

May 2026

Follow us on [LinkedIn](#)

UK Equity Capital Markets Insights — May 2026

By [Dan Hirschovits](#), [James Lansdown](#) and [James Waite](#)

In this edition of *UK Equity Capital Markets Insights*, we cover the FCA's:

- [Consultation on changes to IPO research rules.](#)
- [Latest primary market bulletins.](#)
- [Findings on market soundings in UK equity capital markets transactions.](#)
- [Latest handbook notice.](#)

FCA Consults on Changes to IPO Research Rules

On 27 April, the FCA published Consultation Paper CP26/14 (CP 26/14) regarding proposed changes to research analyst information flows on UK equity IPOs on the London Stock Exchange (LSE) Main Market.

Under the current regime relating to IPO research, introduced in 2018, “connected analysts” (i.e., research analysts connected to the investment banking syndicate mandated on the IPO) may only publish research if “unconnected analysts” (i.e., analysts who are not “connected” analysts) are provided with access to equivalent information and, if the unconnected analysts are not briefed at the same time as connected analysts, at least seven days has passed since the issuer has published an FCA-approved registration document or prospectus. In practice, this requirement extends IPO timelines in the UK by at least that seven-day window. It is rare that unconnected research is published on UK IPOs.

As the regime has not delivered on the objective of increasing the production of independent research on IPOs and instead has led to materially longer timelines than those in other jurisdictions for UK IPOs, the FCA proposes to remove:

- The seven-day waiting period between publication of an FCA-approved registration document or prospectus and connected research.
- The prohibition on communication between connected analysts and IPO issuers unless unconnected analysts are identified and equivalent information is provided.

The FCA does not currently propose to amend the requirement that connected research may only be published after publication of an FCA-approved prospectus or registration document (although see further below).

The FCA notes that these rule changes will not prevent unconnected analysts from requesting information from IPO issuers and producing research. Analysts may negotiate terms on a commercial basis, as was the case prior to 2018 (with current industry guidelines likely providing a useful template).

CP 26/14 also seeks industry views on two potential further areas for reform:

- **Timing of the registration document** — As noted above, the FCA is not currently proposing to amend the requirement that an FCA-approved prospectus or registration document is published before or at the same time as connected research is published, as it considers this is beneficial to IPO processes. However, the FCA seeks input from industry on support for this view or whether other alternative options should be considered.
- **Pre-mandate analyst/issuer communications** — The FCA's rules currently limit the involvement of research analysts in pre-mandate communications (i.e., pitches) to avoid issues of potential bias/impacts to objectivity. However, the FCA notes that analyst involvement in certain pre-IPO activities may in some cases be beneficial given analyst expertise and that the FCA's rules may be stricter than the requirements in the US and the EU. The FCA seeks input on whether its current rules restricting pre-mandate research analyst/issuer communications are still appropriate, or whether amendments or other alternative options should be considered.

Responses to the matters set out in CP 26/14 should be provided by 29 May 2026.

FCA Publishes Primary Market Bulletin 62

On 8 April, the FCA published [Primary Market Bulletin \(PMB\) 62](#), its newsletter for primary market participants, principally focusing on the regulator's recent enforcement action in relation to Carillion plc.

Carillion Enforcement Findings

PMB 62 highlights the FCA's final notices issued to Carillion plc and three former executive directors, following the regulator's conclusion that a series of market announcements made between December 2016 and July 2017 were misleading. The FCA determined that the company presented an unjustifiably positive view of its financial performance prospects despite internal information including significant deterioration in the underlying business.

The FCA's findings emphasise several relevant themes for issuers:

- **Disclosure governance and director accountability** — The FCA concluded that the directors "ought to have known" that the announcements were misleading for the purposes of Article 12(1)(c) EU Market Abuse Regulation (MAR). PMB 62 underlines that directors are expected to interrogate internal financial information, challenge management assumptions and ensure that market disclosures reflect a balanced and accurate picture of performance.
- **Contract accounting judgements and internal reporting** — A key feature of the case was the treatment of major construction contracts and the adequacy of internal reporting around emerging losses. The FCA found that Carillion's systems and controls did not ensure that material contract risks were escalated or reflected appropriately in external disclosures. The bulletin reiterates that issuers must maintain robust processes for assessing judgment-based accounting positions, particularly if they underpin forward-looking statements.
- **Systems, control and culture** — The FCA expressed the view that Carillion did not have a culture of effective challenge or transparent escalation of adverse information. The regulator emphasises that disclosure obligations cannot be met without a culture that enables candid reporting and a governance framework capable of identifying and addressing deteriorating financial conditions.

- **Sanctions** — Carillion received a public censure, rather than a financial penalty, due to its insolvency; were it not for its insolvency, the FCA would have levied a fine of £37,910,00 on the company. The three former directors received individual fines amounting to £237,700 for the former chief executive officer and £232,800 and £138,900 for two former group finance directors. The FCA made it clear that it will continue to pursue individuals if disclosure failures stem from inadequate oversight or insufficient scrutiny of internal information.

The bulletin highlights the Carillion case as a reference point for the FCA's ongoing supervisory focus on disclosure quality, the reliability of internal reporting frameworks and the role of directors in ensuring that market statements are fair, balanced and not misleading.

Other Updates

PMB 62 also covers the FCA's observations on market-conduct risks affecting small-cap issuers, particularly related to fake investor takeover approaches or "pump and dump" schemes involving the issue of large numbers of warrants; its review of sponsor work on modified transfers from the Main Market's "Transition" category to the "Equity Shares: Commercial Companies" category; and ongoing consultation on clarificatory amendments to the PRM Rules (for more information on this consultation, see the [April](#) edition of this newsletter).

FCA Publishes Primary Market Bulletin 63

On 27 April, the FCA published [PMB 63](#), its latest newsletter for primary market participants, focusing on updates to various FCA rules and technical guidance.

As described in the [February](#) edition of this newsletter, the FCA consulted previously with market participants regarding proposed updates to its guidance on the preparation of working capital statements in prospectuses (Primary Market/TN/619.2). The FCA noted that there had been broad support to permit issuers to include "uncommitted" facilities in their working capital calculations in certain circumstances. However, industry stakeholders raised concerns that the FCA's proposed new guidelines did not permit issuers to disclose when they had taken financing under such facilities into account while calculating working capital for the purpose of a clean working capital statement. This lack of transparency could lead to inconsistencies between the working capital and going concern disclosures. PMB 63 notes the FCA's subsequent engagement with industry participants highlighted the following:

- The purpose of the working capital statement is to provide transparency about an issuer's capital/liquidity needs in the context of a specific transaction. Aligning working capital disclosures with going concern disclosures is therefore a fundamental change in how these disclosures are considered.
- Alignment with an issuer's going concern disclosures could be achieved by ensuring that the FCA guidelines permit disclosure if uncommitted facilities have been relied on as part of an issuer's working capital calculations (feedback indicated that this was the main issue the FCA's guidelines should address).
- FCA guidance should continue to direct issuers to use clear language in their working capital disclosures to ensure that investors are able to make financial decisions with certainty.

The FCA therefore proposed a revised set of working capital disclosure guidelines in TN/619.2 addressing the above feedback for consultation. These new guidelines include guidance on the basis of preparation disclosures (Guideline 33.1) and guidance on the circumstances in which issuers may take into account financing under "uncommitted" facilities in their working capital calculations (Guideline 33.2). The proposed new guidelines aim to provide flexibility so that a clean working capital statement may be given when a judgement can be made that it is appropriate to rely on uncommitted facilities. In doing so, disclosure should be provided. By allowing this narrow exception to disclose a significant financing assumption, issuers may avoid the costs of obtaining committed financing solely for the purpose of giving a clean working capital statement.

PMB 63 also summarises various minor changes to the UK Listing Rules and PRM Rules consulted on since September 2025. It also finalises the FCA's revised technical note on sponsor recordkeeping (TN/717.3) proposed in PMB 61. The FCA also confirmed in PMB 63 that it is pausing its policy work on climate-related disclosures for specialist issuers (e.g., mineral companies) while the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) produced by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia is updated.

FCA Publishes Findings on Market Soundings in UK Equity Capital Markets Transactions in UK Listed Shares

On 20 April, the FCA published the [findings](#) of its multi-firm review into market soundings under the UK Market Abuse Regulation (UK MAR), undertaken by wholesale banks in UK equity capital markets when gauging investor interest in capital raising transactions. The review assessed 63 transactions between 2023 and 2025, with a particular focus on accelerated bookbuilds (ABBs).

The FCA's findings included:

- **Sounding widely used and generally well-targeted** — Around 90% of transactions involved market soundings, with high acceptance rates from investors. Banks typically approached investors with a credible likelihood of participating.
- **No evidence of market abuse or information leakage** — The FCA found no unusual pre-announcement trading or deterioration in spreads or pricing. Trading volumes did fall modestly during sounding periods but without signs of misuse of information.
- **Governance frameworks broadly effective** — Banks demonstrated structured processes, with syndicate teams leading soundings and compliance and legal functions providing oversight. Issues identified were minor and largely related to recordkeeping.
- **Mature investor controls** — Market sounding recipients reported clear gatekeeping, inside list management and consistent application of trading restrictions.

The FCA encourages banks to continue refining their approach, particularly around the scale of soundings and the clarity of communications with investors. The regulator is also considering industry feedback on potential future reforms to Article 11 of UK MAR.

FCA Publishes Handbook Notice 140

On 24 April, the FCA published [Handbook Notice 140](#) (the Notice), which sets out amendments to the FCA Handbook and other material published by the FCA. The amendments all came into force on 24 April. Of relevance to listed issuers, the changes described in the Notice include:

- **Streamlining the listing application process** — As consulted upon in December 2025, the FCA has simplified and streamlined the listing application process for listed companies. Further issuances of securities already listed in the FCA's Official List will become automatically listed upon issue, without the issuer needing to submit a further listing application to the FCA. The issuer will still, however, need to apply to the London Stock Exchange (LSE) for such securities to be admitted to trading pursuant to the LSE's Admission and Disclosure Standards.
- **Announcements upon new issues** — As consulted upon in March 2026 (see the [March](#) and [April](#) editions of this newsletter for more information), the FCA has removed the requirement on listed issuers to notify the market as soon as possible of the results of any new issue of securities or any public offer of existing securities. This change removes the potential overlap with the new requirement that issuers notify admissions to trading within 60 days of securities being allotted.

UK Equity Capital Markets Insights is a newsletter from Paul Hastings on legal and regulatory developments affecting UK-listed companies and capital markets participants. Sign up [here](#) to receive this and other regular updates and invitations from our Equity Capital Markets team.



If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings London lawyers:

Dan Hirschovits
+44-20-3986-1215

danhirschovits@paulhastings.com

James Lansdown
+44-20-3986-1258

jameslansdown@paulhastings.com

James Waite
+44-20-3023-5144

jameswaite@paulhastings.com

Paul Hastings LLP

Stay Current is published solely for the interests of friends and clients of Paul Hastings LLP and should in no way be relied upon or construed as legal advice. The views expressed in this publication reflect those of the authors and not necessarily the views of Paul Hastings. For specific information on recent developments or particular factual situations, the opinion of legal counsel should be sought. These materials may be considered ATTORNEY ADVERTISING in some jurisdictions. Paul Hastings is a limited liability partnership. Copyright © 2026 Paul Hastings LLP.