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UK Equity Capital Markets Insights — February 2026

By Dan Hirschovits and James Lansdown

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

- The UK's new securities offering regime.
- The LSE's updated Admission and Disclosure Standards.
- The FCA's latest Primary Market Bulletin.
- The FCA's consultation paper on climate and sustainability disclosures.
- FTSE Russell's consultation on free float alignment for non-UK incorporated companies.
- The UK government's withdrawal of proposed audit reform legislation.
- The Accelerated Settlement Taskforce's latest quarterly update.

New UK Securities Offering Regime Comes Into Force

On 19 January, the UK's new regime for offers of securities, the Public Offers and Admissions to Trading Regulations 2024 (POATRs) and the UK Financial Conduct Authority's (FCA) Prospectus Regulation: Admissions to Trading on a Regulated Market sourcebook (PRM Rules), came into force. The POATRs and PRM Rules replace the UK version of the EU Prospectus Regulation and the Prospectus Regulations Rules of the FCA, respectively. For more information on the POATRs and the PRM Rules, please see the November 2025 and August 2025 editions of this newsletter and our detailed client note.

From 19 January, all offers of securities in the UK must be made in compliance with the POATRs and any prospectuses must be approved in accordance with the requirements of the PRM Rules.

London Stock Exchange Publishes Updated Admission and Disclosure Standards

On 16 January, the London Stock Exchange (LSE) published updates to its Admission and Disclosure Standards (ADS) to implement the POATRs.

Although the FCA now admits securities of the same class to the Official List without a formal listing application, the updated ADS contain no changes to the requirements to admit securities to the LSE's Main Market. Companies conducting further issuances of securities of a class already admitted to trading will continue to be required to submit applications for admission.

FCA Publishes Primary Market Bulletin 61

On 12 January, the FCA published Primary Market Bulletin (PMB) 61, its latest newsletter for primary market participants, providing final guidance and implementation detail ahead of the POAT regime, which came into force on 19 January.

PMB 61 follows the FCA's earlier consultation in PMB 58 (see the November edition of this newsletter) and finalises changes to the FCA's Knowledge Base — its suite of procedural and technical notes that support the interpretation of the Listing Rules, prospectus requirements and related guidance. The updates are required to reflect the structural reforms introduced by POATRs and the new PRM Rules (see the August edition of this newsletter).

In addition to finalising its updated suite of procedural and technical notes with effect from 19 January, including the introduction of four new technical notes on the POAT regime, the FCA deferred proposed revisions to working capital disclosures that it had proposed in its prospectus disclosure guidance (TN/619.2), with further engagement with market participants planned during 2026. The FCA is also consulting on consequential rule reference changes to its technical note on sponsor recordkeeping to reflect amendments to the UK Listing Rules as a part of the POAT regime.

PMB 61 also confirms certain operational changes, including the following:

- The FCA has withdrawn the standard form for a sponsor's written confirmation for initial transaction announcements under UKLR 13.4.11R, reverting to the previous practice of accepting confirmations by email.
- From 2 March 2026, the FCA's Official List helpdesk will operate reduced opening hours and will focus on live or imminent transactions only.

LSE Publishes Amendments to the AIM Rules for Companies

On 16 January, the LSE issued AIM Notice 61, which confirms amendments to the AIM Rules for Companies (AIM Rules) to implement the POATRs. The amendments to the AIM Rules were effective from 19 January 2026.

The amendments:

- Confirm that companies traded on AIM must comply with the POATRs, the FCA's Prospectus Regulation: Admissions to Trading on a Regulated Market sourcebook (PRM Rules) and the FCA's Market Conduct sourcebook.
- Confirm that an admission document will not be required for further issues of securities by an AIM company that already has securities of the same class admitted to trading on AIM or if an AIM company seeks admission of a new class of securities or if the AIM company seeks an admission arising from a group restructuring that only involves the addition of a new parent or holding company.
- Confirm that if a company is required to produce an admission document, that document must disclose the information required by Regulation 23 of the POATRs.
- Update the guidance note to AIM Rule 3 regarding the circumstances when a supplementary admission document must be published.
- Update the guidance note to Schedule Two of the AIM Rules to (1) list the persons responsible for the information in an admission document (and who may therefore be responsible for compensation arising under Regulation 30 of the POATRs), and (2) provide that the liability regime for protected forward-looking statement regime set out in the PRM Rules applies to forward-looking statements made in an admission document.

The notice also confirms that the LSE intends to make further substantive changes to the AIM Rules in the first half of 2026.

FCA Publishes Consultation Paper on Climate and Sustainability Disclosures

On 30 January, the FCA published Consultation Paper 26/5 (CP 26/5), which sets out the FCA's proposals to replace its current rules on listed company sustainability and climate disclosures that are aligned with the historic recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with new reporting requirements in line with the UK Sustainability Reporting Standards (UK SRS) (which are expected to be published in February 2026), based on standards issued by the International Sustainability Standards Board (ISSB).

For companies listed in the commercial companies, transition and non-equity shares and non-voting equity shares categories of the FCA's Official List, the FCA's proposals include:

- Mandatory climate disclosures in line with UK SRS 2 and relevant provisions of UK SRS 1 (but not Scope 3 emissions data, i.e., indirect greenhouse gas emissions that occur in a company's value chain, both upstream and downstream).
- "Comply or explain" reporting against Scope 3.
- "Comply or explain" sustainability (non-climate) disclosures such as sustainability-related risks and opportunities that could reasonably be expected to affect a company's prospects.
- Reporting as to whether a company has published a transition plan, where it can be found or explain why no such plan has been produced.
- Reporting relating to any assurances a company has obtained in respect of its climate/sustainability reporting — for example, if a company has obtained a third-party assurance/certification, it should disclose the name of the assurance provider, the disclosures that have been assured, the assurance standards used and if available, where the assurance report can be obtained.

For companies with a secondary listing or with a listing in the depositary receipts category of the FCA's Official List, the proposals include:

- Annual reporting of any climate and/or wider sustainability disclosure requirements, including in relation to transition plan requirements, which are mandatory in the company's primary listing location or jurisdiction of incorporation or have been voluntarily adopted, or an appropriate negative statement.
- Reporting relating to assurances a company has obtained in respect of its climate/sustainability reporting (in line with the requirements for other listed companies referred to above).

Responses to CP 26/5 are requested by 20 March 2026. Subject to the outcome and timing of the government's final endorsement of the SRS, the FCA aims to publish its final rules and policy position in autumn 2026, with the rules coming into force on 1 January 2027 and applying for accounting periods beginning on or after that date.

FTSE Russell Consults on Free Float Alignment for Non-UK Incorporated Companies

On 26 January, FTSE Russell launched a market consultation proposing to align the minimum free float requirements for UK and non-UK incorporated companies within the FTSE UK Index Series. Under the proposal, the current 25% minimum free float threshold applicable to non-UK incorporated issuers would be reduced to 10%, matching the requirement already applicable to UK incorporated companies and the minimum free float under the UK Listing Rules.

FTSE Russell has indicated that the proposed change would have no immediate index impact, as no existing non-UK incorporated constituents currently fail to meet the 25% threshold, but could influence future listing and index inclusion decisions. The consultation forms part of broader efforts to enhance the competitiveness and attractiveness of UK capital markets and follows earlier reductions in free float thresholds implemented in 2022.

The consultation closes on 26 February 2026.

UK Government Withdraws Proposed Audit Reform

On 20 January, the UK government announced that it will not be consulting on audit reform legislation (including proposals that would have established a new regulator), preferring instead to focus on its aims to streamline corporate reporting and reduce regulatory burden on corporates.

For more information on the government's efforts regarding corporate reporting, see the November 2025 edition of this newsletter.

UK Accelerated Settlement Taskforce Publishes Quarterly Review

On 23 January, the UK Accelerated Settlement Taskforce (the Taskforce), which is working towards preparing the UK to move to a "T+1" settlement period in October 2027, published its quarterly review of the final quarter of 2025, providing a full review of the Taskforce's work during 2025, and updates on readiness and the path ahead in 2026 (the Q4 2025 Review).

The Q4 2025 Review outlined that half of the eight Taskforce recommendations with a deadline of 2025 have been completed and half remain in progress. The Q4 2025 Review also noted that while industry participants are engaging with the work required to transition to T+1, by the end of Q3 2025 only 11% of respondents to Taskforce surveys confirmed that they were compliant or fully prepared, highlighting the magnitude of the compliance task required. However, by the end of Q3 2025, only 5% of respondents indicated that they had yet to start activity required to transition to T+1.

The Q4 2025 Review noted that statistics provided by Euroclear from CREST shows that more than 86% of settlement instructions by volume and value are usually received and matched in CREST by the recommended T+1 deadline, showing that the market is well on its way to achieving compliance ahead of the recommended transition deadline. However, the Taskforce noted that at the end of Q3 2025 many participants had not yet secured budget for implementing compliance projects in 2026.

The Q4 2025 Review outlined 17 recommendations that firms should ensure they comply with before the end of 2026 to be ready for T+1 settlement. It also outlined that, in early 2026, the Taskforce will publish a "Readiness Register", naming those firms that have self-certified that they already comply with the relevant T+1 recommendations and are ready for business in a post-October 2027 market.

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

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