

U.S. Companies and London's AIM Exchange

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The London Stock Exchange's AIM market is the world's leading market for high-growth companies, popular with international companies that wish to source their equity capital financing needs from sophisticated institutional investors in one of the deepest capital pools in the world. At the end of 2017, 960 issuers were listed on AIM, of which 344 were international companies and 50 were U.S. companies.

AIM's key feature is its lighter regulatory and governance regime. This enables an AIM issuer to obtain the benefits of being publicly traded but with a regulatory compliance burden, and hence management time and financial burdens, appropriate to its stage in the business life cycle. AIM has no market capitalization requirement, no free float requirement, no trading/financial history requirement, no profitability requirement. However, an AIM listing brings the U.S. issuer within the scope of UK and EU securities regulation, including the EU Market Abuse Regulation, which governs, amongst other things, the control and disclosure of inside information and dealings in the issuer's shares by directors, management and senior employees, and creates offenses of insider dealing and market abuse.

An IPO is a major milestone in the life of a growing business; and the choice of market and exchange is clearly an important one that will be influenced by numerous factors. AIM should be considered a real and credible alternative for U.S. based high-growth companies, given the market's focus on younger growth companies rather than large mature businesses.

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