
Press Release

AFME and UK Finance jointly respond to HM Treasury's consultation on the Private Intermittent Securities and Capital Exchange System (PISCES)

18 April 2024

The Association for Financial Markets in Europe ("AFME") and UK Finance welcomed the opportunity to respond to the consultation by HM Treasury ("HMT") on the Private Intermittent Securities and Capital Exchange System ("PISCES").

AFME and UK Finance are supportive of the efforts by HM Treasury to strengthen and deepen capital markets in the UK and to ensure that they continue to meet the evolving needs of all market participants. Private markets play an important role in the wider ecosystem and the PISCES proposal is an important further addition to the market framework.

Given the innovative nature of the PISCES model and its novel place within the existing ecosystem, AFME and UK Finance believe that it would be helpful for the overall positioning of PISCES to be clearly expressed and agreed before further granular rules are proposed. Both Associations believe this would greatly aid the process for arriving at a PISCES framework that is both attractive and proportionate.

Our members consider that:

- the financial markets infrastructure "sandbox" environment is appropriate for initially testing PISCES and we also agree with HMT's proposal not to allow general retail investors access as purchasers on PISCES' launch;
- it will be critical to offer companies and their shareholders flexibility on PISCES in respect of auction structure, pricing parameters, settlement procedures, disclosure, confidentiality of disclosures and intermediation; and
- it would be helpful to establish parameters for the form and content of the platform's disclosure requirements so that there is broad agreement at the outset (when practice and customs are forming).

Gary Simmons, Managing Director, High Yield and Equity Capital Markets at AFME, said: *"We are grateful for the opportunity to share our views and recommendations on PISCES and welcome the proposal to establish a platform that is intended to provide liquidity for private capital markets. We have seen this market grow substantially in recent years and we welcome the recognition of its growing role in the capital markets ecosystem and desire to support the needs of private companies."*

Julie Shacklady, Director, Primary Markets and Corporate Finance at UK Finance, said: *"We welcome the innovative and collaborative approach that the government is taking in making the UK's capital markets more attractive. Private capital markets are a vital component of the ecosystem, and we support any innovation which gives privately held companies greater access to investment and helps them transition towards the public markets. HM Treasury's proposals for PISCES are an ambitious blueprint in this regard and we look forward to working together to ensure PISCES supports companies and investors alike."*

AFME and UK Finance look forward to engaging with HM Treasury as this project evolves.

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Notes:

1. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: www.afme.eu Follow us on X (formerly Twitter) [@AFME_EU](https://twitter.com/AFME_EU)
2. UK Finance is the collective voice for the banking and finance industry. Representing 300 firms, we're a centre of trust, expertise and collaboration at the heart of financial services. Championing a thriving sector and building a better society. The financial services industry plays a vital and often underappreciated role enabling individuals, families and communities to achieve their ambitions in a safe and sustainable way – through home ownership, starting a new business or saving for retirement. The sector is fundamental to people's lives, and we are proud to promote the work it is doing to support customers and businesses up and down the country. Whether it's through innovating for the future, driving economic growth, helping struggling customers amid increases in the cost of living, fighting economic crime or working to finance the net zero transition – the industry is having an overwhelmingly positive effect on the lives of people across the UK and improving the society we live in. For further information please visit the UK Finance website: www.ukfinance.org.uk