

Insights

UK CORPORATE BRIEFING JANUARY 2024

Jan 15, 2024

SUMMARY

Welcome to the Corporate Briefing, where we review the latest developments in UK corporate law that you need to know about. In this month's issue, we discuss:

FCA publishes feedback and transformative proposals for UK Listing Regime

- Watch our video to understand the changes the FCA proposes to replace the current premium and standard listing categories with a single listing category for UK listings of equity shares in commercial companies (the "commercial companies" category).

FCA publishes Primary Market Bulletin No. 46

- This edition of the Primary Market Bulletin discusses inside information, ESG stewardship and TCFD disclosures for sponsor procedures.

ISS Benchmark Policy Updates for 2024

- The Institutional Shareholder Services has published its Benchmark Policy Updates for 2024 which will take effect for AGMs occurring on or after 1 February 2024.

New corporate requirements and Companies House powers

- In March 2024 new corporate requirements and Companies House powers will come into force under the Economic Crime and Corporate Transparency Act 2023.

FCA PUBLISHES FEEDBACK AND TRANSFORMATIVE PROPOSALS FOR UK LISTING REGIME

Following on from the consultation earlier this year, the FCA has published feedback and detailed proposals which will transform the current listing regime. The FCA is proposing to create a single

listing category for UK listings of equity shares in commercial companies (the “commercial companies” category) replacing the current premium and standard listing categories.

Under the proposals:

- class transactions will no longer require an FCA approved circular or prior shareholder approval (except for reverse takeovers); and
- a related party transaction, where the transaction is above the 5% threshold, will just require an announcement containing a fair and reasonable statement by the board confirmed by the sponsor.

These changes represent a major overhaul of the current listing regime for companies with equity shares and are part of a package of reforms to attract a wider range of companies to list in the UK.

Comments are required by 16 February 2024 for proposals regarding sponsor competence and by 22 March 2024 for any changes to the new proposed UK Listing Rules Sourcebook (“UKLR”). There will then be a short period between publication and implementation of the new UKLR, expected in the second half of 2024.

Watch our video to understand what's changing and what is not or, if you have more time, [read our overview](#).

FCA PUBLISHES PRIMARY MARKET BULLETIN NO. 46

This edition of [Primary Market Bulletin](#) examines:

- whether major shareholders can discuss their stewardship plans on particular issuers with other shareholders with similar ESG strategies without disclosing this to the market in accordance with the market abuse regime; and
- the results of an assessment of how sponsors have made changes to their procedures to assess whether new applicants are able to comply with the new TCFD-aligned disclosure requirements in the Listing Rules.

[Read our full briefing >](#)

ISS BENCHMARK POLICY UPDATES FOR 2024

The Institutional Shareholder Services (“ISS”) has published its [Benchmark Policy Updates for 2024](#). The 2024 ISS benchmark policies (proxy voting guidelines) will take effect for AGMs occurring on or after 1 February 2024.

Key changes include aligning the diversity policy with recent amendments, clarifying that a 3% holding constitutes a 'significant shareholding' and adjusting the policy in accordance with the Investment Association's recent updates to its share capital management guidelines.

NEW CORPORATE REQUIREMENTS AND COMPANIES HOUSE POWERS

The Economic Crime and Corporate Transparency Act 2023 is designed to tackle economic crime and improve the transparency of corporate entities ([for more details see our insight](#)). Companies House has [confirmed in a blog](#) that the first wave of changes will come into force in March 2024. Companies House will gain new powers to query, reject and remove inaccurate information, as well as annotate the register to flag any issues; it will also be able to share data with governmental departments and law enforcement agencies. Additionally, companies will not be able to have names containing computer code, suggesting a foreign government connection, or which may be used to facilitate crimes of dishonesty or deception. They also need to provide an 'appropriate' registered office address (meaning no P.O. boxes) and a registered email address. Also, companies must confirm on formation, and in all future confirmation statements, that the intended future activities of the company will be lawful. Companies House will provide more details of these changes in future blogs.

RELATED CAPABILITIES

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MEET THE TEAM



Benjamin Lee

London

benjamin.lee@bclplaw.com

[+44 \(0\) 20 3400 4260](tel:+442034004260)

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