

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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Our ref:DP07 3/MT

Dear James

DP 07/3: Trading of MTF shares: impact of proposed stamp duty changes

This is the Financial Services Consumer Panel's response to DP07/3 Trading of MTF Shares: impact of proposed stamp duty changes. These proposals will implement the Treasury's proposed modifications to the framework of the stamp duty relief available to market intermediaries when trading in UK shares admitted to trading solely on a Multilateral Trading Facility (MTF). Currently this affects two MTFs: AIM, operated by the London Stock Exchange, and the PLUS quoted market, operated by PLUS Markets.

Whilst the Panel is not in a position to respond to some of the more technical questions posed in the discussion paper we would like to draw to your attention concerns we do have about transparency, quality and disclosure. We are aware that retail investors do use these markets and are keen that the proposed changes safeguard consumer interests.

While one of the perceived consumer benefits of these proposals is the increase of consumer choice which may result, the Panel believes that it is important that the proposed changes do not impact adversely on consumer protection measures and do not lead to any reduction in transparency in these MTF markets such as transparency in over the counter trading.

The Panel is keen that the current quality of UK markets is maintained and protected. We also believe that the quality of disclosure should not suffer as a result of these proposals and that there needs to be effective and consistent oversight of the MTF markets, whichever supervisory option is chosen.

We look forward to receiving further feedback in due course.

Yours sincerely,



John Howard
Chairman