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UK Equity Capital Markets Insights — March 2025

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In the inaugural edition of *UK Equity Capital Markets Insights*, we take a look at these and other key developments:

- [FCA Primary Market Bulletin 53](#)
- [FCA Consults Further on Its Approach to Enforcement Investigations](#)
- [FCA Consults on Further Proposals for the Public Offers and Admissions to Trading Regulations Regime](#)
- [FCA Consults on Rules for Private Intermittent Securities and Capital Exchange System \(PISCES\)](#)
- [FCA Updates on Filings Requirements to the National Storage Mechanism](#)
- [FRC Reviews Climate-Related Financial Disclosure](#)
- [Institutional Shareholder Proxy Voting Guidelines for UK and Ireland 2025](#)
- [FTSE Russell Announces Changes to FTSE UK Index Series Methodology](#)

The end of 2024 and start of 2025 saw a flurry of activity and publications from the FCA, with the UK financial markets regulator continuing to consult on, and revise, its rulebooks, including to advance a more attractive and competitive UK capital markets landscape. This has included further guidance on the new UK Listing Rules (**UKLRs**); additional consultations on the forthcoming new UK prospectus regime, and draft rules for the UK's regulated crossover market for private companies, PISCES; and plans to improve the availability of listed company regulated information on the National Storage Mechanism. In addition, the Financial Reporting Council (**FRC**), institutional investor bodies and proxy advisers updated on a variety of corporate governance matters; and FTSE Russell has announced changes to the FTSE UK Index Series methodology. We set out below a high-level summary of some of these key developments.

FCA Primary Market Bulletin 53

The FCA published the latest edition of its [primary market bulletin](#) on 13 December 2024. PMB 53 continues the FCA's ongoing consultation to implement changes to its technical guidance on the UK listing regime, including to reflect the new UKLRs introduced in July 2024. The FCA's technical and procedural guidance on the UK listing regime is published on its Knowledge Base webpage.

In addition to non-substantive changes to technical notes in the Knowledge Base to reflect the wording of the new UKLRs, the FCA also introduced more substantive changes relating to the

sponsor regime and what it means for listed companies to deal with the FCA in an open and co-operative manner.

Sponsors will find the finalised three technical notes, initially consulted on in PMB 50, particularly relevant. These notes cover [sponsor record-keeping requirements](#), [FCA reviews of sponsor services](#), and [sponsor responsibilities concerning specialist due diligence](#). Sponsors may take some comfort in the FCA's acknowledgment of the challenges they encounter in providing assurance in technical areas beyond their expertise. The FCA is also re-consulting on its technical note covering sponsor services, to include additional examples to help clarify when a sponsor service may exist and so when the related sponsor principles apply (see TN 710 - Sponsor Services: Principles for Sponsors).

The FCA is also consulting on updating its guidance on Listing Principle 2 to make it explicit the obligation to deal with the FCA in an open and cooperative manner also applies where a listed company may have to approach the FCA prior to a transaction, or where a listed company is no longer in compliance with its continuing obligations (see TN 209.3 – Listing Principle 2 Dealing with the FCA in an open and cooperative manner).

Finally, the FCA also highlighted the new edition of the UK Corporate Governance Code that applied from 1 January 2025. The FCA is still updating various references in the UKLRs to reflect the new edition of the Code.

FCA Consults Further on Its Approach to Enforcement Investigations

In February 2024 the FCA proposed changes to its approach to publicising its enforcement investigations, including publicly announcing enforcement investigations at an early stage and naming the entity involved. There was a wide range of reactions to the original proposals ranging from support to concerns that the approach was disproportionate and would amount to “naming and shaming”. The FCA undertook an extensive engagement exercise culminating in a [second consultation paper](#) (CP24/2, Part 2) published in November 2024, which seeks to address the concerns expressed in response to the initial consultation by proposing some safeguards around publicly naming the relevant entity under investigation. The period for responses closed on 17 February 2025, with the FCA stating it will publish a decision on the proposals in Q1 2025.

FCA Consults on Further Proposals for the Public Offers and Admissions to Trading Regulations Regime

As a follow up to the FCA's July 2024 consultation paper (CP24/12) setting out its proposed rules for companies seeking to admit securities to trading on a regulated market, including a new FCA sourcebook replacing the Prospectus Regulation Rules (the ‘Prospectus Rules: Admission to Trading on a Regulated Market’ sourcebook (**PRM**)), the FCA published a [new consultation in January](#) (CP25/2). Among other proposals relating primarily to debt markets, the FCA is proposing to remove the existing requirement for listed companies to make a formal listing application for further issues of shares of the same class. Under the proposals, the FCA would treat further issuances of the same class of listed securities as automatically listed, without the listed company needing to undertake a listing application process for those newly issued securities. The consultation closes on 14 March 2025 and the FCA plans to implement these changes alongside the new prospectus regime and PRM coming into force in summer 2025.

The FCA has also published a [consultation paper](#) (CP25/3) relating to certain technical aspects of the new regulated activity of operating a public offer platform (**POP**), which is a feature of the new UK prospectus regime under the regulatory framework provided by The Public Offers and Admissions to Trading Regulations 2024 (**POATRs**). The consultation covers the FCA's approach to granting firms permission to carry out the new regulated activity and to extend the compulsory jurisdiction of the Financial Ombudsman (and associated fees and redress levies) relating to the regulated activity.

As a reminder, under the POATRs, there will be a new public offer exemption to allow a public offer of relevant securities by means of a regulated platform. This exemption is designed to be used when a public offer is over £5 million and is not otherwise exempt from the public offer prohibition (for

example, if the offer is not to qualified investors only, or fewer than 150 persons). The consultation closes on 14 March 2025.

FCA Consults on Rules for Private Intermittent Securities and Capital Exchange System (PISCES)

Following HM Treasury's November 2024 publication of a draft Financial Services and Markets Act 2023 (Private Intermittent Securities and Capital Exchange System Sandbox) Regulations 2025 to legislate to set up the new Private Intermittent Securities and Capital Exchange System (**PISCES**) in a financial market infrastructure sandbox, the FCA [published a consultation](#) (CP24/29) on the regulatory framework for PISCES in December 2024. The consultation contains the FCA's proposed rules and guidance for the PISCES sandbox. The period for responses closed on 17 February 2025. Subject to the technical feedback received on the draft Regulations, HM Treasury intends to introduce the PISCES legislation by May 2025, following which the FCA will publish final rules and guidance for the PISCES sandbox.

PISCES has been designed as a new type of trading platform that will enable intermittent secondary trading of private company shares using public market style infrastructure. The FCA's proposed rules and guidance for the PISCES sandbox include a tailored disclosure regime for PISCES based more closely on the due diligence approach in private markets, (rejecting the earlier proposal for a public market style market abuse regime to apply); set out how PISCES operators must organise and run trading events, with a key objective of maintaining fair and orderly markets; and provide certain investor protections for retail investors who are eligible to trade on PISCES.

FCA Updates on Filings Requirements to the National Storage Mechanism

The FCA is proceeding with its plans to make the National Storage Mechanism (**NSM**) (the online archive of regulated information published by listed companies and required to be filed with the FCA) easier for users to search and access stored content. The FCA is looking to achieve this through [changing the requirements around the metadata that must be provided](#) when documents are filed. The new rules will be coming into force on 3 November 2025, but the FCA will be publishing detailed guidance ahead of this date so that listed companies can get their internal systems up to date and be ready to comply.

FRC Reviews Climate-Related Financial Disclosure

Following the first full cycle of climate related financial disclosures (**CFD**) under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 being mandatory as part of the strategic report for certain large companies, the FRC has published [its review of compliance by AIM traded and large private companies](#). The report highlights examples of good practice and also areas where companies must provide "more consistent, coherent and concise disclosures". In particular, the report noted that some companies voluntarily based their disclosures on the ("comply or explain") Task Force on Climate-related Financial Disclosures (**TCFD**) but missed disclosures required under the (mandatory) CFD.

The report's findings are of relevance to UK incorporated listed companies that are subject to both the CFD requirements and the "comply or explain" requirements in UKLRs relating to the TCFD.

Institutional Shareholder Proxy Voting Guidelines for UK and Ireland 2025

Ahead of the 2025 AGM season, in February 2025 the Pension and Lifetime Savings Association (**PLSA**) published its [Stewardship & Voting Guidelines 2025](#), and in December 2024 the Institutional Shareholder Services (**ISS**) published its [2025 proxy voting guideline update](#).

FTSE Russell Announces Changes to FTSE UK Index Series Methodology

On 3 March 2025, FTSE Russell announced two changes to the FTSE UK Index Series methodology, with the intention of giving the FTSE UK Index Series a more accurate representation of companies that can list in London.

From September 2025, securities which trade in non-GBP currencies (*i.e.*, euros or U.S. dollars) will be considered for potential inclusion to the FTSE UK Index Series, if otherwise eligible. Currently, the FTSE UK Index Eligibility Criteria specifies that only securities trading in sterling are eligible for inclusion to the FTSE UK Index Series. Inclusion will still require a UK nationality and a listing on the Equity Shares (Commercial Companies) or Closed-ended investment fund categories, as set out in the FTSE UK Index Series ground rules.

The second change involves FTSE Russell lowering the Fast Entry Thresholds employed within the FTSE UK Index Series. If a company listing on the London Stock Exchange ranks 225th or above based on the close price on the first day of unconditional dealings and has an investable market capitalisation of £1 billion (based on the IPO offering shares minus any restricted holdings), then the company, if otherwise eligible, will be placed in the FTSE 100 or FTSE 250 after the close on its fifth day of trading.

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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