

August 2025

Follow us on [LinkedIn](#) 

## UK Equity Capital Markets Insights — August 2025

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

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

- Consultation by the UK Takeover Panel on IPO Disclosures and Dual Class Share Structures
- The Publication of the UK FCA's Final Rules on the Public Offers and Admissions to Trading Regime
- The Publication of the UK Digitisation Taskforce's Final Report on the Proposed Approach to Digitise the UK's Shareholding Framework
- The Publication by the UK FCA of Its Latest Primary Market Bulletin Newsletters

### UK Takeover Panel Consults on IPO Disclosures and Code Amendments for Dual Class Share Structures

On 3 July 2025, the UK Panel on Takeovers and Mergers (the Takeover Panel) [published a consultation](#) on, amongst other things, disclosures to be included in IPO prospectuses for companies that will become subject to the UK City Code on Takeovers and Mergers (the Code) upon IPO.

In broad terms, the Code regulates transactions that would or are intended to result in a person, or a group of persons acting in concert with each other, acquiring “control” of a company subject to the Code. The fundamental rule is set out in Rule 9 of the Code, which provides that a person or group of persons acting in concert may not:

- Become interested in 30% or more of the voting rights of a company subject to the Code (where they previously did not have such an interest); or
- If holding more than 30% of the voting rights of a company subject to the Code but less than 50% of the voting rights of that company, increase its percentage of voting rights,

unless the person or group of persons makes a cash offer for all of the shares in such company, or unless the acquisition that takes the person or group of persons beyond the relevant threshold has been the subject to an independent shareholder vote.

The consultation seeks views on the Takeover Panel's proposals to introduce:

- A requirement for a company, in the context of an IPO that would result in it becoming subject to the Code, to make appropriate disclosure in relation to the Code in its prospectus or admission document, including as regards to Rule 9 and of any person, or group of persons

acting in concert, that is or may become interested in shares carrying 30% or more of the voting rights of the company.

- The ability for the Takeover Panel to grant a dispensation, at the time of the company's IPO resulting in it becoming subject to the Code, from a potential future obligation for a person or persons acting in concert to make a mandatory offer under Rule 9 in certain circumstances, subject to appropriate disclosures being made in the IPO prospectus.

These new requirements would essentially codify existing market practice, where companies undertaking an IPO give details of the person or groups of persons holding significant interests in the IPO company and the impact of the transaction on such shareholdings, and typically seek Takeover Panel review of these disclosures.

The consultation also proposes changes to the Code relating to dual class share structures (DCSSs). A DCSS normally involves a company issuing at least one class of special shares alongside its ordinary shares. These special shares usually carry enhanced voting rights in specific circumstances (e.g., on takeover) and are typically used to provide founders with enhanced influence over the listed company should their economic interest be diluted over time. The special shares will typically convert into ordinary shares or become extinguished after sunset periods or on other trigger events.

In relation to DCSSs, the Takeover Panel proposes to amend the Code to:

- Introduce a mandatory offer requirement upon the extinguishing or conversion of special shares if that trigger event meant the founder shareholder's percentage interest in the company crossed the mandatory offer threshold. The Takeover Panel would be able to grant dispensations from this requirement.
- Apply the acceptance condition for takeover offers (which must be set at a minimum of 50% of the target's shares) involving DCSSs both before and after any special shares are converted or extinguished. Both would need to be satisfied for a bidder to declare an offer unconditional.
- Require that any offer for special shares must be made on a comparable basis as for the ordinary shares in that company. Where special shares convert into ordinary shares on completion of a takeover, the price per special share could not exceed the price per ordinary share.
- Clarify that issuing special shares will not normally be considered "frustrating action" (which is prohibited under the Code while an offer is in contemplation) unless the shares are issued during an offer period or certain other times when the Code is in play.

The consultation closes on 26 September 2025.

### **FCA Publishes Final Rules for New Public Offers and Admissions to Trading Regime**

On 15 July 2025, the FCA published its new rules for the public offers and admissions to trading regime in [Policy Statement 25/9 \(PS25/9\)](#) and [Policy Statement 25/10 \(PS25/10\)](#).

PS25/9 sets out the FCA's final policy position on the regulatory aspects of the new public offers and admissions to trading regime (POATRs), as well as the final Prospectus Rules: Admission to Trading on a Regulated Market (PRM rules) sourcebook, amendments to the Market Conduct sourcebook and consequential amendments to the UK Listing Rules (UKLRs). The POATRs and the PRM rules will come into force on 19 January 2026, at which time the UK version of the EU Prospectus Regulation and the FCA's Prospectus Regulation Rules will cease to apply for offers of securities.

The FCA will consult on further proposals during autumn 2025 to support the PRM rules, including in relation to working capital statements and guidance on how certain forward-looking information should be prepared in order to benefit from an amended liability regime.

PS25/10 sets out the FCA's final rules on the new public offer platform (POP) regime, which provides a mechanism for companies to offer, subject to disclosure and other requirements, securities to the public without having to produce a prospectus, where those securities will not be admitted to a UK primary market (i.e., off-market public offers). The POP regime is likely to be of relevance to issuers that want to raise more than £5 million of equity capital in an off-market public offer to a wide range of investors.

For more detailed information, please refer to our separate client briefing note [here](#).

### UK Digitisation Taskforce Publishes Final Report

On 15 July 2025, the UK Digitisation Taskforce (the Taskforce) published its [Final Report on the proposed digitisation of the UK shareholding framework](#). The Taskforce was launched in July 2022 with the objective of developing a plan to modernise and improve the way in which UK shareholders hold shares and to engage with the government and regulators to advise on legislative, regulatory and other changes required to support this plan. The final report follows an [interim report](#) published by the Taskforce in July 2023.

The goal of the Taskforce is to eliminate the use of paper share certificates and to improve the UK's intermediated system of ownership (whereby legal ownership of shares rests with a financial institution such as a broker, and the individual shareholder holds beneficial ownership only).

The recommendations set out in the final report only address companies whose shares are traded publicly (feedback received by the Taskforce indicated there was no appetite to extend the recommendations to private companies).

The Taskforce has recommended a staged process to achieve its goals, with three steps as shown below:

- **Step 1:** Removal of paper shares and establishment of digitised registers. Public company issuers would no longer be permitted to issue physical share certificates, existing certificates would no longer have any currency and they would no longer be required to transact share transfers or sales. The Taskforce recommends that this step take effect on a single implementation date, before the end of 2027.
- **Step 2:** Preparation for a fully intermediated system. The Taskforce has recommended: (i) a comprehensive package of measures to improve communications between companies and the underlying holders of the shares; (ii) payments to shareholders should move to an entirely digital basis; (iii) there should be a "baseline service" that the broker/institutional intermediaries should have to provide to all shareholders; and (iv) further measures to enhance the rights of the underlying shareholders, such as facilitating confirmation that their votes have been received and counted.
- **Step 3:** Transition of all shares into the intermediated securities chain. Once Step 2 has been implemented, all remaining shares should be moved into the intermediated system. To do this, the Taskforce noted that the government could legislate to make the digitised registers a "one-way street", whereby shares can only flow out of the registers and not into them.

The Taskforce also recommended that the government establish a Technical Group as soon as possible, with representatives from different parts of the sector, in order to finalise the digitisation process.

The government has accepted all of the recommendations of the Taskforce in a [response document](#) published on 15 July 2025 and has confirmed it intends to:

- Legislate to end the issuance of paper shares and require companies to replace paper share registers with digitised share registers. The government aims to deliver this by the end of

2027 at the latest, with a precise date to be determined by the recommended Technical Group.

- Amend relevant legislation so that shares in UK companies can be held on overseas branch registers in uncertificated form. The government aims to deliver this by Q2 2027 at the latest.
- Take forward the recommendations made to the government that need to be delivered through legislation as part of Step 2. The government aims to deliver these over the course of this Parliament.
- Appoint an industry chair to establish and lead the recommended Technical Group, with terms of reference detailing the setup and objectives of the group and a timeline for it to report back to the government to be published in due course.

### **FCA Publishes Primary Market Bulletin 56**

On 16 July 2025, the FCA published [Primary Market Bulletin 56](#), its newsletter for primary market participants (PMB 56).

In PMB 56, the FCA commented on its role in monitoring compliance by (amongst others) directors and senior managers of listed companies with the dealing disclosure regime set out in the UK version of the Market Abuse Regulation. That regime requires that all “dealings” in a listed company’s shares by that company’s directors, other “persons discharging managerial responsibility” (PDMRs) (e.g., C-suite executives) and any persons closely associated with directors and PDMRs is disclosed to the market within a short time of such “dealings”.

PMB 56 notes that the FCA uses transaction and position data from market participants and has invested in technology to develop alerts, which are used to identify late submissions and failures to report. To support its market oversight, the FCA has also created the new Market Oversight Data & Intelligence department, which is tasked with optimising and developing data and technologies to ensure the FCA takes a data-led approach to identifying potential harms.

The FCA reminds directors and other PDMRs of the importance of meeting their reporting obligations and that they should take such obligations seriously.

PMB 56 also noted the expiry of certain transitional provisions set out in the new UK Listing Rules that came into force in July 2024, and that listed companies must ensure they provide the FCA with up-to-date contact details by completing an [issuer contact details form](#).

### **FCA Publishes Primary Market Bulletin 57**

On 25 July 2025, the FCA published [Primary Market Bulletin 57](#), its latest newsletter for primary market participants (PMB 57).

In PMB 57, the FCA proposes further changes to the FCA’s knowledge base to reflect the implementation of the UK Listing Rules in July 2024 and feedback received from market participants on the sponsor regime. These changes relate to the technical note on the sponsor regime, removing any suggestion that the full extent of a sponsor service might only be capable of being confirmed after the fact and clarifying that sponsor services may be provided before a formal engagement or appointment.

PMB 57 also contains consultation from the FCA on a new technical note, TN638.1, relating to guidance on the application of the “complex financial history” and “significant financial commitment” rules that apply to issuers in the preparation of prospectuses. The new technical note provides additional illustrative examples for issuers who have made material acquisitions or who have been acquisitive historically. When finalised, this guidance is intended to be used by companies preparing prospectuses under the existing UK prospectus regime. The FCA will then update the technical note

to refer to the new rules under the Public Offers and Admissions to Trading regime that will take effect in January 2026.

PMB 57 also identifies specific changes in the operation of the FCA's national storage mechanism (NSM) that issuers should be aware of, including (amongst other things):

- **Automated Checks of Metadata:** Issuers will need to ensure they have provided required disclosures, including the issuer's LEI and name, to the relevant primary information provider (PIP) to avoid the NSM rejecting their disclosures.
- **Corrections:** The FCA will provide a new facility for submitters to submit corrections to previously filed disclosures via the FCA's electronic submission system or via a PIP. Superseded versions of disclosures will remain on the NSM but will be hidden from the default view.

Finally, PMB 57 notes that the FCA will be updating its notification portal relating to the delayed disclosure of inside information and share dealing disclosures made by PDMRs, pursuant to which it currently receives notifications required under the UK Market Abuse Regime. These changes are designed to make the forms easier and quicker for submitters to complete, reduce errors and ensure greater consistency in the information the FCA receives.

The FCA will publish further details (including guidance and updated materials) in due course to support submitters through the transition.

***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 either of the following Paul Hastings London lawyers:*

Dan Hirschovits	James Lansdown
+44-20-3986-1215	+44-20-3986-1258
<a href="mailto:danhirschovits@paulhastings.com">danhirschovits@paulhastings.com</a> <a href="mailto:jameslansdown@paulhastings.com">jameslansdown@paulhastings.com</a>	