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Insights

UK CORPORATE BRIEFING SEPTEMBER 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:

PS26/16: Changes to Information Flows for UK Equity IPOs

In a significant boost for UK capital markets, the FCA has scrapped two rules that had made UK IPOs slower and more costly than those in competing jurisdictions.

FCA Inside information declaration form

A new FCA procedural requirement takes effect on 21 September 2026 that will affect every first submission of equity documents. Issuers and their advisers will need to confirm whether a submission contains inside information and, if so, explain what that information is.

Companies House delays presenter identity verification measures

Companies House has postponed the introduction of mandatory identity verification for those filing documents at Companies House to no earlier than November 2027.

Court permits derivative claim against director, without need to show financial loss
De Menezes v Alves & Ors [2026] EWHC 1906 (Ch)

The High Court has allowed a derivative claim to proceed against a director who set up a competing business, even though there was no evidence that the company had suffered any financial loss; the risk of future harm was sufficient to allow the claim to proceed.

PS26/16: Changes to Information Flows for UK Equity IPOs

The Financial Conduct Authority (FCA) has published Policy Statement PS26/16, confirming two deregulatory changes to the UK equity IPO information regime: scrapping the mandatory 7-day gap between prospectus publication and connected research, and dropping the requirement to share the same information with unconnected analysts. Both changes took effect on 5 August 2026.

What is changing

1. Removal of the 7-day waiting period. Firms will no longer be required to wait 7 days between publication of an approved registration document or prospectus and publication of connected research. The FCA expects this to reduce execution risk and reduce the length of the IPO process by 7 days for most issuers.

2. Removal of mandatory equal information sharing with unconnected analysts. Firms publishing connected IPO research will no longer be required to share the same information with unconnected analysts that they share with their own (connected) research analysts. The FCA expects this to improve the flow of information to analysts and to reduce compliance costs and administrative burden for issuers. Firms and issuers remain free to engage with unconnected analysts during an IPO process if they wish to do so, but this is no longer mandated.

Why the FCA is making these changes

The original rules were introduced in 2018 to improve the quality and availability of information during the UK equity IPO process and to address perceived risks of bias in connected research coverage. The FCA's review found these objectives have not been consistently achieved in practice: very few unconnected analyst reports have actually been published since the rules came into force, while the equal information sharing requirements and the 7-day delay have added market risk and cost for issuers without a corresponding market benefit. The FCA also considered that the existing regime made the UK an outlier relative to competing listing venues in other jurisdictions, placing UK listings at a competitive disadvantage.

Consultation feedback

Most respondents strongly supported both changes, citing the 7-day period's contribution to execution risk, the limited take-up of unconnected research under the existing regime, the compliance friction created by equal information sharing, and the UK's unfavourable position compared with other listing venues.

Areas flagged for further consideration

The FCA also sought views on two further issues, which it has not acted on in PS26/16 but will consider as part of future work:

- Whether the requirement to publish an approved registration document or prospectus before any connected research remains justified, particularly given the impact on smaller transactions.

- Whether the COBS guidance on pre-mandate issuer/analyst interactions should be relaxed, given that other international regimes are less restrictive.

Practical implications

Issuers and their advisers should note that the changes are effective from 5 August 2026. Deal teams should review internal IPO process documentation and precedent timetables to reflect the removal of the mandatory waiting period and equal information sharing requirements.

FCA Inside information declaration form

The Financial Conduct Authority (FCA) has announced a change to its Listings document submission procedures. From 21 September 2026, all first submissions of equity documents, including guidance requests, must be accompanied by a new declaration confirming whether the document contains inside information. If it does, it must explain what that information is.

The FCA has confirmed that it needs this information to apply the appropriate internal controls when reviewing the submission.

Further details will be included in the next edition of the FCA's Primary Market Bulletin, due later this summer. Clients planning equity transactions later this year should ensure that their internal processes are updated to accommodate this new requirement.

Companies House delays presenter identity verification measures

Companies House has postponed by a further year the introduction of mandatory identity verification (IDV) for individuals filing documents at Companies House ("presenters"), together with the related requirement for third-party agents to register as Authorised Corporate Service Providers (ACSPs). These measures have been delayed from November 2026 to "no earlier than November 2027", and Companies House will give at least six months' notice before they take effect.

Once in force, the presenter measures will link document delivery at Companies House to the IDV and ACSP frameworks that already apply to directors and persons with significant control. In practice, this will mean that:

- an individual wishing to file documents at Companies House on their own behalf (a non-ACSP presenter) will not be able to do so unless their identity has first been verified;
- an individual delivering documents on behalf of another individual, or on behalf of a firm, must themselves either hold IDV status, be an ACSP, or be an officer or employee of an ACSP; and
- no individual disqualified under the directors' disqualification legislation will be permitted to deliver documents to Companies House, whether on their own behalf or on behalf of another person.

Currently, presenters are not required to confirm their identity or the authority under which they act when submitting documents to the registrar; these reforms are designed to close that gap. The change was confirmed on 5 August 2026, when Companies House updated its Transition Plan for implementing the reforms under the Economic Crime and Corporate Transparency Act 2023.

Court permits derivative claim against director, without need to show financial loss

De Menezes v Alves & Ors [2026] EWHC 1906 (Ch)

The High Court has allowed a derivative claim to proceed against a director who set up a competing business, even though there was no evidence that the company had suffered any financial loss; the risk of future harm was sufficient to allow the claim to proceed.

The case relates to a joint venture company that sells high quality reproduction and bespoke furniture and has a showroom in the Design Centre Chelsea Harbour. The company was set up in 2008 by Mr De Menezes and Mr Alves, who are its only directors and shareholders. In 2022 their business relationship broke down. They openly explored other opportunities independently, which - in the case of Mr Alves - involved setting up another company to make and sell furniture, also with a showroom at Chelsea Harbour. Negotiations followed in relation to a possible buy-out of Mr Alves' share of the joint venture company, but they came to nothing. There were also discussions around the permitted scope of Mr Alves' new company's business – which was apparently intended to focus on furniture in a contemporary Brazilian style - but what, if anything, was agreed is unclear at this stage.

Mr De Menezes then brought a 'derivative claim' against Mr Alves – on the basis that he had breached his statutory director's duty to avoid a conflict of interest by setting up a competing business. A derivative claim is a claim brought by a shareholder on behalf of the company; it is the company that has the claim (in this case, for the breach of duty owed to it), not the shareholder. It is usually made where the company itself won't or can't make the claim – because the alleged wrongdoer controls the board or, as in this case, the board is deadlocked. However, because of the potential for abuse, derivative claims are subject to a number of requirements under the Companies Act 2006 and are closely controlled by the courts. This judgment allows Mr Alves' claim to proceed – and, pending a later hearing to determine the substance of the claim, the judge required the parties to agree appropriate undertakings which would restrain Mr Alves from selling classic European-style or bespoke furniture and from making any use of commercial confidential data, information or designs he has access to as a director of the company.

Two aspects of the judgment are worth noting. First, the judge rejected the argument that a derivative claim could only be brought where the company had already suffered loss. That argument had been based on a Court of Appeal decision which had stated that "if the company had not suffered harm of some kind… it would be impossible to establish that the company had a bona fide claim…". But in that case, actual loss had been suffered and the issue being considered was whether it had been suffered by the company (which needs to be the case) or only the shareholders. That case was not authority for the proposition that a company must have already suffered loss for the claim to proceed - and it would be strange if that were the case, as it would mean that a shareholder would have to wait for harm to be done (whereas if the company had made the claim itself, it could take steps to protect itself from harm). What's more, the drafting of the Companies Act supported this view – as it permits a derivative claim to be made in relation to 'an actual or proposed act or omission'. So, the claim could proceed even though there was not yet any evidence of loss (because the new business had only been trading for a matter of months). Secondly, the judge rejected the argument that the claim was being made for an improper collateral purpose – to pressure Mr Alves to agree to sell his shares – or that the true nature of Mr De Menezes' claim was an 'unfair prejudice' petition (i.e. a claim under s994 of the Companies Act 2006 that the affairs of the company were being conducted in a way that was unfairly prejudicial to him). The fact that Mr De Menezes might prefer to buy out Mr Alves – or for him to resign as a director – did not mean that his claim to restrain him from competing with the company was made in bad faith. And, although an unfair prejudice claim could be made, the judge thought that the real substance of the claim was not an internal management dispute, but whether Mr Alves was abusing his position as a director of the company by running a competing business.

Overall, the decision highlights how a derivative claim may play a role in the context of a shareholder dispute and pre-emptively protect a company from harm.

Related Capabilities

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Meet The Team

Benjamin Lee

Partner and Global Practice Group Leader – Corporate Transactions, London

benjamin.lee@bclplaw.com
+44 (0) 20 3400 4260

Tessa Hastie

Lead Knowledge & Innovation Counsel, London

tessa.hastie@bclplaw.com
+44 (0) 20 3400 4516

Theodore Jones

Lead Knowledge & Innovation Counsel, London

theo.jones@bclplaw.com
[+44 (0) 20 3400 2283](tel:+442034002283)
