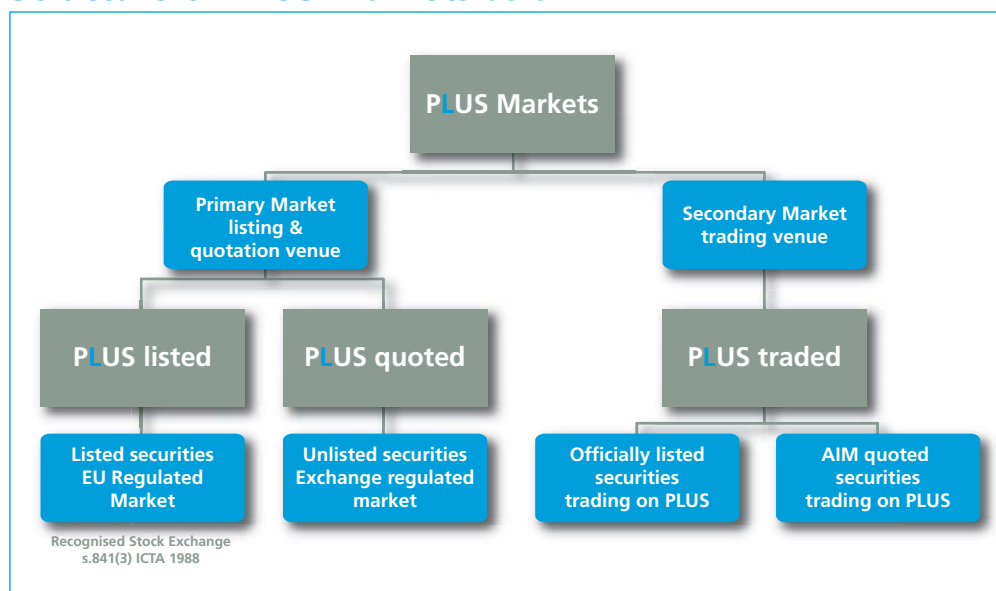
PLUS Markets plc (PLUS) has recently been granted Recognised Investment Exchange (RIE) status by the Financial Services Authority, conferring on it exactly the same rights and privileges as London Stock Exchange plc and other European Market Operators.

PLUS has already been providing competition and choice for trading in UK less liquid shares since 2005, as well as offering an exchange-regulated market for smaller companies. RIE status underpins its ambition to provide efficient access to Europe's widest pool of capital, as well as its expansion to full stock coverage including liquid shares.

### What does it mean for PLUS?

- PLUS has demonstrated to the Financial Services Authority that it can satisfy the high regulatory standards required to become a Recognised Investment Exchange, which is an acknowledged international benchmark standard.
- This premier status promotes investor confidence in the PLUS market offering and increases its appeal to a wider range of equity market participants, including those with a preference for executing their investment business through an RIE.

### Structure of PLUS Markets as an RIE



- It opens up new business possibilities for PLUS through entitlement to broaden its equity market offering, including opening its own EU Regulated Market, offering a choice for companies admitted to the UK's Official List.
- It enhances PLUS' status and reputation, underpinned by raised profile and brand recognition in the UK and internationally, while located in the heart of London as the world's premier financial centre.

## What does it mean for me?

### I am an investor in the equity markets

- Fund management mandates and client agreements (including those offered by SIPP providers) often require transactions to be effected “on-exchange” – which now applies to the PLUS market.
- Investments in the PLUS-quoted market (our exchange-regulated market for small & mid-cap companies) remain eligible for the applicable tax treatments relating to unquoted companies.
- Investments in the PLUS-listed market (our EU Regulated Market for companies admitted to the Official List) will be eligible for ISA investment.
- Markets provided by PLUS are “prescribed markets” for the purposes of the Market Abuse Regime, providing ongoing FSA oversight of market conduct.
- Transactions on PLUS already benefit from intermediary stamp duty relief.

### I am an issuer (i.e. a company) or I am advising an issuer

- The regulatory framework and tax status for the PLUS-quoted market (our exchange-regulated market for small & mid-cap companies) remain unchanged.
- Issuers can now also access the new PLUS-listed market (our EU Regulated Market for listed securities). This is supported by a recognised brand of EU regulation, which is demanded by institutional investors across Europe.
- As a “Recognised Stock Exchange”, the PLUS-listed market offers an HMRC-approved listing venue for tax-privileged issuers, such as investment trusts, VCTs and REITs.
- A growing PLUS-quoted company may choose to step up to become PLUS-listed with no need to access other markets.
- The PLUS market offers cost-effective access to the deep pools of capital available in London. HM Treasury has chosen to retain RIE terminology because of its familiarity to UK institutions.

### I am an investment firm executing equity trading business

- As an RIE, PLUS can provide an “on-exchange” alternative to obligations as a systematic internaliser, and a rules-based system which avoids the need for clients to provide express consent to the execution of orders.
- New default rules provide certainty that market contracts will be settled on PLUS.
- Sophisticated real-time surveillance to EU Directive standards ensures a “clean tape” for PLUS market data.
- PLUS will be offering full stock coverage under MiFID.

#### Note for information:

The FSA has statutory responsibility for recognising and supervising RIEs under the Financial Services and Markets Act 2000. There are now eight RIEs - EDX London, ICE Futures, LIFFE, London Stock Exchange, NYMEX Europe, the London Metal Exchange, PLUS Markets Group and Virt-X.

### PLUS Markets Group plc

Standon House, 21 Mansell Street, London E1 8AA

Tel:020 7553 2000 • Fax:020 7553 2004

[www.plusmarketsgroup.com](http://www.plusmarketsgroup.com)