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UK Public Offers and Admissions to Trading Regime

By Dan Hirschovits and James Lansdown

1. INTRODUCTION

The principal regulations governing offers of securities to the public and admissions of securities to trading on regulated markets in the United Kingdom, including the requirements for a prospectus, are contained in the UK versions of the EU Prospectus Regulation (the Prospectus Regulation) and EU Prospectus Delegated Regulation (the Prospectus Delegated Regulation). These regulations form part of UK law pursuant to the European Union (Withdrawal) Act 2018, and the Financial Conduct Authority's (FCA) Prospectus Regulation Rules.

From 19 January 2026, this regulatory regime will be replaced by the Public Offers and Admissions to Trading Regulations 2024 (POATRs) and the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM Rules). We refer to this new regulatory regime as the "Public Offers and Admissions to Trading regime".

On 15 July 2025, the FCA published PS25/9 containing the final PRM Rules, which it was empowered to create and implement under the POATRs. The POATRs, which Parliament introduced in January 2024, establish a new legal framework to replace the public offer of securities regime under the Prospectus Regulation, inherited from the European Union. The POATRs make it an offence to offer securities to the public in the UK unless a relevant exception applies. Exceptions include situations in which the offer is made in connection with securities to be traded on a regulated market (such as the LSE's Main Market), a primary multilateral trading facility (MTF) in which retail investors can trade (such as the LSE's AIM market or the AQSE Growth Market) or a public offer platform (POP).

The PRM Rules specify the circumstances in which an admission of transferable securities to a regulated market requires the publication of a prospectus and sets out the content requirements for a prospectus. In addition, PS25/9 contains the final rules, through amendments to the FCA's Market Conduct sourcebook, detailing the circumstances in which an admission of transferable securities to a primary MTF requires the publication of an MTF admission prospectus. The FCA also published PS25/10 on the new activity of operating a POP, which focuses on capital raising outside of the UK primary capital markets. The new POP regime will come into force on 19 January 2026, alongside the broader Public Offers and Admissions to Trading regime.

The POATRs and the PRM Rules, together with the amendments to the Market Conduct sourcebook and the introduction of the POP regime, are the culmination of a major reform agenda over several years driven by government, regulators and industry bodies, including white papers and consultations such as the *UK Listing Review* (2020) and the *Secondary Capital Raising Review* (2022). The reforms aim to simplify the capital raising process in the

UK, reduce costs for issuers, enhance market competitiveness, broaden retail investor participation and create a more agile and dynamic regulatory environment.

This article sets out a Q&A on the key issues we expect issuers and their advisers to consider when thinking about equity capital raising under the Public Offers and Admissions to Trading regime.

For more information, please contact Dan Hirschovits or James Lansdown.

2. Q&A

2.1 *What are the key changes in the new Public Offers and Admissions to Trading Regime, compared to the Prospectus Regulation and Prospectus Delegated Regulation?*

Key changes include:

a) *Prohibition on public offers:* Under the existing regime, offers of securities to the public are permitted if a prospectus is published in relation to that offer. Under the Public Offers and Admissions to Trading regime, offers of "relevant securities" (including shares) to the public are prohibited unless an exception can be relied upon. Exceptions include situations in which the offer is conditional upon the admission of the securities to trading on a regulated market or primary MTF (or if such securities are already admitted to trading on that regulated market or primary MTF at the time of the offer).

b) *Further issuances:* Issuers that have securities admitted to trading already may issue new securities of the same class in any 12-month period up to an amount which is 75% of the number of such securities already in existence without the need to publish a prospectus (this threshold is increased to 100% for closed ended investment funds). This is a significant increase from the existing regime, which caps further issuances of securities at 20% before a prospectus is required. However, issuers will continue to be able to publish an FCA-approved prospectus on a voluntary basis.

c) *Climate-related disclosures:* The FCA has introduced a new climate-related disclosure rule for issuers of equity securities (i.e., shares) or depositary receipts over equity securities. Issuers that identify material climate-related risks or opportunities in their prospectuses must include additional information to allow investors to make an informed assessment of that risk or opportunity. The FCA envisages this additional information will be based on IFRS S2 standards or disclosures from the Task Force on Climate-related Financial Disclosures recommendations. If an issuer has already published a climate-change transition plan, the prospectus will need to provide key information about the plan and state where it can be found.

d) *Protected forward-looking statements:* The Public Offers and Admissions to Trading regime creates a new liability regime (based on a recklessness rather than a negligence standard) for "protected forward-looking statements" that meet certain disclosure criteria, to encourage issuers to disclose forward-looking information in prospectuses that is useful for investors.

e) *Summary:* The FCA has adopted a less prescriptive approach to the prospectus summary, allowing for cross-referencing to other sections of the prospectus, increasing the page limit from seven to 10, and removing the requirement to include the annex of financial information.

f) *Availability of a prospectus during an IPO:* The PRM Rules require that a prospectus prepared for an IPO be made available to the public at least three working days before the end of the offer period. The existing regulatory regime requires that a prospectus involving an offer of shares to the public (i.e., including retail investors) is made available to the public at least six working days before the end of the offer.

g) *Removal of separate listing application for further issues:* The FCA has removed the requirement for listed issuers to have to apply for subsequent listings of securities each time new securities of the same class are issued. Such securities are now treated as listed automatically once issued, following an initial application to the FCA to list all securities of a class, issued and to be issued. This listing application process is replaced with a new market notification requirement.

2.2 *Do we still need to publish a prospectus to undertake an IPO?*

Yes. Under the PRM Rules, offers of shares being made in contemplation of admission of those shares to trading on a regulated market in the United Kingdom (such as the LSE's Main Market) will still require an issuer to prepare a prospectus and have it approved by the FCA.

Under the Market Conduct sourcebook, offers of shares being made in connection with admission to a primary MTF (such as the LSE's AIM market or the AQSE Growth Market) will require an "MTF admission prospectus" if an issuer is undertaking an IPO on those markets. Primary MTF operators (the LSE, in the case of AIM) will set the content requirements for an admission prospectus.

2.3 *Is a prospectus still required for significant secondary capital raisings by listed issuers?*

Under the PRM Rules, an issuer may issue securities which are of the same class as securities already admitted to trading on the same regulated market without preparing an FCA-approved prospectus, provided the number of new securities to be issued represent, over a 12-month period, less than 75% of the number of securities already admitted to trading on the same regulated market.

This 75% threshold is a material increase to the existing regulatory regime, which caps new issuances at 20% before a prospectus is required.

In principle, issuers undertaking larger secondary equity raises should therefore be able to plan and execute deals significantly faster and at lower cost. However, significant secondary capital raisings will typically involve an offer to US investors under applicable exemptions from registration under the US Securities Act of 1933, as amended. That will require striking a balance between speed of execution and the expectation of underwriters and institutional investors as to customary market practice and risk management.

Issuers and their advisers contemplating significant secondary capital raisings may decide, in mitigating risk of legal liability, to continue to use a more traditional "documented" offering route, with the applicable due diligence, comfort and signoffs, with the trade-offs of a longer transaction timetable and higher deal costs. We expect market practice will develop in this area on a case-by-case basis, depending on the nature of the issuer and the capital raising, the expected level of US demand in any offering and the investment bank(s) involved.

2.4 *Can we still publish a prospectus voluntarily?*

Yes, the FCA has retained a "voluntary prospectus" regime for issuers that choose, for marketing or other reasons, to publish an FCA-approved prospectus, even if the PRM Rules do not require a prospectus. A voluntary prospectus approved by the FCA must meet the content and other requirements of the PRM Rules and the issuer and its directors will be subject to the same liability regime. A voluntary prospectus can be a "simplified" prospectus, which contains slightly amended / simplified disclosure requirements for issuers that satisfy the applicable conditions (the conditionality and disclosures are the same as under the existing regulatory regime), or a "full" prospectus.

Issuers may also choose to prepare a form of disclosure document which is not a prospectus (e.g., an international offering circular) for secondary offers below the 75%

threshold. There are no mandatory disclosure requirements under the Public Offers and Admissions to Trading regime for these documents. However, we expect that issuers and their advisers will likely default to "prospectus-like" disclosure documents or refer to other similar regimes such as the short-form disclosure document which may be utilised in certain circumstances for secondary capital raises under the EU Listing Act.

However, the use of an "offer document" which is not an FCA-approved prospectus could mean that additional authorisations and signoffs are required to use such a document in connection with an offer of securities. Please refer to question 2.10 below.

2.5 *Is there still an exception for an issue of shares on a takeover?*

Yes, the PRM Rules retain the exemption from the requirement to publish a prospectus if shares are issued in connection with a takeover, provided an exemption document with information describing the transaction and its impacts on the issuer is made available. If the takeover is a reverse business acquisition under applicable accounting rules or the shares to be issued are not fungible with shares already admitted to trading prior to the takeover, the FCA must approve the exemption document. This exemption includes shares issued upon completion of a scheme of arrangement.

The FCA expects to consult in autumn 2025 on guidance regarding the content requirements of the exemption document. The FCA's guidance will likely follow its current approach, in which it considers the content requirements for exemption documents contained in a Delegated Regulation published under the EU Prospectus Regulation.

When taken together with the POATRs, which contain broad exceptions to the prohibition on making an offer to the public in connection with takeover offers (including for a scheme of arrangement), there should be fewer scenarios in which bidders offering shares in connection with takeovers will be required to produce a prospectus (or exemption document).

2.6 *What does a prospectus need to contain?*

The general rule of disclosure under the POATRs requires that "a prospectus… must contain the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the issuer and of any guarantor, the rights attaching to the transferable securities, and the reasons for the issuance and its impact on the issuer." This aligns with the general duty of disclosure set out in Article 6(1) of the Prospectus Regulation.

A prospectus consists of a registration document, a securities note and a summary.

The content requirements for each of these constituent elements under the PRM Rules closely align with those under the Prospectus Regulation and the Prospectus Delegated Regulation. The mandatory disclosure "building blocks" for a prospectus are set out in the annexes to the PRM Rules.

The key disclosure changes under the Public Offers and Admissions to Trading regime relate to climate-related disclosure requirements and protected forward-looking statements, which are discussed below.

2.7 *What is the new "climate-related disclosure" requirement?*

Issuers of shares (or depositary receipts over shares) that have identified in a prospectus climate-related risks that are material risk factors, or climate-related opportunities that are

material to the prospects of that issuer, must provide the following further supporting information regarding that risk or opportunity in the prospectus:

a) A description of the issuer's governance arrangements for assessing and managing climate-related risks and opportunities

b) A description of the actual and potential impacts of climate-related risks and opportunities on the issuer's business, strategy and financial planning

c) If the issuer has published a transition plan, if material, a summary of key information about its transition plan and where such plan may be located and inspected

d) A description of how the issuer identifies, assesses and manages climate-related risks

e) If material, a description of the metrics and targets used to assess and manage relevant climate-related risks and opportunities

The PRM Rules provide that an issuer's disclosures / materials prepared under either IFRS S2 (Climate-related disclosures) or the Task Force on Climate-related Financial Disclosures recommended disclosures will likely assist in identifying relevant risks and opportunities and the supporting information to be disclosed.

2.8 *What is the new regime relating to "protected forward-looking statements"?*

The Public Offers and Admissions to Trading regime contains a new disclosure and liability regime for "protected forward looking statements" (PFLS) which aims to provide more protection for persons responsible for a prospectus (i.e., directors and the issuer) and encouraging issuers to give useful forward-looking guidance to potential investors.

Under the PRM Rules, a statement in a prospectus is a PFLS if:

a) it is:

   i. financial information which states or indicates a figure or a maximum or minimum figure, or contains data from which a calculation may be made; or

   ii. operational information which states or indicates a figure or a maximum or minimum figure, or contains data from which a calculation may be made, or is information that cannot be expressed in numerical terms but can be confirmed empirically through direct observation or objective measurements (or a combination of the two);

b) whether the statement is untrue, misleading or omits any matter which must be disclosed can only be determined by reference to future events;

c) it contains an estimate as to when the event or set of circumstances to which the statement relates is expected to occur;

d) it contains information that a reasonable investor would be likely to use as a part of their investment decision; and

e) it is accompanied by certain general and specific disclaimers. In particular, the specific disclaimer must include disclosure relating to the principal assumptions upon which the PFLS is based (which mirror the existing disclosure requirements for profit forecasts). The disclaimer must also confirm that any PFLS which is the same type as the issuer's historical financial information is comparable to the issuer's historical financial information and consistent with the issuer's accounting policies.

Almost all forward-looking disclosures which form part of the mandatory disclosure requirements for a prospectus (i.e., the disclosures required under the annexes to the PRM Rules) are excluded from the PFLS regime. However, certain forward-looking disclosures have been carved back into the regime to qualify as PLFS if the information satisfies the relevant criteria, including disclosures:

a) relating to an issuer's strategy and objectives;

b) which are material climate-related risks and opportunities on the issuer's business, strategy and financial planning;

c) about an issuer's transition plan (if published);

d) contained within the "operating and financial review" section of the prospectus;

e) relating to trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year; and

f) which are profit forecasts prepared in accordance with the PRM Rules (but not profit estimates).

A PFLS is subject to a different liability regime than that applying to all other types of information in a prospectus. A person who is responsible for a prospectus, or any person who would have any liability to a person other than the issuer in respect of a PFLS (in each case, R), is only liable in respect of any loss caused by a PFLS if, between the period of publication of the prospectus and the later of the closing of the offer and the date of admission to trading, R knew the PFLS to be untrue or misleading or was reckless as to whether it was untrue or misleading, or knew the omission from the PFLS to be a dishonest concealment of a material fact. This brings the standard for liability in line with other continuing disclosures by listed issuers, namely a recklessness rather than negligence standard.

A PFLS must be clearly demarcated within a prospectus but can be included in multiple locations within the prospectus and be presented in any way that the issuer considers is likely to be useful for a reader. However, the specific disclaimer referred to in (e) above must appear immediately next to the PFLS in each place in the prospectus where it is disclosed.

The FCA plans to issue guidance on the preparation of financial and non-financial information in relation to a PFLS (i.e., how such information should be prepared to fit within the regime) during autumn 2025, before the PRM Rules come into effect.

The regime for PFLS under the PRM Rules applies also to such statements included in an MTF admission prospectus. However, because the MTF market operator, rather than the FCA, will set the content requirements for an MTF admission prospectus, the exceptions to the rule that excludes information from the scope of the PFLS liability regime if it is required to be disclosed, will depend on the MTF market operator setting similar contents requirements to those for a prospectus.

The PFLS regime is a step forward in assisting investors to receive information which is useful for them in understanding an issuer's perspective on its future position and performance and strikes a helpful balance for issuers and directors in providing increased protection from liability. However, the work required to prepare and diligence a PFLS for inclusion in a prospectus may be significant (similar to existing profit forecast disclosures), and therefore it will be interesting to see in practice how regularly such statements are used.

2.9 *Are the requirements for working capital statements changing?*

The requirement to include a working capital statement in a prospectus remains the same. However, the FCA is exploring how to make the working capital statement more effective and give issuers more guidance on how to provide a "clean" working capital statement. The improvements are expected to focus on disclosure of major assumptions or judgements used in preparing the working capital statement and the role of accounting and other due diligence.

The FCA expects to publish such further guidance in autumn 2025.

2.10 *Can retail investors participate in offers of securities?*

Yes, enhancing the participation of retail investors in equity markets was a key part of the FCA's rationale for certain changes made in the Public Offers and Admissions to Trading regime. The new rules facilitate retail investor participation in IPOs and secondary offers of shares by listed issuers, including by:

a) shortening the period that an IPO prospectus needs to be made available to the public from six working days (under the existing regime, if there is an offer involving retail investors) to three working days before the end of the offer period. This shortens the timetable (and risk period) for issuers looking to IPO with a retail offer and may encourage issuers to involve retail investors; and

b) eliminating a separate requirement to publish a prospectus when securities are offered to the public. In the context of secondary issues by listed issuers, an issuer need only produce a prospectus if it is issuing more than 75% of its issued share capital (see above), irrespective of whether it is offering shares to retail investors. This should encourage issuers to involve retail investors in their IPOs and secondary raises. As a result, the total consideration exemption for public offers (now £5 million under the POATRs versus €8 million in the Prospectus Regulation) is no longer relevant in the context of admission to a regulated market (or a primary MTF).

However, issuers still need to consider other securities and financial services laws, such as the restriction on making financial promotions under Section 21 of the Financial Services and Markets Act 2000, as amended (FSMA). For example, while an FCA-approved prospectus is exempted from the requirement for an authorised person to approve its distribution under s21 of FSMA, that is not the case with an unapproved prospectus or international offering circular.

If issuers choose not to produce an approved prospectus (simplified or full) for an offer of securities made to investors who do not fall within an exemption to s21 of FSMA (e.g., large institutional investors or high-net worth individuals), they will need to consider whether there is an available financial promotion exemption. Otherwise an authorised person's approval will be required.

2.11 *What happens if new information emerges while the prospectus is live?*

Similar to the current regime, the Public Offers and Admissions to Trading regime requires that if any new significant factor, material inaccuracy or material mistake in a prospectus arises between the time of publication of an approved prospectus and the later of (i) the closing of the offer period and (ii) the commencement of trading in the securities on the regulated market, that factor, inaccuracy or mistake must be included in a supplementary prospectus published by the issuer without undue delay.

In addition, as is the case currently, if a supplementary prospectus is required in connection with an offer made to retail investors (amongst others), the issuer must offer investors who have already agreed to buy/subscribe for the securities a right to withdraw their purchase/subscription, which must be exercised within two working days. An issuer is not required to offer withdrawal rights upon publication of a supplementary prospectus if the offer is made solely to qualified investors.

Similar provisions are also included in the amended Market Conduct Sourcebook in relation to primary MTFs and MTF admission prospectuses.

2.12 *Are there any changes to the process for admitting new securities to trading?*

Yes, under the Public Offers and Admissions to Trading regime issuers will apply at IPO for all its issued and to-be-issued securities of that class to be admitted to trading. All future issuances of securities of the same class are treated as being admitted upon issue, without requiring a separate FCA admission process for each new issuance.

Issuers will need to make a notification via a market announcement within 60 days of admission of the new securities, containing specific disclosures such as identifying information about the issuer and the securities (e.g., name, LEI number, ISIN), the number of new securities issued, the total number of securities of that class in issue and, if applicable, a hyperlink to the prospectus pursuant to which such securities are issued. Issuers can make "bundled" notifications, covering all admissions up to the date of the notification (provided the notification is made within the 60-day window).

This notification requirement will overlap in some instances with existing disclosure requirements under, for example, the FCA's Disclosure Guidance and Transparency Rules.

The deadline for admission to trading of any new securities (i.e., the deadline for issuing such securities) is within 60 days of allotment, with an extended period of 365 days from allotment for issuers with an international secondary listing or with depositary receipts over shares admitted to trading.

2.13 *Do we need to appoint a sponsor when raising equity share capital?*

An issuer undertaking an IPO on a regulated market will still need to appoint a sponsor to advise it on the relevant rules and regulations (including the Public Offers and Admissions to Trading regime), and to deliver the required confirmations to the FCA under the UK Listing Rules and PRM Rules. An issuer undertaking a secondary equity fundraising that requires the publication of a prospectus (i.e., above the 75% threshold), or that requires the publication of an "exemption document" in connection with an offer of shares on a takeover, must also appoint a sponsor. This is the case even if the prospectus is a "simplified" prospectus.

A sponsor is not required on a secondary equity capital raising if an issuer is not otherwise required to prepare and publish a prospectus.

2.14 *Have requirements for shareholder approval changed when raising more equity capital?*

No, an issuer considering an equity capital raising will still need to consider whether it needs shareholder approval to grant allotment authority and/or disapply pre-emption rights (unless the offer is being undertaken on a pre-emptive basis under existing authorities). The Pre-Emption Group (PEG) has not given any indication that it intends to amend its statement of principles to reflect the new PRM Rules requirements.[1] A general meeting of shareholders and shareholder circular will therefore still be required for issuers intending to issue new equity capital in excess of their existing allotment authority, or where pre-emption rights need to be disapplied.

Accordingly, while a prospectus is no longer required for secondary equity raises below the 75% threshold described above, shareholder general meetings and circulars are still likely to be needed, at least until any further guidance from the PEG is released, or listed issuers depart from current guidelines in respect of annual allotment and disapplication of pre-emption rights authority.

2.15 *When does the new Public Offers and Admissions to Trading regime apply?*

The POATRs and the PRM Rules come into full effect on 19 January 2026 and will apply to all prospectuses and offers of relevant securities made after this date. The existing regime, including the Prospectus Regulation, the Prospectus Delegated Regulation and the Prospectus Regulation Rules will be repealed then.

2.16 *Is the FCA publishing any other new guidance before the new rules come into effect?*

Yes, the FCA will consult on a number of topics over the coming months before the new rules come into effect. These include:

a) guidance on preparing working capital statements and disclosing key assumptions or judgements in such working capital statements;

b) the approach to be taken to preparing "protected forward-looking statements" and the accompanying statements for any such "protected forward-looking statement";

c) disclosures relating to an issuer's "transition plan" under the new climate-related disclosure regime; and

d) guidance to assist issuers that have a "complex financial history" (i.e., have made significant acquisitions over the three years prior to the publication of a prospectus) to clarify the disclosures that must be contained within a prospectus. The FCA has consulted on a draft technical note relating to "complex financial histories" in Primary Market Bulletin 57 (released on 25 July 2025).

2.17 *What about admissions to other UK primary markets, like AIM?*

The Public Offers and Admissions to Trading regime require issuers seeking admission to a primary MTF, such as AIM or the AQSE market, to publish an "MTF admission prospectus". This will also be required for admission of an issuer upon completion of a reverse takeover transaction.

The market operator will set the rules relating to the content and approval of an MTF admission prospectus. As is the case currently, the FCA will not review or approve an MTF admission prospectus.

The market operator will also set the rules relating to if and/or when a further MTF admission prospectus is required on a secondary fundraising.

2.18 *What are POPs and how do they work?*

The POATRs introduces POPs as an exception to the general prohibition on public offers of relevant securities. Offers through a POP can be undertaken outside the traditional public markets without the need for a prospectus. Offers made on POPs will be primary issuance only, without secondary trading. However, other capital markets initiatives that the FCA recently introduced, such as a PISCES offer platform, are available for issuers who wish to offer secondary trading as an option.

The users of POPs are likely to be issuers that want to undertake a public offer of securities to new investors, including retail, outside of the UK primary markets with a value in excess of £5 million.

PS25/10 contains the final rules for how POPs will operate. Issuers wishing to offer securities through a POP will be subject to disclosure requirements to investors. Some of these disclosures will be similar in nature, albeit more limited, to those in a prospectus, such as risk factors and historical financial information. POP operators will be required to undertake due

diligence on issuers wishing to utilise their POP and to carry out a verification process to determine whether the disclosures that an issuer proposed can be relied upon. POP operators will also need to assess an issuer's expected financial position once its offer is completed. A POP operator must not facilitate an offer made via its POP unless it is satisfied that the issuer will have sufficient financial resources to operate for at least six months after the offer closes. There will be flexibility in how POP operators meet this requirement, but the FCA expects the approach to this to be detailed in the POP operator's internal policies and procedures.

The POP operator must provide investors with a disclosure document containing a summary of the information that the issuer provided. The document must also outline the checks the operator has undertaken and the output of its financial assessment on the issuer.

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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:

Dan Hirschovits
+44-20-3986-1215
danhirschovits@paulhastings.com

James Lansdown
+44-20-3986-1258
jameslansdown@paulhastings.com

[1] The PEG statement of principles are non-binding good practice guidance (which are influential with institutional investors), which suggests that a listed issuer should not seek authority at its AGM to issue more than 20% of its shares on a non-pre-emptive basis (with 10% being a general authority and 10% being used for the purposes of a specific acquisition or financing, in each case with a possible addition of a further 2% for "follow on offers" of shares).