New UK Listing Rules:
Significant transaction announcements

September 2025

The new UK listing regime, the culmination of years of consultation by the UK Financial Conduct Authority (FCA) with market participants, came into force on 29 July 2024.

A key feature of the new regime is reducing regulatory requirements, including in the context of M&A transactions by listed companies such that shareholder approval for a "significant transaction" is only needed if it is classified as a reverse takeover. If the transaction meets the 25% threshold in any class test, the listed company must still make certain specified disclosures to the market but no longer needs to appoint a sponsor, produce an FCA-approved circular or seek shareholder approval (see box below).

The new rules allow listed companies to be more attractive M&A counterparties as shareholder consent is not needed for larger transactions and break fees do not need to be class tested, whatever their size. However, the removal of much of the regulatory process – including no FCA review and no sponsor diligence – means that a listed company can receive less guidance on how to satisfy its regulatory requirements and directors can feel more exposed.

The lack of established guardrails has led to a variety of different approaches being taken by listed companies faced with disclosing a significant transaction. To some extent, we can expect that announcements will differ in form and content depending on the size of the transaction; shareholders will want more information on a transaction that amounts to 80% of a listed company than one which amounts to 26%. However, from a survey of the announcements published so far, it is clear that listed companies are still getting to grips with the new rules and market expectation.

As of 31 August 2025, there have been 33 significant transactions: 11 acquisitions and 22 disposals. This briefing outlines the different announcement approaches taken so far and highlights emerging trends in market expectations for announcement content.

Significant transactions: the basics

- **Significant transaction**: a transaction outside the ordinary course of business where any of the class tests produce a result of 25% or more
- **Ordinary course**: the new rules contain a wider definition of ordinary course transactions, which means fewer acquisitions and disposals should fall within their ambit
- **Class tests**: the profits test is no longer required; the remaining tests are consideration, gross assets and gross capital (with additional tests for specialist companies)
- **LR regime before 29 July 2024**: significant transactions required a sponsor, shareholder approval and a circular to shareholders with prescribed content (class 1 circular)
- **UKLR regime after 29 July 2024**: significant transactions must be disclosed to the market and the announcement must contain certain prescribed content
- **Reverse takeovers**: rules remain the same as the previous regime requiring a sponsor, shareholder consent, a circular and a re-admission prospectus

Target financial information

Disposals

The majority of transactions so far have been disposals. Where there is a disposal, the listed company must disclose financial information in relation to the entity being sold except where that information is not available or cannot be produced, in which case the board must make a statement that the sale price is fair to the company's security holders.

Out of 22 disposals, there have only been two examples where the listed company was unable to disclose financials and instead included a board statement.

When the new rules came into force, there was much debate over how challenging it would be for boards to make a statement that the consideration was fair. The two current examples were perhaps fairly straightforward for boards, as both involved property disposals for a sale price in excess of the most recent market valuation, thereby generating a profit on sale.

In cases where there is no clear metric supporting the sale price, boards may want to consider third-party support, such as a valuation report or fairness opinion from a financial adviser. This assurance could be provided privately to the board or made publicly in the announcement.

Acquisitions

For acquisitions, there is no specific requirement for the target's financial information to be disclosed, other than including its gross assets and attributable profits.

It was recognised by the FCA that, under the old regime, the disclosure of detailed financial information on the target could significantly delay an M&A process as financials frequently had to be converted to IFRS using the accounting policies of the listed company, a process that could be further complicated where the target had itself made significant acquisitions in the recent past. Instead, the FCA has empowered listed companies to determine what financial information ought to be disclosed.

Listed companies have thus far taken a variety of approaches. Some announcements published just after the rules came into force included nothing more than the target's assets and profits, but increasingly there seems to be a recognition that shareholders require something more to understand the size and potential impact of the transaction.

Except where required for a prospectus, listed companies have not felt it necessary to convert target financial information into IFRS or apply their accounting policies instead presenting them in the form they have them. Where relevant, the financials are typically marked as unaudited and not prepared in accordance with IFRS. Listed companies have not generally tried to explain how the financials might change had IFRS and their accounting policies been applied.

In the past, the reverse takeover regime required listed companies to disclose certain target financials following a leak, including a description of the key differences between its accounting policies and the policies used to present the target's financial information. In our view, this additional information could, in certain circumstances, help shareholders better understand target financials. It is also worth noting that paragraph 4.4R of UKLR 7 Annex 2 Part 4 requires that the listed company must provide shareholders with all the necessary information to understand the context and relevance of non-statutory figures.

Target financial information (cont.)

Pro forma information

Under the former regime, the inclusion of pro forma information was voluntary, but, if included, it needed to be accompanied by an accountants' report and compiled in accordance with the Prospectus Regulation Rules requirements. The new rules are more flexible.

None of the announcements published under the new regime contain full pro forma tablesA unless there is an associated prospectus. However, as noted above, pro forma figures for certain line items such as revenue, operating profit, and total assets are increasingly provided for the previous and preceding financial years, covering both acquisitions and disposals.

If target financials are not prepared on the same basis as those of the listed company, it will be very difficult to conclude that any pro forma numbers are robust enough to include in the announcement, although it may be easier to get comfortable with revenue rather than line items further down the profit and loss account as those are much more likely to vary depending on accounting policies.

In our view, if pro forma numbers are included, it is important that the announcement clearly states that there is an inherent risk to trying to combine numbers from accounts prepared on different basis.

Synergy information

Since the introduction of the new regime synergy information has only rarely been included in acquisition announcements for significant transactions.

This is a shift from the previous regime where synergy information was common. Despite it being time-consuming and costly to diligence synergy statements, it was considered an important exercise and a key selling point in securing shareholder approval.

Under the new regime, it may be felt that there is now not sufficient time (or need) to produce this information, which could be to the detriment of shareholders in understanding the implications of an acquisition.

Risk disclosures

The new rules require the disclosure of any risks to the listed company resulting from the transaction. This has been interpreted by some as requiring an announcement to include "risk factors" in a similar style to what was previously produced in a class 1 circular or prospectus.

In our view, this approach could increase the liability profile of the announcement because presenting disclosure as risk factors may be perceived as setting out all the risks relevant to the listed company and its securities.

A tighter approach to risk disclosure, addressing only those risks affecting the listed company as a result of the transaction, is a better way to meet this requirement. The announcement should also make it clear that the risk disclosure is not intended to be a comprehensive list of all risks relevant to shareholders in the listed company.

Board statements

There is a requirement to include a statement that the transaction is, in the board's opinion, in the best interests of the security holders as a whole. This mirrors the language previously required in a class 1 circular.

In recent announcements, the language for these statements has been surprisingly varied, including a combination of "clean" statements (tracking the wording above precisely with no additions) and "qualified" statements which reference the rationale for the transaction set out in the announcement. In other variations, statements refer to the best interest of the listed company as well as other stakeholders such as suppliers and customers.

We understand why listed companies may wish to qualify the statement, but we question if this is in the spirit of the new rules. The FCA may provide greater clarity on this point if they conduct a review of how the new rules have been interpreted. Under the previous regime, where the FCA approved class 1 circulars, it did not allow any qualification of the equivalent wording.

In our view, listed companies referencing other stakeholders such as suppliers and customers are unnecessarily extending their liability under these board statements. These references may be a nod to section 172 duties under the Companies Act 2006 (which refers to customers and suppliers) but it is not clear why this needs to be done publicly in an announcement.

Material contracts and related party transaction disclosures

In the new rules, the FCA has replicated some of the previous class 1 circular content that requires the disclosure of information regarding material contracts and related party transactions (RPTs) for both the listed company and the target, for both acquisitions and disposals.

This requirement is qualified by the proviso that it only applies to information reasonably needed to assess the transaction and its effect on the listed company.

Some of the announcements have listed historic material contracts which do not seem relevant to the transaction. Other material contracts summaries are extremely lengthy and perhaps go beyond the relevance test above. Similarly, many of the RPTs disclosed, particularly those that cross-refer to the last audited accounts, do not seem relevant to the transaction.

In our view, listed companies should be more discriminating in what they include in this section and consider removing any unnecessary disclosures.

Specialist companies

Unlike under the previous rules, there are no specific disclosure requirements for specialist companies such as mineral or property companies.

Property companies

There have been no significant transactions by listed property companies, but there have been disposals of properties by operating companies that qualify as significant transactions. In these cases, the announcements have not included a property valuation report which would have been required under the previous regime. Presumably, this follows a cost-benefit analysis of producing a new report, with the directors concluding that the most recent valuation of the property is sufficient.

Mineral companies

Similarly, under the previous regime, a minerals expert report was required in a class 1 circular for the acquisition or disposal of minerals rights unless the FCA was comfortable that the report would not provide significant additional information.

To date, announcements under the new rules made by minerals and oil and gas companies have not included an expert's report (although one of them refers to a recent minerals report).

Previously, listed companies that were exempt from including a minerals report were still required to disclose specific information, including details of the mineral resources (and where applicable reserves), the anticipated duration of asset extraction, key terms of any licence or concession, and some detail of exploration and extraction progress.

Since the regime changed, announcements relating to mineral resources or rights have covered some of these areas, but, overall, the disclosure been less detailed.

Disclosure of additional information

To gain greater flexibility, the amount of specific disclosure requirements imposed under the new regime has been significantly reduced from the class 1 circular requirements. However, this flexibility has created uncertainty as to what else should be included.

The rules themselves make it clear that there may be other information required, noting that listed companies should consider the nature and circumstances of the transaction and what information must be disclosed to support shareholder engagement and market transparency (UKLR 7.3.1R(c)).

As noted above, there is a growing trend for including more financial information on the target than is required by the specific disclosure requirements, which is likely included to help analysts and shareholders understand the financial impact of the transaction. In our view, there is a danger that listed companies might view the specific disclosure requirements as a tick-box exercise and not give sufficient thought to what else needs to be disclosed to help shareholders understand the transaction. Companies also need to be aware of the overarching UK Market Abuse Regulation (MAR) requirement to disclose inside information and UKLR 1.3.3R which requires that RNS announcements are not misleading and do not omit any material information. In practice, this means that significant transactions announcements will need to be verified.

Some of the published announcements appear to simply ensure that all the specific disclosure requirements have been met (although it may well be the case that in those situations there was nothing else of significance to disclose).

Multiple announcements

UKLR 7 allows listed companies to issue more than one announcement if the required financial information (in the case of a disposal) or non-financial information is not available at the time of announcement. The information must be disclosed as soon as it is ready or when the listed company becomes (or ought to have become) aware of the information.

In practice, very few listed companies have issued more than one announcement. Presumably this is because listed companies can obtain the required information relatively easily.

This is in contrast to class 1 circulars under the previous regime, which were often published some weeks after the initial announcement due to the need for onerous work streams related to production of financial information and working capital exercises.

Smaller transactions

Under the old rules, announcements for transactions with percentage ratios between 5% and 25% (class 2) had to include specific mandatory disclosures. That requirement no longer exists, but listed companies are still required to announce certain transactions to meet their MAR obligations to disclose inside information.

It was anticipated that following the rule changes, listed companies would continue to consider the previous class 2 transaction requirements when announcing transactions that still require disclosure as smaller transactions. Those requirements were generally considered to be a helpful list of items that a listed company could disclose to ensure the market was fully appraised of the transaction.

Surprisingly, announcements for smaller transactions have been far less detailed than their class 2 announcements predecessors, leaving shareholders less well informed.

In our view, less detailed announcements are potentially detrimental to shareholders. We think FCA guidance on disclosure for listed companies involved in smaller transactions would be beneficial.

As set out above, even where transactions do not meet the threshold to be significant transactions, listed companies must comply with UKLR 1.3.3R when announcing a transaction through an RNS announcement.

Key takeaways:

- Overall, the new announcement regime seems to be bedding in well, with listed companies complying with the disclosure requirements despite no longer needing an FCA-approved document or a sponsor. Only one company has had to issue a second announcement as the first announcement did not comply with all with the UKLR requirements, and while minor errors appear in some announcements (e.g., missing a significant change statement where required), most companies are meeting the necessary disclosures.
- Market practice will undoubtedly develop further as shareholders provide feedback to listed companies and their advisers on the approach so far.
- We expect the growing trend of more voluntary disclosure to continue, particularly around target financials on an acquisition and pro forma information.
- We see value in further guidance in certain areas, including for smaller transactions, to ensure the market is properly informed of transactions and how they may impact a listed company.
- One area that is currently hard to assess is whether listed companies are properly preparing for target integration after a significant transaction. Significant transactions are often transformative deals and can result in significant change to a business. Under the old regime, the sponsor was required to diligence the impact of the transaction on the listed company's ability to comply with listing requirements going forwards. Since this is no longer mandatory, it is uncertain if companies are applying the same rigour to post-completion compliance as before.

For more information on the background to the new listing regime and more detailed analysis of the changes, please see our previous briefings here.

Summary of the new disclosure requirements

As soon as possible after the transaction is agreed

- Why the transaction is notifiable
- Risks related to the transaction
- Statement of effect of the transaction on the company's earnings and assets and liabilities
- Break fee arrangements
- Application of sale proceeds (if disposal)
- Exit arrangements (if joint venture)
- Other transactions (if transaction is required to be aggregated)
- Board statement that the transaction is in the best interests of the security holders as a whole
- Any other information the company considers relevant
- PLUS previous class 2 requirements

As soon as possible after terms of the transaction are agreed and (ii) the information has been prepared or the listed company becomes or ought reasonably to have become aware of then information AND before completion

- If a disposal:
    - 2 years' financial information PLUS listed company and target significant change statements OR
    - explanation of how the value of the consideration has been arrived at and board statement that the consideration is fair
- If an acquisition, significant change in the listed company
- Listed company's related party transactions (only if relevant)
- Listed company's and target's legal and arbitration proceedings
- Listed company's and target's material contracts (only if needed for informed assessment)
- Where financial information is disclosed, the sources of the information
- Various additional disclosures where synergy benefits or pro forma are disclosed

As soon as possible after completion

- Confirmation that completion has taken place and that there has been no material change affecting any matter previously disclosed

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