ICAEW
REPRESENTATION 44/26

PROPOSED AMENDMENTS TO THE AIM RULES (AIM NOTICES 62 AND 63)

Issued 6 July 2026

ICAEW welcomes the opportunity to comment on *Proposed amendments to AIM Rules for Companies* (AIM Notice 62) and *Proposed amendments to AIM Rules for Nominated Advisers* (AIM Notice 63), published by the London Stock Exchange on 4 June 2026, copies of which are available from this link

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ICAEW
Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK
T +44 (0)1908 248 250 F +44 (0)20 7920 0547 icaew.com

The Institute of Chartered Accountants in England and Wales (ICAEW) incorporated by Royal Charter (RC000246) Registered office: Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK

COMMENTS ON AIM NOTICE 62:
PROPOSED AMENDMENTS TO THE AIM RULES FOR COMPANIES

Part One - AIM Rules

1. The proposed amendment in new AIM Rule 11 has a broader scope compared to the declaration in the AIM application form for a new applicant. Is this an intended change? New AIM Rule 11 stipulates that an AIM company must:

   '- have in place sufficient systems, procedures, resources and controls to enable it to monitor and identify any changes or developments that may reasonably have a material impact on its business and/or prospects…'

   whereas, in the AIM application form, Section C (6), the Issuer declares that:

   'procedures have been established which provide a reasonable basis for the directors to make proper judgements as to the financial position and prospects of the Issuer and its group'.
2. The AIM application form will need to be updated to reflect the consultation. We would welcome confirmation on whether the AIM Rule 11 wording is intended to be incorporated as an additional requirement, or whether the current declaration in Section C (6) is intended to change.
3. The drafting in Rule 19 seems too prescriptive about the standards or principles in accordance with which the accounts of non-UK and non-EEA incorporated AIM companies can be prepared as it does not refer to new conditions for using other local GAAP that are included in the amendments to the Guidance on Rule 18 and 19: Half-yearly reports and accounts.
4. In amendments to Rule 26, specifically the new bullet point *'Corporate governance information: ...'*, an AIM company is required to *'consider a recognised corporate governance code for the purpose of guidance and informing its approach but is not required or expected to comply or explain against that code'*. It is not clear what this means in practice. Does the Exchange intend that the considered recognised corporate governance code will be an internal reference point that is not disclosed to the market? The Exchange should provide more guidance.
5. In amendments to Rule 26, AIM companies are also mandated to (*'shall'*) disclose certain specific matters which, in the consultation paper, the Exchange explains are disclosures prioritised by investors. Investor priorities and what an AIM company considers to be meaningful for its circumstances may, however, evolve and this ought to be provided for in Rule 26. Indeed, in Discussion Paper - Feedback Statement - Shaping the Future of AIM the Exchange referred to value of *'a genuinely proportionate approach that allows companies to evolve their governance arrangements to best meet their stage of growth and development'*.

Schedule One

6. DRAFTING POINT: In Supplement to the Schedule One Announcement (Express Market route), new item (g), we think that 'pursuant to rule 7' can be deleted.

Part One, Schedule Two

7. We note that in Part One, (c), the information and (iv), the directors' reasonable opinion of the applicant's future fundraising needs and reference to any risk factors that may impact their opinion, must be provided in the form (content and placement) set out in PRM 8.2.1R. A "reasonable opinion" typically implies a greater duty of care compared to the lighter "recklessness or dishonesty" standard for protected forward-looking statements (to which PRM 8.1.2R applies). We believe that the Exchange needs to be clear about what this means for directors when reaching their view on future fundraising needs, especially given the reduced role of the nominated adviser in this regard. ICAEW will consider this when we review our guidance for preparers of prospective financial information.
8. Also in Part One, (d), in relation to a profit forecast, estimate or projection, there is a new acknowledgement of PRM 8.2.1R (which would apply for a profit forecast or projection) as well as the requirements in:
   - (i) - that the statement is made after due and careful enquiry; and

- (iii) - that the nominated adviser has satisfied itself that such due and careful enquiry has been made.

As mentioned above, this typically implies a greater duty of care compared to PRM 8.2.1R. Is it the Exchange's intention to have a stricter regime for AIM applicants? We note that there is no guidance for nominated advisers on their responsibilities in respect of this requirement in the AIM Rules for Nominated Advisers or the Nominated Adviser Technical Note. ICAEW will need to consider this too when we review our guidance for preparers of prospective financial information.

Glossary

9. The definition of related party has been extended in clause (a) to include Persons Discharging Managerial Responsibilities (PDMR). This means that the related party transaction regime under the AIM rules will extend more widely than would be the case in the UK Listing Rules (UKLR) as, under the UKLR, the definition of related party does not include PDMR. It would be helpful to understand the rationale for the Exchange's proposed extension.
10. The consultation paper also does not explain why the definition of related party includes: *'(e) any person which holds a 10% interest or more in an AIM company's subsidiaries and / or assets'*. Does the Exchange intend that subsidiaries and/or assets that are not material will be in scope? This ought to be explicit in the definition.

Part Two - Guidance Notes

11. DRAFTING POINT: In Half-yearly reports and accounts, in the proposed new drafting *'In such circumstances the Exchange may require an AIM company to: '… (ii) include an accountant's report in its half yearly report; …',* we believe that "accountant's report" should be replaced with "independent auditor's review report".

COMMENTS ON AIM NOTICE 63:

TECHNICAL NOTE AND PROPOSED AMENDMENTS TO THE AIM RULES FOR NOMINATED ADVISERS

Technical Note

12. Members of ICAEW's Corporate Finance Faculty who are nominated advisers have broadly welcomed the guidance in the form of the new Technical Note on the performance of their obligations under the AIM Rules for Nominated Advisers. ICAEW's submission to the Shaping the future of AIM discussion paper flagged that the Exchange's approach to regulation can influence a company's decision to join AIM and the nominated adviser's risk appetite and the case for more explicit regulatory expectations. We support the repositioning of the Nominated Adviser's role with greater focus on the provision of corporate finance advice and reduced emphasis on compliance.
13. We consider the Technical Note to be a valuable resource; however, it would be preferable for it to be integrated as guidance to the AIM Rules for Nominated Advisers instead of being a distinct resource. As well as being more efficient for users, it would be consistent with the integration of the Inside AIM guidance into the amended AIM Rules for Companies (in AIM Notice 62).

Proposed amendments to the AIM Rules for Nominated Advisers

14. We note a tension between the Technical Note guidance and amended AR 3 as regards the decision to place reliance on management or on third party due diligence. The Technical Note allows the nominated adviser to form a decision based on its judgement and assessment of risk. In the rules, however, AR 3 uses language that is more prescriptive eg*, '…the nominated adviser should usually…be satisfied that…'*. Aligning AR 3 with the Technical Note will reduce the need for interpretation of the Exchange's expectations of nomads.