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Insights

UK CORPORATE BRIEFING FEBRUARY 2026

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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 Rule Amendments: Implementation of the Public Offers and Admissions to Trading Regulations 2024

This month the London Stock Exchange amended the AIM Rules to implement the Public Offers and Admissions to Trading Regulations 2024 (the "POATRs").

Identity verification for presenters postponed

The identity verification rules for people filing documents at Companies House on behalf of a Company have been postponed until later this year.

FCA fines an individual for insider dealing

The Financial Conduct Authority has imposed a financial penalty of £309,843 on Russel Gerrity, an experienced Petrophysical Consultant, for engaging in insider dealing.

Guidance to assist large companies reporting on payment data in directors' reports

The government has published guidance to assist large companies when reporting on the new payment data requirements in directors' reports.

The Wates Principles: FRC Reporting Insights

The FRC has published its first reporting insights into the Wates Principles for large private companies.

Pre-completion dividend was a transaction at an undervalue

TAQA Bratani Ltd & Ors v Fujairah Oil and Gas UK LLC & Ors [2025] EWCA Civ 1669

The Court of Appeal has made it clear that, when determining whether a company has entered into a transaction at an undervalue, the relevant transaction is the arrangement that the company has actually entered into – and not any wider arrangement to which it is not a party.

AIM RULE AMENDMENTS: IMPLEMENTATION OF THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024

On 16 January 2026 the London Stock Exchange published AIM Notice 61 confirming amendments to the AIM Rules to implement the Public Offers and Admissions to Trading Regulations 2024 (the "POATRs"). This briefing summarises the key changes and their practical implications for AIM companies and their advisers.

ADMISSION DOCUMENT REQUIREMENTS

Where a company produces an admission document on an IPO or reverse takeover (defined in the AIM Rules as an "MTF Admission Prospectus"), that document must now comply with Regulation 23 of the POATRs in addition to the existing requirements under the AIM Rules. Regulation 23 is substantially similar to Schedule Two (k) of the AIM Rules and requires the issuer to ensure that the document discloses all information material to an investor for making an informed assessment of: the assets, liabilities, profits, losses, financial position and prospects of the issuer; the rights attaching to the shares; and the reasons for the issuance and its impact on the issuer. Notably, whilst the London Stock Exchange retains the ability to authorise the omission of certain information from an admission document, this power does not extend to information required under Regulation 23.

An admission document will not be required for further issues of shares of (i) the same class as those already admitted to trading, (ii) for the admission of a new class of shares, or (iii) where a restructuring results in a new parent holding company being added to the group. An admission document will, however, continue to be required where an AIM company undertakes a reverse takeover.

INVESTOR PROTECTIONS

Several investor protection measures have been introduced. Withdrawal rights will now apply where a supplementary admission document is produced as a result of a significant new factor, material mistake or material inaccuracy relating to the information in the original admission document.

Those responsible for the admission document will also be liable under Regulation 30 of the POATRs to pay compensation to any person who acquires shares and suffers loss as a result of an

untrue or misleading statement in the admission document or any supplementary admission document, or as a result of the omission of required information.

PROTECTED FORWARD-LOOKING STATEMENTS

The new protected forward-looking statements ("PFLS") regime will apply to admission documents. This establishes a safe harbour for PFLS, under which a recklessness or dishonesty liability standard applies. The burden of proof rests on the claimant to demonstrate that the issuer was reckless or dishonest when making the statement.

PRACTICAL IMPLICATIONS

The introduction of the POATRs will allow retail investors to participate in AIM IPOs where the company has published an admission document, without the need for an FCA-approved prospectus. This will also make it easier for AIM companies to include retail participation in secondary fundraises without having to publish a prospectus.

In addition, the PFLS regime should encourage issuers to include forward-looking statements such as projections of future profitability in their admission documents. With liability limited to cases of recklessness or dishonesty, and the burden of proof placed on investors, issuers may be more willing to provide information that could assist investors in making informed investment decisions.

IDENTITY VERIFICATION FOR PRESENTERS POSTPONED

Since 18 November 2025, the Economic Crime and Corporate Transparency Act 2023 has introduced a requirement for directors, LLP members, and persons with significant control over the company (“PSCs”) to verify their identity subject to transitional provisions.

In addition to these requirements, from Spring 2026, anyone filing documents at Companies House on behalf of a Company (‘presenters’), was expected to complete identity verification (“IDV”) unless filing through an Authorised Corporate Services Provider.

Companies House has now confirmed that this deadline has been postponed from Spring 2026 to no earlier than November 2026. The extension is intended to allow Companies House to focus on completing the IDV transition for directors and PSCs, and to provide additional time to address stakeholder feedback.

Companies House has updated the Economic Crime and Corporate Transparency Act outline transition plan accordingly.

FCA FINES AN INDIVIDUAL FOR INSIDER DEALING

Between October 2018 and January 2022 (the “Relevant Period”), Mr Gerrity traded shares in Chariot Oil & Gas Limited and Eco (Atlantic) Oil & Gas plc on four separate occasions whilst in

possession of non-public information about drilling results at exploration wells. He obtained the inside information through his consultancy role providing quality assurance and control services for wireline logging operations.

Mr Gerrity held a minority holding of 10 ordinary shares in Gaia, a private consulting firm, that provides services and technologies to companies involved in petroleum and natural gas exploration globally. Throughout the Relevant Period, Gaia entered into contracts with Dataqual (a company owned by Mr Gerrity) where it was agreed that Mr Gerrity would provide services to Gaia's clients including services for explorations.

Gaia's Code of Conduct (dated 28 January 2021 - Mr Gerrity would have been subject to equivalent policies throughout the Relevant Period) applied to all "directors, consultants, officers, employees and sub-contractors" and contained a section on the prohibition of insider trading. Mr Gerrity would have been very familiar with Gaia's Code of Conduct, not least because he was responsible for training new consultants and ensuring they understood its policies. He would also have known that similar statements warning against the unlawful use of inside information, including in relation to partner companies, were set out in the codes of conduct of Gaia's clients. For example, Tullow's All Employee Share Dealing Code expressly warned that inside information concerning partners (such as Eco) triggered the same prohibitions as Tullow's own shares. Moreover, in April 2019, Tullow personnel circulated explicit warnings that insider dealing laws applied to trading in Eco shares in the same way as Tullow shares, and that doing so "could lead to criminal charges." And on several occasions, Mr Gerrity was expressly notified that he had been added to insider lists for specific wells.

The FCA found that Mr Gerrity's had deliberately traded on the basis of inside information for his own financial gain, undermining investor confidence in the integrity of financial markets. He was aware of the regulations relating to the use of inside information through his familiarity with Gaia's Code of Conduct and would have recognised that he was in possession of inside information on each occasion - ignorance of the law is no defence. This was compounded by the fact that he was notified on multiple occasions that he has been added to insider lists for specific wells, yet he proceeded to trade regardless.

The FCA assessed this as a Level 4 seriousness case because the market abuse was committed deliberately, on multiple occasions, and in breach of a position of trust. The FCA further found that Mr Gerrity's actions on each occasion were intentional, in that he intended or foresaw that the likely or actual consequences of his actions would result in market abuse, and that he intended to benefit directly from his conduct.

Final Notice 2025: Russel Gerrity

GUIDANCE TO ASSIST LARGE COMPANIES REPORTING ON PAYMENT DATA IN DIRECTORS' REPORTS

In December 2025 we reported that the government had 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 reporting on this will be due in 2027.

The reporting obligations apply to large companies i.e. companies that exceed 2 or more of the following thresholds will not qualify as being medium-sized:

- £54 million annual turnover
- £27 million balance sheet total
- 250 employees

Where the company is a parent company, it will not qualify as medium-sized if it exceeds 2 or more of the following thresholds:

- aggregate turnover: £54 million net (or £64 million gross)
- aggregate balance sheet total: £27 million net (or £32 million gross)
- aggregate number of employees: 250

Under the new regulations, the following information must be included in the directors' report for financial years beginning on or after 1 January 2026:

- A narrative description of the company's standard payment terms, which must include:
  - the standard contractual length of time for payment of invoices to suppliers
  - any changes to the standard payment terms in the reporting period
  - how suppliers have been notified or consulted on these changes
- The average time taken to make payments in the reporting period, from the relevant day.
- The percentage of payments made within the reporting period which were paid in 30 days or fewer, between 31 and 60 days, and in 61 days or longer.
- The sum of payments made during the reporting period which were paid in 30 days or fewer, between 31 days and 60 days, and in 61 days or longer.
- The sum of payments due within the reporting period which were not paid within the agreed payment period. This figure must be reported when the financial year starts on or after 1

January 2026.

- The proportion of payments due within the reporting period which were not paid within the agreed payment period.

The government guidance helpfully provides examples of how to report based on these requirements.

THE WATES PRINCIPLES: FRC REPORTING INSIGHTS

The FRC's first reporting insights into the Wates Principles identify areas where reporting has been done well and areas where there is need for improvement. The publication explains how good reporting against the Principles can be achieved and provides examples. Areas for improvement are:

- **Principle One (Purpose and Leadership)**: Reporting is generally of low quality compared to other areas. Companies should set out their purpose and explain how it has underpinned strategic decisions as well as how information on the purpose is communicated to stakeholders.
- **Principle Two (Board Composition)**: Disclosures are often boilerplate and lack specificity. Where a company's board is influenced by a parent, companies are encouraged to provide clear and transparent disclosures about their ownership structure and include specific information about governance arrangements of the board structure at the entity level.
- **Principle Two (Non-executive directors)**: Most companies provide limited insight into their role. Companies are encouraged to disclose the key responsibilities of their non-executive directors.
- **Principle Five (Remuneration)**: Reporting is generally weaker in this area and often is presented as broad statements that remuneration is set to attract and retain the best talent. Reporting should provide insight into the rationale behind remuneration decisions and explain how this aligns with the sustainable success of the business.

Feedback from stakeholders has indicated that the Wates Principles provide a valuable corporate governance framework for large private companies. Some have highlighted the often-fragmented preparation of annual reports by different teams, which reduces the coherence of the document. Companies are encouraged to make use of cross-referencing and avoid duplication to ensure a cohesive narrative.

PRE-COMPLETION DIVIDEND WAS A TRANSACTION AT AN UNDERVALUE

TAQA Bratani Ltd & Ors v Fujairah Oil and Gas UK LLC & Ors [2025] EWCA Civ 1669

The Court of Appeal has made it clear that, when determining whether a company has entered into a transaction at an undervalue, the relevant transaction is the arrangement that the company has actually entered into – and not any wider arrangement to which it is not a party. This may make it more likely that the transaction in question is at an undervalue. The case is also a helpful reminder that a dividend can be a transaction at an undervalue.

The case concerns an oil and gas joint venture in the North Sea. The joint venture parties couldn't agree the amount they should set aside for decommissioning liabilities. In the end, one of the parties decided to sell the company that held its interest in the joint venture. The SPA provided that the company would waive all sums owed to it by the seller's group. The seller owed the company c$85m and, to eliminate that debt, the company declared a pre-completion dividend for the same amount. Also, the seller wrote-off a pension liability which it claimed would have been recharged to the company. After the sale, the company failed to settle its share of decommissioning liabilities and, within two years of the dividend, it went into liquidation.

Under section 238 of the Insolvency Act 1986, if within two years of the onset of an insolvency process, a company has 'entered into a transaction with any person at an undervalue' (i.e. it makes a gift, or receives no consideration or receives consideration that is significantly less than the consideration it has provided) - and the company was unable to pay its debts at the time or becomes unable to do so as a result of the transaction – then (on the application of the insolvency office-holder) the court can make an order to restore the position to what it would have been had the company not entered into the transaction.

The court held in this case that, on the facts:

- the relevant transaction was just the payment of the dividend (with the effect of extinguishing the debt owed to it) – because that was the only transaction that the company had entered into (and it was not a party to the SPA or the wider arrangements relating to the sale);
- the write-off of the pension liability did not amount to consideration for the dividend – as the write-off and the dividend were not in exchange for each other; and
- the potential defence – that there were reasonable grounds for believing that the transaction would benefit the company – did not apply, as the dividend benefitted only the seller and not the company.

The case has now been sent back to the commercial court for it to determine the appropriate remedy (and it was noted that, in that context, the amount of the pension write-off may be relevant, as there is a broad discretion to do justice between the parties).

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MEET THE TEAM

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