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## Recurrent Publications

# UK Equity Capital Markets Insights — April 2026

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In this edition of *UK Equity Capital Markets Insights*, we cover the following developments:

- FTSE Russell's updated FTSE UK Series rules.
- Amendments to FCA rules on notification deadlines for security buybacks.
- FCA's plan to review the Listing Rules for investment entities.
- FCA's imposition of a fine for publishing misleading information.
- FCA's Quarterly Consultation Paper 51.
- FCA's amendments to the PRM Rules.
- The Parker Review's 2026 annual report.
- FRC's updated guidance on reporting under the Corporate Governance Code.

### **FTSE Russell Announces Change to FTSE UK Index Series Inclusion Criteria**

On 26 March, FTSE Russell [announced](#) a change in its inclusion criteria for its FTSE UK Index Series to align the minimum free float requirement for both UK incorporated and non-UK incorporated companies. The announcement follows consultation on the subject launched in January (for more information, see the [February](#) edition of this newsletter).

With effect from the June 2026 index review, both UK and non-UK incorporated companies with a minimum free float of 10% (down from 25% for non-UK incorporated companies) will be eligible for inclusion to the FTSE UK Index Series, subject to satisfying all other inclusion criteria.

The FTSE UK Index Series Ground Rules will be updated accordingly in due course.

### **FCA Publishes Amendments to Notification Deadlines for Buybacks of Own Securities**

On 27 February, the FCA published the [UK Listing Rules \(Notification of Purchases\) Instrument](#) (the Instrument) and [Handbook Notice 138](#) (Handbook Notice 138). Handbook Notice 138 provides feedback following the consultation on the draft Instrument in September 2025 (for further information, see the [October](#) edition of this newsletter). The Instrument came into force on 27 February 2026.

The Instrument amends UK Listing Rule 9 relating to buybacks by listed commercial companies of their own securities. In particular, the Instrument:

- Extends the deadline in UKLR 9.6.6R for the notification of purchases of own equity shares by or on behalf of the company or any other member of its group (as proposed in the consultation) to the end of the seventh daily market session following the date of execution of such purchase. This timing now aligns the notification timing requirement in the UK Listing Rules with the assimilated version of the EU Buy-back and Stabilisation Regulation, removing duplicative regulation.
- Amends the deadline in UKLR 9.7.3R for the notification of purchases, early redemptions and cancellations of a company's own securities that are convertible into the class of listed equity securities (where such purchases, early redemptions or cancellations exceed 10% in aggregate of the amount of the convertible security and then 5% in aggregate thereafter) to follow the change to UKLR 9.6.6R as closely as possible. The deadline under this rule is now the end of the seventh business day following the date on which the relevant threshold is reached or exceeded.

The FCA has not changed the content of the UKLR 9.6.6R notification or introduced a definition of, or guidance on the interpretation of, "daily market sessions" at this stage but may consider this in the future.

### **FCA Announces Intention to Review Listing Rules for Investment Entities**

On 3 March, the FCA published a [statement](#) confirming its intention to review the UK Listing Rules applicable to specific types of investment entities, following stakeholder feedback that such rules may be unduly restrictive. The FCA will also conduct targeted work to assess how its rules, in the context of company law, ensure that boards support strong shareholder rights and engagement and manage conflicts of interests.

The FCA intends to set out its proposals in a consultation paper and to complete work by the end of 2026.

### **FCA Fines John Wood Group for Publishing Misleading Information in Financial Results**

On 4 March, the FCA published a [final notice](#) in relation to its investigation into John Wood Group (Wood Group), imposing a penalty of £12,993,700 on the company for publishing inaccurate information in announcements relating to its financial results for 2022, 2024 and H1 2024. The FCA said the company's actions violated UK Listing Rule 1.3.3R (misleading information must not be published) and Listing Principle 1 (a listed company must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations).

The FCA noted that a 30% discount was applied to the fine because Wood Group cooperated fully with the FCA and accepted its findings.

### **FCA Publishes Quarterly Consultation Paper 51**

On 6 March, the FCA published [Quarterly Consultation Paper 51](#) (CP26/8), which consults on miscellaneous amendments to the FCA's rules. In CP26/8, amongst other things, the FCA has proposed various amendments to the Prospectus Rules: Admissions to Trading on a Regulated Market sourcebook (PRM Rules) and the UK Listing Rules (UKLRs), including:

- Amending PRM Rule 1.4.12R to clarify that the exemption from the requirement to produce a prospectus where an issue of securities is made to existing or former employees or directors is not available if the issuer intends for such securities to be placed with a third party to raise funds or satisfy an obligation for the benefit of the issuer.
- Clarifying that the content-specific statements accompanying a "protected forward looking statement" (PFLS) (for more information on the PFLS regime, see our client alert [here](#)) required by PRM Rule 8.2.3R does not need to be repeated each time the PFLS appears, so

long as it appears immediately adjacent to at least one instance of the PFLS (with the reader of the document directed to the content-specific content each other time the PFLS appears).

- Clarifying that the requirement in PRM Rule 9.2.5R to publish a prospectus at least three working days before the end of the offer period in the case of an IPO only applies if the IPO involves retail participation.
- Deleting UKLR 6.4.4R(4), which requires issuers to notify new admissions to trading of their securities “as soon as possible”, and the rule in UKLR 6.4.5R which allows for notifications under UKLR 6.4.4R(4) to be delayed in certain circumstances, to remove duplicative and contradictory regulation as signaled by the FCA in its announcement of 19 February (see the [March](#) edition of this newsletter for more information). UKLR 1.6.4R would be retained, which requires issuers to notify admissions to trading within 60 days of allotment.

Comments on the consultation were requested by 23 March 2026 (for the changes to the UKLRs) and by 20 April 2026 (for the changes to the PRM Rules).

### **FCA Publishes Updates to PRM Rules**

On 27 March, the FCA published [Handbook Notice 139](#), which sets out amendments to the PRM Rules that were consulted upon in December 2025 (Handbook Notice 139). The two substantive changes made to the PRM Rules pursuant to Handbook Notice 139 are to:

- Broaden the population of information that can be forward incorporated by reference (incorporating information that has not yet been published) in a base prospectus. This change is consistent with the FCA’s policy intent when preparing the PRM Rules, which is to enable future financial information that is subject to periodic reporting to be incorporated by reference so that issuers are not required to prepare a supplementary prospectus.
- Create a requirement for announcements of admission to trading of transferable securities to be submitted to the FCA’s National Storage Mechanism (NSM). Such announcements are usually filed in the NSM voluntarily, so the FCA considers its proposal unlikely to increase the workload of issuers and providers of announcement platforms.

### **Parker Review 2026 Annual Report Released**

The Parker Review Committee released its [latest annual report](#) on 6 March. The Parker Review (the Review) was first released in 2015 and aims to improve representation of ethnic minorities in UK businesses. In 2017, the Review made several recommendations to improve the ethnic and cultural diversity of significant UK-listed companies, including that FTSE 100 companies should have at least one ethnic minority director on their boards by December 2021. For FTSE 250 companies, the target deadline was set for December 2024. Since 2020, the Review has provided an annual report summarising the progress in meeting these targets.

In 2023, the Review extended its scope by asking 50 of the UK’s largest private companies to meet the same targets as FTSE 350 companies by December 2027. It also invited FTSE 350 companies and the selected large private companies to set their own individual targets for the proportion of ethnic minority representation in their senior management teams, to be met by the same date.

The Review found steady progress across the FTSE 350 of ethnic minority representation at board level but found evidence of declining representation of the Black community at board and senior management levels, suggesting that existing measures may not be addressing underlying barriers. Senior management representation is slightly higher than for the previous year, but the Review notes that considerable progress is needed to meet the 2027 targets set by the companies themselves. The Review also found engagement to be at a similar level as in previous years, but the number of responses from private companies to be disappointing.

### 2025 Update — FTSE Companies

- 98 of FTSE 100 companies (an increase of three from 2024) met the target of having at least one ethnic minority director. The average percentage of UK-based senior management positions held by ethnic minority senior managers in the FTSE 100 was 11% (unchanged from the previous year).
- 231 FTSE 250 companies provided data to the 2025 report. Of those, 205 (89%) met the target of having at least one ethnic minority director (an increase of one from 2024). Including companies that did not provide data, 82% of the overall FTSE 250 met the target, the same as in the previous year. 148 companies provided data on senior management. The average percentage of senior management positions held by UK-based ethnic minority senior managers in all responding companies was 10% and in companies that set targets was 11%.

### 2025 Update — Private Companies

In the 50 large private companies, the target is for at least one ethnic minority director on its main board by December 2027. Twenty-one of these private companies have met this target (a decrease of three from 2024), 15 have not done so and 14 did not respond. The average percentage of UK-based senior management positions held by ethnic minority senior managers in responding companies was 10%.

### FRC Publishes Updated Guidance on ‘Comply or Explain’ Reporting Under Corporate Governance Code

On 16 March, the UK Financial Reporting Council (FRC) published [updated guidance](#) to improve the annual reporting of companies subject to the UK Corporate Governance Code (the Code) applies (namely companies listed on the equity shares: commercial companies category of LSE’s Main Market).

The Code operates on a “comply or explain” basis, meaning that companies may depart from the provisions and principles set out in the Code, provided they explain the basis for doing so in their annual reporting.

The guidance notes that the principles in the Code offer companies significant flexibility to choose the governance arrangements most suitable to their circumstances while explaining any departures from the Code. Explanations should demonstrate actions and outcomes rather than only policies and procedures. Good governance and high-quality reporting is considered preferable to “tick-box” compliance.

The guidance also explains that when applying the provisions in the Code that support the principles:

- Shareholders and advisors are encouraged to take into account departures from the Code positively in their voting policies and to consider alternative arrangements chosen by companies, particularly if they have been explained in a transparent and informative way.
- Companies should be transparent about any departures from the Code, which assists investors and wider stakeholders in assessing the company’s approach to governance.
- Companies should be clear in reporting as to whether they have complied with all the elements of the Code or departed from any provisions and, in such a case, clearly stating where the explanation for the departure can be found.
- Companies should provide clear and meaningful explanations for departures from the Code. The guidance notes that a “meaningful” explanation is one that shows that the alternative arrangement chosen by the company is more appropriate and beneficial in upholding high governance standards. The guidance provides five criteria that, if followed, would result in a meaningful explanation: (i) explaining the context and background to the departure, (ii) giving

a convincing rationale for the approach taken, (iii) describing any risks and mitigating actions, (iv) explaining if and when the company intends to comply with the Code, and (v) ensuring that the explanation is understandable and persuasive.

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

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