

Insights

UK CORPORATE BRIEFING OCTOBER 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:

Government consultation on modernizing corporate reporting

The UK government has launched a consultation on a major overhaul of the corporate reporting framework, aiming to refocus annual reports on financially material information for investors and creditors, with responses due by 30 November 2026.

FRC publishes Annual Review of Corporate Reporting

The Financial Reporting Council (FRC) has published its [Annual Review of Corporate Reporting](#), reviewing the quality of corporate reporting by FTSE 350 and other companies in 2025/26.

FCA Primary Market Bulletin 65

FCA Primary Market Bulletin 65 addresses concerns about potentially misleading regulatory announcements, evolving sponsor due diligence practices, delayed disclosure of inside information themes, and the new simplified inside information declaration form.

FCA Primary Market Bulletin 66

FCA Primary Market Bulletin 66 sets out, amongst other things, the FCA's recent thinking on when a cyber incident triggers disclosure obligations for issuers under the Market Abuse Regulation (MAR).

LSE publishes 2027 Dividend Procedure Timetable

LSE publishes 2027 Dividend Procedure Timetable, confirming the UK's move to T+1 settlement from 11 October 2027 and its impact on dividend timetables.

Directors warned to verify identities with Companies House following first prosecutions

The Insolvency Service has secured its first three convictions under the Economic Crime and Corporate Transparency Act 2023 for directors' failure to complete Companies House identity verification, highlighting the need for prompt compliance.

FRC publishes 'Provision 29 Mythbuster: Focus on Cyber'

FRC cyber mythbuster clarifies that Provision 29 declarations should address the board's assurance process, not disclose sensitive technical detail.

Supreme Court upholds contractual right to loss of bargain damages

Great Asia Maritime Limited v Orion Shipping and Trading LLC [2026] UKSC 23

The Supreme Court has clarified that 'loss of bargain' damages can be recovered under a contractual right of termination where the contract provides for them.

Holding AGMs: lessons to learn from a recent case

MILFAM LLC v Morrow and ors [2026] CIGC (FSD) 54

A recent Cayman Islands' case has flagged some lessons to learn around the conduct of AGMs.

Government consultation on modernizing corporate reporting

The government has published a consultation setting out what it describes as a once-in-a-generation overhaul of the UK's corporate reporting framework. The proposals are wide-ranging and ambitious. A central theme is a reaffirmation that the annual report and accounts should primarily serve investors and creditors, with a decisive shift away from lengthy "tick-box" disclosures towards reporting focused on financially material information. Companies could ultimately produce shorter and more tailored annual reports, but boards may need to exercise considerably more judgement about what is material and what can legitimately be omitted.

Responses are due by 30 November 2026, and the government aims to publish a consultation outcome within six months (mid 2027).

See our [full insight](#).

FRC publishes Annual Review of Corporate Reporting

In summary:

- Reviews of FTSE 350 companies in 2025/26 indicate that the quality of corporate reporting in this category has been maintained.

- There is some evidence of a reduction in the gap in quality between FTSE 350 and other companies.
- A lower proportion of reviews resulted in substantive enquiry letters and restatements for the second consecutive year.
- The top three matters raised most frequently with companies were cash flow statements, financial instruments, and impairment of assets.
- Cash flow statements remain the most common issue to result in restatement.

Looking ahead, section 4 of the report sets out the FRC's key expectations for annual reports and accounts. Building on these findings, companies must ensure that:

- robust review processes to identify common technical compliance issues are in place;
- reporting is presented as consistent, coherent and understandable;
- accounting policies disclosed are sufficiently company-specific;
- the strategic report includes a fair, balanced and comprehensive review of the company's development, position, performance and future prospects;
- relevant findings from [thematic review reports](#) are considered; and
- effective oversight and control is maintained when AI is used in the corporate reporting process.

Companies should also prepare for:

- forthcoming reporting developments. In particular, Provision 29 of the UK Corporate Governance Code requires a board declaration on the effectiveness of material internal controls for periods beginning on or after 1 January 2026 – [see our briefing on the FRC mythbuster](#); and
- the wider use of AI in the reporting process. The FRC will continue to monitor the extent to which AI is used in preparing reports and accounts and whether this affects reporting quality. When using AI, preparers should remember that companies, and their directors, remain accountable for their reports and accounts.

FCA Primary Market Bulletin 65

The FCA has published [Primary Market Bulletin 65](#). This edition focuses on four areas of particular relevance to listed issuers and sponsors: the FCA's concerns about potentially misleading statements in regulatory announcements; its review of how sponsors are approaching specialist

due diligence; ongoing themes from its review of delayed disclosure of inside information notifications; and a new simplified inside information declaration form.

Regulatory announcements

The FCA has identified a growing trend of potentially misleading statements by issuers in regulatory announcements that contain language which is vague, exaggerated and flamboyant. In some cases, announcements appear to contain or resemble marketing material rather than regulated information. In some of the FCA's recent enquiries, concerns have grown because:

- issuers have released regulatory announcements more frequently than appears justified by their content;
- announcements are marked as containing inside information when they almost certainly do not; and/or
- the announcements are released against a backdrop of very significant spikes in the issuers' share price.

Examples of statements that have raised concerns include: an issuer providing unnecessary minor updates regarding previously announced commercial agreements; an issuer providing repeated updates on possibly favorable macroeconomic and political conditions already in the public domain; and an issuer claiming support from a public figure based solely on a passing and immaterial comment.

Issuers are reminded that they should have adequate systems and controls to create and disseminate compliant regulatory announcements which avoid the creation of false markets.

Review of sponsor specialist due diligence for ESCC admissions

The FCA reviewed how sponsors use expert reports (long form, working capital and FPPP reports) to support due diligence on new admissions to the Equity Shares (Commercial Companies) category since the Listing Rules reforms in July 2024. It found that sponsors have been moving away from a uniform, 'off the shelf' approach to expert reporting, and are instead adopting more tailored and proportionate approaches. This includes a shift away from long form reporting and emerging flexibility in approaches to FPPP and working capital.

However, established practices of commissioning full reports continued for many transactions, particularly for complex issuers or where risk was heightened. The FCA reminds sponsors of its guidance in [Primary Market Technical Note 722](#) to take an active role in determining the nature and extent of expert reporting specific to each transaction, and to clearly document the rationale for their decisions.

Delayed disclosure of inside information (DDII)

As part of its ongoing work on delayed disclosure, the FCA continues to review DDII notifications.

Where extended or unusual delays arose, they were mainly caused by: (1) incorrect classification of inside information and (2) issues arising from ongoing assessments of the inside information, or sometimes a lack of such assessment.

Key themes included:

- Blanket classification: some issuers automatically treated advanced financial reporting information as inside information until publication, regardless of whether it diverged from market consensus – this is contrary to FCA guidance ([Primary Market/TN/506.3](#)) requiring an ongoing and case-by-case assessment.
- Failure to re-assess: some issuers did not revisit their classification during a prolonged delay, even as facts developed or price sensitivity diminished.
- Misunderstanding of the concept: in one case, an issuer wrongly assumed that creating a closed period for reporting purposes meant inside information existed.

The FCA will continue to monitor DDII notifications and may issue further updates.

New inside information declaration form

The FCA has introduced a new, simplified [inside information declaration form](#) for documents submitted for review via its Electronic Submission System (ESS), to allow it to identify more efficiently whether a submission contains inside information and apply the correct internal handling controls.

This applies to all new equity cases (including guidance requests) submitted via ESS from Monday 21 September 2026; the form must accompany the first submission of documents and must state whether the submission contains inside information (with details if so). The FCA will not allocate a case for review without it.

FCA Primary Market Bulletin 66

The FCA has published [Primary Market Bulletin 66](#). Alongside a number of Knowledge Base and Technical Note updates, this edition sets out the FCA's observations from discussions with issuers and advisers on how disclosure obligations under MAR apply to cyber incidents. The key points are:

- Initial assessment and disclosure - not every cyber incident amounts to inside information, and the FCA expects issuers to assess this on a case-by-case basis, though it may be prudent to start from the assumption that a cyber incident could be inside information. The test is whether, when the issuer first becomes aware of the incident, the information meets the

definition of inside information in MAR. Relevant factors include the scale and nature of the incident (for example, whether sensitive client, customer or commercial data has been compromised), the reputational impact, and any actual or anticipated disruption to the issuer's operations or financial position. Where the information does meet the threshold, the issuer must disclose it as soon as possible, unless it can delay disclosure (see below). DTR 2.2.9G(2) does give issuers a short window to clarify the facts, scale and immediate impact of an incident before that disclosure obligation bites. If the incident affects the issuer's ability to interact with customers or clients, or prompts proactive or reactive communications, the issuer should separately consider its disclosure obligations, including whether a holding announcement is needed if there is a danger of a leak. This may be relevant for retail-facing issuers whose online or payment channels are affected. The same analysis applies where an issuer discovers a historic compromise with no ongoing threat, it should assess whether that information is currently inside information and, if so, whether disclosure can be delayed.

- Delaying disclosure – under MAR, an issuer may delay disclosure if various conditions are met. This is most likely to be relevant where the issuer is negotiating with the attackers and immediate disclosure would undermine those negotiations, or where the issuer has identified vulnerabilities in its cyber defenses (even without an active incident) and disclosing them could itself invite attack. Delay is only available for as long as the issuer can ensure confidentiality. Since an attacker will typically hold the same information, the issuer needs to keep this under continual review taking into account, for example, the attacker's identity and the likelihood that the attacker will publicise it. Once confidentiality can no longer be ensured, the issuer must disclose the information to the public as soon as possible.
- Subsequent disclosures – issuers should keep the position under continuous review. If an incident is ongoing and new information comes to light, then inside information may arise. Even after an incident has been resolved, inside information may arise where there is a material impact on the issuer's financial position. As [Technical Note 521.4 \(PDF\)](#) makes clear, an issuer cannot justify non-disclosure by offsetting negative news against (anticipated) positive news.
- Sharing inside information with government departments, law enforcement and regulators – issuers may need, or choose, to share knowledge of a cyber incident with government departments, law enforcement, regulatory or crime agencies. Where it is inside information, the issuer needs to satisfy itself that sharing it is lawful under MAR i.e. that disclosure is necessary and made in the normal exercise of an employment, profession or duty. The following points are relevant to that assessment:
 - Under MAR 1.4.3G of the FCA's Market Conduct Sourcebook, sharing inside information with a government department, the Bank of England, the Competition Commission, the Takeover Panel or another regulatory body or authority whether to meet a legal or regulatory

obligation, or otherwise in connection with that body's functions does not indicate unlawful disclosure;

- DTR 2.5.7G similarly recognizes that, depending on the circumstances, an issuer may be justified in disclosing inside information to certain recipients including a government department, the Bank of England, the Competition Commission or another statutory or regulatory body or authority provided the recipient is bound by a duty of confidentiality; and
- Article 17(8) of MAR provides that where an issuer discloses inside information to a third party in the normal exercise of an employment, profession or duty under Article 10(1), it must make complete and effective public disclosure of that information, simultaneously if the disclosure was intentional, or promptly if it was not. This does not apply where the recipient owes a duty of confidentiality, whether arising under statute, regulation, a company's articles of association, or contract.

Sharing inside information about a cyber incident with the National Cyber Security Centre (NCSC) is likely to support a finding that the issuer is acting in the normal exercise of its employment, profession or duties, given the NCSC's role in safeguarding UK critical systems and responding to incidents. Where issuers do share inside information, they should tell recipients that the information is or may be inside information, that it must be kept confidential, and that recipients should be alive to their own obligations under MAR. It is also good practice to keep a record of what was disclosed, whether it was treated as inside information, and the basis for disclosing it under MAR.

LSE publishes 2027 Dividend Procedure Timetable

The London Stock Exchange plc's (the "Exchange") [Dividend Procedure Timetable for 2027](#) covers the same content as [last year](#) save that the UK will now move to a T+1 settlement cycle from 11th October 2027. While Record Dates will remain unchanged, from 11th October associated Ex Dividend dates and the Record Date will fall on the same business day. The first Ex Dividend date on this basis will be 22nd October 2027, and any Dividend amounts must be available prior to this date. Securities will not be marked Ex Dividend between 4th October to 18th October 2027 – this is to allow the market to transition to the new Settlement cycle. As a reminder, advance notice of the election date for Dividends with Options now must be given, with the election date falling at least ten business days after the record date.

The Exchange expects Issuers to be aware of this transition, and to plan accordingly.

Directors warned to verify identities with Companies House following first prosecutions

The Insolvency Service has secured its first three convictions for failure to comply with the identity verification requirements. The case is a reminder that directors should complete **identity verification** without delay.

The requirement stems from the Economic Crime and Corporate Transparency Act 2023, which strengthened Companies House powers to improve the accuracy of the company register and tackle the misuse of UK companies for criminal purposes. Since 18th November 2025, new directors must verify their identity before acting, and existing directors must verify their identity during the 12-month transition period, when filing the company's next confirmation statement.

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As a reminder:

- individuals who become a director (of a UK company or a UK establishment of an overseas company) must complete identity verification before their appointment is notified to Companies House; and
- individuals who are directors before 18 November 2025 will need to provide their Companies House personal code as part of the company's next confirmation statement.

Identity verification can be completed in one of two ways:

- directly with Companies House using the [GOV.UK One Login service](#) (using the GOV.UK One Login Check App, Web Channel or Face to Face service); or
- using an ACSP (Authorised Corporate Services Provider) that provides IDV services.

Companies House has postponed by a further year the introduction of mandatory identity verification for individuals filing documents at Companies House.

FRC publishes 'Provision 29 Mythbuster: Focus on Cyber'

The FRC has published a [cyber-focused mythbuster](#) clarifying how companies should report on cyber security under Provision 29 of the UK Corporate Governance Code 2024, responding to concerns that such reporting could disclose commercially sensitive or security-undermining

information. It sits alongside the FRC's general [Provision 29 mythbuster](#) and its [mythbuster on the auditors' responsibilities](#) under Provision 29, which companies should also consult.

Provision 29 requires an annual board declaration on the effectiveness of material controls as at the balance sheet date, applying from financial years beginning on or after 1 January 2026 (first appearing in 2027 annual reports). Cyber is likely to be one of the material controls many companies identify.

Key clarifications:

- Declarations should focus on the board's assurance process and outcome, not commercially sensitive or technical control detail.
- No guarantee of total cyber security is required or implied; a point-in-time effectiveness finding doesn't mean risk is eliminated.
- Not every cyber breach needs reporting – only where it shows a material control failed as at the balance sheet date.
- The FRC signposts the government's Cyber Governance Code of Practice, training and toolkit as reference points for boards.

Supreme Court upholds contractual right to loss of bargain damages

Great Asia Maritime Limited v Orion Shipping and Trading LLC [2026] UKSC 23

The case concerns an industry standard form contract to provide a ship. The contract was terminated by the buyer after the ship wasn't delivered on time. The buyer claimed \$1.85m 'loss of bargain' damages – i.e. the difference between the contract price of \$15m and what it would now cost the buyer to buy an equivalent ship, \$16.85m.

Before this case, it had been understood that loss of bargain damages were only available for a 'repudiatory breach' – i.e. where a party exercises a common law right to terminate because of a breach that deprives it of "substantially the whole benefit" it should have obtained (rather than where it exercises a right to terminate provided for in the contract itself). However, in this case a right to terminate in the contract was exercised in circumstances (negligence by the seller) where the contract also provided that the seller "shall make due compensation to the Buyer for their loss and for all expenses together with interest".

The Supreme Court held that this wording enabled the buyer to recover loss of bargain damages (even though they would not ordinarily be recoverable at common law, as there had been no repudiatory breach). Various reasons were given for this – including the fact that, in the light of previous decisions relating to this standard form contract, there was an understanding that loss of

bargain damages could be recovered (and certainty, predictability and consistency in the interpretation of industry-wide standard form contracts was important); and to decide otherwise might lead sellers to delay performance so that the buyer would terminate, leaving the seller free, in a rising market, to sell at a higher price - or lead buyers to delay terminating in the hope of a repudiatory breach, risking losing or waiving a contractual right of termination in the meantime: this was not a sensible commercial outcome.

This decision may well encourage buyers to provide for compensation rights in their contracts.

Holding AGMs: lessons to learn from a recent case

MILFAM LLC v Morrow and ors [2026] CIGC (FSD) 54

The case concerns a battle to control Scully Royalty Ltd, a Cayman company listed on the New York Stock Exchange. The board had given notice of an AGM to re-elect the incumbent directors. A substantial shareholder, MILFAM LLC, then gave a notice, pursuant to a right in the articles, putting forward five candidates of its own. The validity of that notice was questioned by the board and resulted in legal proceedings. To allow those proceedings to conclude, the board purported to postpone the AGM - but a representative of the shareholder, who was also a proxy for other shareholders, went ahead with the meeting, purporting to appoint himself as chair and pass resolutions removing the incumbent directors and appointing the five new candidates.

The court held that:

1. The directors had no inherent power to postpone the AGM – and the articles didn't include an express power (this was despite the articles containing a broadly drafted power of the directors to manage - and a reference to “adjournment or postponement” in the context of the timing of director nomination notices: a reference in an administrative provision like this was insufficient to give rise to a power). So, the adjournment was ineffective.
2. The shareholder had no right to appoint a chair, as the articles only gave that right to the board. So, the business purported to be transacted was invalid.
3. The right in the articles to nominate candidates to the board incorporated the general common law requirement that proxy materials used to solicit shareholder votes must provide shareholders with sufficient information to make an informed decision. That requirement had not been met in relation to nominees who had a material relationship with the shareholder that had not been adequately disclosed. So, those notices were invalid (and were not saved by a subsequent press release).

The judgment provides useful guidance as to how English courts would approach these issues - and will help parties understand the applicable rights/requirements in relation to the conduct of AGMs.

Related capabilities

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