



Workstream 4: Intermittent Trading Venue workstream – Terms of Reference

Context

Following HM Treasury's Wholesale Markets Review (WMR) and as confirmed by the Chancellor of the Exchequer as part of the [2022 Edinburgh reforms](#), His Majesty's Government (HMG), regulators and market participants, have been exploring the creation of a new type of wholesale market venue to help bridge the gap between public and private markets, and which would operate on an intermittent basis, reflecting the periodic nature of its liquidity and disclosure events. We refer to this type of intermediate market as an Intermittent Trading Venue (ITV).

The ambition is for this venue to help private companies access new investors, including international investors, when they are not ready to trade on public markets. In turn, it will allow a wider range of investors to gain exposure to these companies at an earlier stage of their growth. Early investors and staff rewarded with shares in those companies will be able to sell shares through a structured and regulated price transparency mechanism, without the need for the company to be publicly listed.

Objective

This workstream will help HMG, policymakers and regulators address key design considerations for this market, including:

- The eligibility requirements and obligations for companies and market participants accessing the venue.
- How to integrate this new market into the UK's funding continuum.
- The best ways for potential investors to connect with the platform.
- Any concerns or friction private companies could experience in joining the ITV.

Responsibilities

Designing this market effectively will require cooperation between regulatory / policymaking authorities and market participants. This CMIT workstream will:

- Coordinate CMIT's feedback and input into discussions relating to the ITV design.
- Serve as a vehicle to engage with other market participants, as appropriate, on the design of the ITV and feed their input back to HMT / FCA.
- Engage with HMT and the FCA on behalf of CMIT to assist with the design of the ITV. This may include providing briefings, presentations and/or consultation responses.

Workstream Chair

Julia Hoggett

Participating CMIT members

Klaus Hommels, Matthew Scullion, Andy Briggs (or their delegates)

Secretariat

LSE plc

Engagement and timetable

- The objective is to work on the key features and regulatory framework of the venue throughout 2023, with the intention to launch as soon as possible. Precise timings will be determined by required regulatory changes and the regulatory timetable.
- The Chair (and / or workstream lead where appropriate) will provide regular updates to CMIT, no less than once per month.
- This workstream will end once the new market is launched.

Expected stakeholder engagement:

- His Majesty's Treasury (HMT)
- Financial Conduct Authority (FCA)
- Selection of UK private companies
- Selection of UK buy side firms
- Selection of UK sell side firms
- Selection of UK financial intermediaries and other service providers