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Insights

UK CORPORATE BRIEFING AUGUST 2025

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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:

Takeover Panel consultation and new practice statements

The proposed amendments to the Takeover Code clarify how the mandatory offer requirements apply to a company with a dual class share structure when a shareholder's percentage of voting is increased on certain trigger events.

New rules for the public offers and admissions to trading regime

The FCA has published the final rules for admissions to trading on a regulated market or a multilateral trading facility ("MTF"). The new rules will come into force on 19 January 2026 with transitional provisions.

Draft regulations for new reporting requirements on payment practices and performance

The government has published draft reporting requirements for large companies on payment practices and performance which will apply for financial years beginning on or after 1 January 2026.

NSI: exclusion of reorganisations and proposed changes to sensitive areas

The government is proposing to exclude certain internal reorganisations and appointments of insolvency office-holders from the NSI regime and is consulting on changes to the sensitive areas that are subject to mandatory notification.

FCA Primary Market Bulletin 56

This edition of the FCA newsletter for primary market participants looks at, among other things, its use of data and technology to monitor directors' dealings.

Digitisation Taskforce – final report July 2025

The latest report sets out key steps for removing paper share certificates and improving the current intermediated system of share ownership so investors can more effectively exercise their rights.

Updated guidance – filing accounts with Companies House

In the future all accounts must be filed at Companies House using commercial software. The web and paper filing options will be discontinued.

Listed companies and filing information with the National Storage Mechanism (NSM)

From 3 November 2025 the FCA will require more comprehensive legal entity identifier ("LEI") reporting for issuers and other persons submitting regulated information. The aim is to enhance the functionality of the NSM by making it easier to find information about issuers.

TAKEOVER PANEL CONSULTATION AND NEW PRACTICE STATEMENTS

The Takeover Panel has published a consultation paper on dual class share structures, IPOs and share buybacks. Comments on the consultation paper should be made by 26 September 2025. Any changes will come into effect in Q1 2026.

The Panel has also published two new Practice Statements on (i) profit forecasts, quantified financial benefits statements and investment research and (ii) unlisted share alternatives.

Read our full insight >

NEW RULES FOR THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGIME

After various consultations and engagement papers, the final rules creating the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("PRM") have been published. The PRM contains rules and guidance on when a prospectus is required, what it must contain and rules regarding protected forward-looking statements. Consequential changes will also be made to the UK Listing Rules including removing the rules around Listing Particulars. The rules relating to public offers are set out in the Public Offers and Admissions to Trading Regulations ("POATRs"). This briefing considers some of the key changes.

OFFERS TO THE PUBLIC

There will be a prohibition on offers to the public unless an exemption applies. The existing exemptions have largely been carried over and broadened but the exemption for offers below €8

million will be removed. Where a company wishes to make an offer to the public for more than £5m and none of the exemptions apply, it will need to make an offer on the new regulated public offer platform for unlisted securities – see below.

ADMISSION TO TRADING ON A REGULATED MARKET

A prospectus will still be required for admission to trading on a UK regulated market and most of the existing exemptions will continue to apply but with one noticeable change – the threshold for further issuances will increase from 20% to 75% of shares already admitted and up to 100% for equity securities issued by closed ended investment funds. This is significantly higher than the EU threshold, which has been raised to 30% under the EU Listing Act. However, under the EU Listing Act there is also a new exemption for secondary issuances for issuers whose securities have been continuously listed on an EU regulated market for at least 18 months provided the issuer files a summary document. As a result of this increase in threshold from 20% to 75%, a prospectus will not be required on most fundraisings giving companies greater flexibility and reducing costs. We may see more routine open offers and other pre-emptive offers as a result of this, but companies will need to consider whether shareholder approval is required for any authority to allot and disapplication of pre-emption rights, unless within existing authorities.

ADMISSION TO TRADING ON AIM

One of the objectives of the new regime is to reduce the barriers to investor participation and enable issuers to offer securities to the public without being limited to just qualified investors or to fewer than 150 persons. Under the new rules an MTF admission prospectus, which does not need FCA approval, will be required for all IPOs and reverse takeovers on AIM (in new rules MAR 5-A). The content for the MTF admission prospectus will continue to be determined by the London Stock Exchange and the MTF admission prospectus will be subject to the same statutory responsibility and compensation provisions as apply to prospectuses together with the advertisement regime and the new protected forward-looking statements regime. These rules will not apply where an issuer qualifies for the AIM Designated Market Route and there will be no requirement to publish an MTF admission prospectus for further issuances.

PROTECTED FORWARD-LOOKING STATEMENTS

The UK Listing Review identified forward-looking statements as particularly useful information for investors to have when making investment decisions and found that companies are often discouraged from including such information in their prospectuses because of the existing negligence liability standard for such statements. To address this, persons responsible for the prospectus will be subject to a recklessness/dishonesty liability standard for “protected forward-looking statements” which includes projections, estimates, forecasts or targets.

CONTENT REQUIREMENTS FOR A PROSPECTUS

Going forward a prospectus summary can include cross-referencing, will no longer require an annex of financial information and the maximum number of pages will increase from seven to ten. The FCA will retain the requirement to include a working capital statement based on strong feedback but will consult on proposals to amend existing working capital guidance and the guidance for companies with a complex financial history.

SIX-DAY RULE

Currently a prospectus published in connection with an IPO needs to be made available to the public at least six working days before the end of the offer - the 'six-day rule'. The six-day rule only applies when an IPO is marketed to retail investors and seeks to ensure that retail investors have enough time to read the prospectus. However, it can act as a disincentive in including retail investors as it delays the closing of any bookbuild creating deal uncertainty and the risk of the IPO failing. Under the reforms, this period will reduce to three working days given the widespread electronic distribution of prospectuses.

FURTHER ISSUANCE LISTING APPLICATION PROCESS

The FCA will treat subsequent issuances of the same class and applications to list a new security as 'automatically listed' when issued, without requiring a further listing application. Block listings will subsequently be removed.

PUBLIC OFFER PLATFORM

The POATRs create a new regulated activity of operating an electronic system for public offers of relevant securities (a "POP"). Companies seeking to make public offers of securities outside a public market, to a broad investor base, and where the value of the offer is more than £5m, will need to do so via a POP. The FCA see this platform being used by early-stage and smaller companies for capital raising and from an investor's perspective, such companies will generally be characterised as having more uncertain prospects than established companies with securities admitted to trading on public markets.

DRAFT REGULATIONS FOR NEW REPORTING REQUIREMENTS ON PAYMENT PRACTICES AND PERFORMANCE

Draft regulations have been published which will require 'large companies' to report annually in the directors' report on their payment practices and performance with respect to suppliers. The provisions will apply for financial years beginning on or after 1 January 2026. For companies with a year end of 31 December the first report will be published in 2027.

The provisions are being introduced so key stakeholders, including auditors and shareholders, can scrutinise a company's payment practices. These obligations are in addition to the existing

requirement for large companies to report on a half-yearly basis, via a government portal, on their payment practices, policies, and performance.

NSI: EXCLUSION OF REORGANISATIONS AND PROPOSED CHANGES TO SENSITIVE AREAS

On 22 July, the government announced proposals to remove the requirement to notify certain internal reorganisations and the appointment of liquidators, special administrators, and official receivers from the scope of the NSI regime – the regime established by the National Security & Investment Act 2021 that empowers the government to scrutinise, intervene in, and potentially block acquisitions and investments that may pose a risk to national security. These changes will be welcome in removing from the scope of the regime arrangements that pose no/low risk, albeit the full scope of the carve outs from the regime (e.g. which forms of internal reorganisation will be excepted) is not yet clear. Secondary legislation will be required to set out the scope of the changes and bring them into effect.

In addition, the government has launched a consultation regarding proposed updates to the sensitive sectors that are subject to mandatory notification. The proposed changes are designed to:

- reorganise categorisations in certain sectors to improve clarity, including creating new areas for Semiconductors and Critical Minerals, removing them from the existing Advanced Materials area and incorporating the activities currently covered by Computing Hardware within the new Semiconductors area;
- update certain other sectors definitions, that would otherwise go out of date - Advanced Materials, AI, Communications, Critical Suppliers to Government, Data Infrastructure, Energy, Suppliers to the Emergency Services, and Synthetic Biology; and
- introduce Water as a new sector.

The consultation ends on 14 October 2025. While the full scope of changes, particularly in relation to internal reorganisations, remains to be seen, our hope is that these changes will reduce the number of NSI notifications that are required for transactions that clearly pose no risk to the UK's national security.

FCA PRIMARY MARKET BULLETIN 56

This edition of the FCA market newsletter discusses:

- the new Market Oversight Data & Intelligence department which can create new alerts using position and transaction reports. These allow the FCA to identify late submissions and failures to report and ultimately triggered the FCA's enforcement investigation into

transactions made by Mr Sebők – see our previous briefing for further details of this case. The FCA is taking this opportunity to remind directors, other PDMRs, major shareholders and holders of net short positions in listed companies of the importance of meeting their reporting obligations;

- the requirements under the revised Listing Rules for issuer contact details of key persons and for service of documents. This includes (i) first point of contact details for certain applicants and issuers; (ii) key persons contact details, which all applicants and issuers are required to provide, and (iii) a nominated person for service of notices (for receiving service of relevant documents), which all applicants and issuers are required to provide;

- the end of certain transitional provisions under the revised UK Listing Rules. For example, in-flight applications to standard listing before 29 July 2024 that correspond to either the transition category, the shell companies category or the secondary listings category have a period of 1-year to complete the admission process, after which time the application would lapse; and

- proposed improvements to the National Storage Mechanism and asks users to complete the survey so it can assess their experience.

DIGITISATION TASKFORCE – FINAL REPORT JULY 2025

The Digitisation Taskforce was launched in 2022 with the aim of eliminating the use of paper share certificates for listed UK companies and improving the UK's intermediated system of share ownership. The latest report sets out what the next steps are to implement digitisation across the market.

STEP 1 – REMOVE PAPER SHARES

There was almost universal support for the removal of paper share certificates. The holders of certificated shares in UK listed companies are concentrated in just a few companies - nearly 50% of certificated shares in the UK (average holding value £4,500) are in five companies: Lloyds Banking Group, aberdeen, National Grid, BT and Centrica as a result of privatisations and demutualisations. In this step, shareholders would be advised that their interests would be reflected solely within a digitised share register. Issuers would not be permitted to issue physical share certificates and certificates would no longer be required to transact share transfers or sales. Shares held on a digitised register would be serviced as they are currently, ensuring that certificated shareholders will receive the same service and ability to exercise their shareholder rights as they do now.

Timeframe: The aim is to have a 'go live' date before the end of 2027.

STEP 2 – PREPARE FOR A FULLY INTERMEDIATED SYSTEM

This step would involve:

- a comprehensive package of measures to improve communications between companies and ultimate beneficial owners in the existing intermediated securities chain;
- digital payments to shareholders as a default position;
- a 'baseline service' which intermediaries should have to provide to all shareholders. This would address issues related to information transmission, rights exercise, voting confirmation, and transparency of fees, while maintaining the benefits of the current intermediated system;
- other targeted measures to enhance ultimate beneficial owners' rights including removing the "headcount" test in the Companies Act 2006 for schemes of arrangement (ie. the court could sanction a scheme with approval by a number representing 75% in value of the members without requiring the scheme to also be approved by a majority in number) and clarifying that ultimate investors in an intermediated securities chain have the right to bring a claim under section 90A of FSMA for misleading statements in certain published information; and
- facilitating UK digitisation for Jersey, Guernsey and Isle of Man companies admitted to trading in London.

Timeframe: As most of these changes will require legislation, the Taskforce is recommending that the government aims to implement these measures within this Parliament.

STEP 3 – SHARES TRANSITION INTO THE INTERMEDIATED SECURITIES CHAIN

This would involve moving to a fully intermediated shareholding system once step 2 has been completed. For example, on any new admission to trading on a UK trading venue, the issuer would not be able to adopt a digitised share register, and all of its shareholders would have to participate in the intermediated securities chain. A Technical Group will consider whether a 'sunset date' should be set for ending digitised registers and moving to the intermediated system.

Timeframe: By the end of this Parliament.

These changes are likely to be welcomed by the market but this is a complex area and the changes represent a number of challenges including the logistical burden of onboarding all shareholders through a compliance process; the added risk of fraud and scams; and the economic and commercial challenge of dealing with small shareholdings.

UPDATED GUIDANCE – FILING ACCOUNTS WITH COMPANIES HOUSE

From 1 April 2027 all accounts filings must be filed at Companies House using commercial software. Companies House has updated its guidance for filing accounts to reflect these changes.

All companies should now have been contacted via their registered email address about these changes. To prepare for these changes, companies should start considering which software provider they will use – they are free to change at any time prior to 1 April 2027 – the Companies House website contains details to help companies find suitable software providers.

Other changes from 1 April 2027:

- Companies House is making a change to accounting reference periods limiting how many times a company can shorten this. Currently a company can change an accounting reference period as many times as it likes but from 1 April 2027, a company will have to provide a business reason if they want to shorten the period more than once in five years. This is subject to the final regulations which are not currently available.
- Any company claiming an audit exemption will need to give an enhanced statement from the directors on the balance sheet. Directors will need to specify which exemption is being claimed and confirm that the company qualifies for the exemption.
- Small companies will be required to file a copy of balance sheet, directors' report, auditor's report (unless exempt) and profit and loss account. Companies will no longer be able to prepare and file 'abridged' accounts.

LISTED COMPANIES AND FILING INFORMATION WITH THE NATIONAL STORAGE MECHANISM (NSM)

LEI

From 3 November 2025, when an issuer or person filing on behalf of the issuer files regulated information with the FCA, the notification will need to include the name and legal entity identifier ("LEI") of the issuer and of the person filing the regulated information (if different). The table below compares the existing LEI filing requirements with the new requirements. In the different scenarios Issuer A is the 'issuer concerned' in DTR 6.2.2AR(1); Person A is a person who has requested, without Issuer A's consent, the admission of Issuer A's transferable securities to trading on a regulated market; and Issuer B is a related issuer that is one of the subjects of the submission but is not involved in filing the regulated information.

Scenario	Current DTR 6.2.2AR	New DTR 6.2.2AR
Issuer A filing information about itself	Issuer A's LEI	Issuer A's LEI
Issuer A filing information about itself and Issuer B	Issuer A's LEI	Issuer A's LEI Issuer B's LEI (if available)

Person A filing information about Issuer A	Issuer A's LEI	Issuer A's LEI Person A's LEI
Person A filing information about Issuer A and B	Issuer A's LEI	Issuer A's LEI Issuer B's LEI (if available) Person A's LEI

HEADLINE CODES AND CATEGORIES

The FCA is also introducing new headline codes and categories to reduce inconsistent labelling of regulated information.

Further improvements to the NSM are expected further down the line.

RELATED CAPABILITIES

- Corporate

MEET THE TEAM

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