

## Insights

# UK CORPORATE BRIEFING DECEMBER 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:

### [AIM Feedback Statement: Immediate changes and next steps](#)

This feedback statement sets out a roadmap for AIM that incorporates immediate easing measures via derogations and guidance with wider reforms, including resetting the nominated adviser model.

### [FRC updates guidance on non-executive director remuneration to support good governance](#)

The FCA has updated the guidance on non-executive director remuneration (NEDs) in the UK Corporate Governance Code guidance.

### [Final regulations on new reporting requirements for payment practices and performance](#)

The Government has published legislation requiring large companies to report annually on their payment practices and performance in the directors' report for financial years beginning on or after 1 January 2026.

## AIM FEEDBACK STATEMENT: IMMEDIATE CHANGES AND NEXT STEPS

Following its [April 2025 Discussion Paper](#), "Shaping the Future of AIM", the London Stock Exchange (the Exchange) has published a [feedback statement](#) outlining its roadmap for AIM. This plan combines immediate easing measures, implemented through derogations and guidance, with a broader programme of reforms.

To support this roadmap, the Exchange will reset the nominated adviser (nomad) model to re-prioritise value added, high-quality corporate finance advice and dispel misconceptions that have

built up through market practice about what is required by the Exchange. It will engage with firms on a new, consolidated technical guide for nomads that clarifies responsibilities, expectations and boundaries, and it will retire legacy guidance currently delivered through Inside AIM publications. In parallel, the Exchange will pilot a refreshed approach to Qualified Executive approval to provide nomads with more autonomy while maintaining safeguards on quality.

See our [full insight](#)

## **FRC UPDATES GUIDANCE ON NON-EXECUTIVE DIRECTOR REMUNERATION TO SUPPORT GOOD GOVERNANCE**

The FCA has updated the guidance on non-executive director remuneration (NEDs) in the UK [Corporate Governance Code guidance](#). The revised guidance:

- acknowledges that some companies may encourage NEDs to build a personal shareholding in the company to promote alignment with shareholders and reinforce long-term commitment and engagement. Approaches to shareholding expectations may vary depending on factors such as company size and the specific nature of the role;
- maintains that the board may choose to pay NEDs a portion of their fees in shares. Where this is the case, the rationale, process and any restrictions on the sale of shares should be clearly explained to ensure transparency for stakeholders; and
- clarifies that alternative remuneration structures – such as options or similar rights to acquire shares – may be appropriate for independent NEDs, provided they are not performance related. Specifically, such instruments should not have a meaningful exercise price that could compromise director independence.

The overarching principle remains that performance related remuneration is not appropriate for independent NEDs, as it may undermine their ability to provide oversight and challenge executive decisions. Remuneration structures should avoid incentivising short-term decision-making, creating conflicts of interest or impairing independence.

## **FINAL REGULATIONS FOR NEW REPORTING REQUIREMENTS ON PAYMENT PRACTICES AND PERFORMANCE**

The Government has published the [Companies \(Directors' Report\) \(Payment Reporting\) Regulations 2025](#), which introduce a new obligation for large companies to report annually in their directors' report on payment practices and performance relating to suppliers. These requirements will apply to financial years beginning on or after 1 January 2026. For companies with a 31 December year-end, the first report will be due in 2027.

The new regulations amend the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and are intended to enhance transparency and accountability. By requiring disclosures in the directors' report, the Government aims to enable key stakeholders - including shareholders and auditors - to scrutinise payment practices more effectively.

These annual reporting obligations are in addition to the existing requirement for large companies to report biannually via the Government's online portal. That separate regime requires disclosures on payment policies, practices, and performance under the Reporting on Payment Practices and Performance Regulations 2017.

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## MEET THE TEAM



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