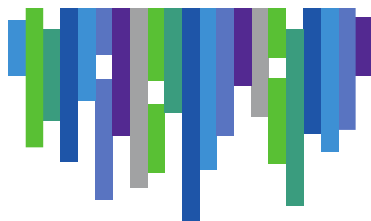


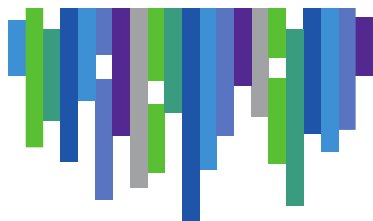


IMC OTM v.14 Errata & Addendum for Units 1 and 2.

Unit / Volume	Page number	Correction
Unit 1 – Volume 14	29	<p>‘A premium listing is only available to equity shares issued by commercial trading companies.’</p> <p>should be replaced with:</p> <p>‘A premium listing is only available to equity shares issued by commercial trading companies as well as open-ended investment companies and closed-ended investment funds.’</p>
Unit 1 – Volume 14	38	<p>‘Code of Market Conduct (see chapter 3).</p> <p>should be replaced with:</p> <p>‘rules and guidance on market conduct (MAR1) – see chapter 3.’</p>
Unit 1 – Volume 14	205	<p>‘FCA Code of Market Conduct (MAR)’</p> <p>should be replaced with:</p> <p>‘FCA rules on market conduct (MAR1)’</p>
Unit 1 – Volume 14	210	<p>‘14. For common platform firms (firms subject to one or both of Mifid and the CRD), chapters 4-10 of SYSC apply.’</p> <p>should be replaced with:</p> <p>‘14. The common platform is a unified set of organisational requirements in SYSC 4-10 which applies to all firms except insurers, managing agents and the Society of Lloyds.’</p>
Unit 1 – Volume 14	217	<p>‘9. The FCA Code on Market Conduct gives guidance on what constitutes market abuse.’</p> <p>should be replaced with:</p> <p>‘9. The FCA rules on market conduct (MAR1) give guidance on what constitutes market abuse’.</p>



Unit 2 – Volume 14	166	<p>‘Money supply</p> <p>Money is generally defined as anything that is widely accepted without restriction as a means of payment. A number of definitions of the money supply have been used in the UK:</p> <ol style="list-style-type: none"> 1. M0 is notes and coins in circulation, plus banks’ till money and deposits at the Bank of England. This is also known as the wide monetary base or ‘narrow’ money. 2. M1 is notes and coins outside of banks, together with private sector sight deposits. 3. M3 is M1 plus UK private sector time deposits and certificates of deposit. 4. M4 is M3 plus private sector holdings of building society deposits and shares (less building society holdings of cash, bank deposits and certificates of deposits). This is known as ‘broad’ money. <p>The Government now routinely publishes statistics only on M0 and M4.’</p> <p>should be replaced with:</p> <p>Money supply</p> <p>Money is generally defined as anything that is widely accepted without restriction as a means of payment. A number of definitions of the money supply have been used in the UK and although at times been discontinued as official indicators they can be reconstructed from published sources:</p> <ol style="list-style-type: none"> 1. Notes and coin: Sterling notes and coin in circulation outside the Bank of England. This is the narrowest measure of money and used as an indicator of cash-based transactions. 2. M0: Until 2006 M0 was the Bank’s main narrow money measure, and comprised sterling notes and coin in circulation outside the Bank of England, together with banks’ operational deposits with the Bank of England. <p>From May 2006, the Bank ceased publication of M0 and instead began publishing series for Reserve Balances at the Bank of England to accompany Notes and Coin in circulation. However, M0 can be reconstructed from the component parts.</p> <p>Historically M0 has been the base measure of money used in money multiplier calculations and was often used as an approximate measure of the size of the Bank of England’s balance sheet. Since 2006, authorised banks and building societies have been entitled to place cash deposits (reserves balances) at the Bank of England earning interest at Bank Rate.</p> <ol style="list-style-type: none"> 3. Non-interest bearing M1: Notes and coin plus non-interest bearing sight deposits held by the non-bank private sector. It is an indicator of transactions in goods and services in the economy, though less useful now since most sight deposits pay some form of interest. This series is not published by the Bank of England but can be constructed from published components. 4. M2 (or retail M4): Notes and coin plus all retail deposits (including retail time deposits) held by the non-bank private sector. This is published by the Bank of England. 5. M3: Notes and coin plus all sight and time deposits held with banks (excluding building societies) by the non-bank private sector. Up until 1987
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		<p>this was the headline broad monetary aggregate constructed by the Bank of England.</p> <p>6. M4: Notes and coin, deposits, certificates of deposit, repos and securities with a maturity of less than five years held by the non-bank private sector. Up until 2007 this was the headline broad monetary aggregate constructed by the Bank of England.</p> <p>7. M4ex: M4 excluding the deposits of International Offshore Financial Centres. Since 2007 this is the headline broad monetary aggregate published by the Bank of England</p> <p>The Bank of England publishes data on Notes and Coin and M4 though as we note above it also publishes various components which can be used to reconstruct other monetary aggregates.</p>
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