

Rewriting the Rulebook: bold changes to the UK prospectus framework for equity issuers

The UK Financial Conduct Authority (FCA) has now published the rules for the new prospectus regime which come into force on 19 January 2026.

The new prospectus regime is part of the FCA's package of reforms aimed at supporting growth in the UK capital markets. It builds on the FCA's implementation of the new UK Listing Rules last summer (see our [briefing](#)) and is an integral part of the Primary Markets Effectiveness Review.

Under the new regime, the Prospectus Regulation Rules will be replaced by the new "Prospectus Rules: Admission to Trading on a Regulated Market" sourcebook (the PRM Rules). There will also be new rules applying to MTFs which will be added to the Market Conduct sourcebook.

The key rationale of the new regime is the emphasis on reducing the regulatory requirements for disclosure (both in terms of what needs to be included in a prospectus and when a prospectus needs to be produced) saving both time and cost for issuers. However, directors and their advisers should remain alive to the risks of not providing sufficient or correct disclosure particularly when seeking to tap the capital markets. Market practice will no doubt fill the gap left by rules that are less prescriptive and allow far greater flexibility on what information to disclose.

In this briefing, we set out what the new prospectus regime means for equity issuers and their advisers.

Summary of key takeaways

Initial offerings

- a prospectus will always be needed on an IPO for admission to trading on a regulated market
- an MTF admission prospectus will always be needed for admission to trading on a multi-lateral trading facility (MTF) which permits retail

participation such as AIM, but an MTF admission prospectus will not need FCA approval

Retail offers

- the mandatory offer period between publication of a prospectus and admission of the securities will be reduced from 6 to 3 working days

Secondary issuances

- the admission to trading on a regulated market threshold trigger for a prospectus for further issuances will be increased to 75% or more of the issued securities in a 12 month period (increased from 20% under the previous regime)
- the FCA will approve voluntary prospectuses if the percentage of the issuer's securities being issued is below 75%
- the trigger will be 100% of issued securities in a 12 month period for closed ended investment funds (CEIFs) with a further exemption for "C" share issues
- for issuers who seek to avail themselves of a prospectus exemption in the context of a takeover, further detail of content requirements for an "equivalent document" will be provided in a new FCA Technical Note
- a prospectus will not be required for further issues of securities on MTFs (e.g. AIM)

Prospectus content

- historical financial information – current disclosure requirements remain the same although there will be flexibility for

- companies with a complex financial history (the FCA has published a Technical Note for consultation)
- working capital statements – will remain mandatory but there will be a further consultation on disclosure (for example, disclosure of assumptions) later this summer with a FCA Technical Note to follow
- protected forward looking statements (PFLS) – the conditions for a statement to be a PFLS and a process for setting them out in a prospectus are now included in the new rules, to allow companies and directors to benefit from a reduced liability regime for these statements
- prospectus summary – now 10 pages instead of 7 pages
- incorporation by reference – continues to be permissive rather than mandatory
- sustainability disclosures – enhanced disclosures only specifically required where the issuer has identified sustainability related risks

The journey so far...

Following Lord Hill's UK Listing Review and the UK Secondary Capital Raising Review, the Public Offers and Admissions to Trading Regulations 2024 (POATRs) were introduced and came into limited effect on 30 January 2024. The new PRM Rules need to be considered in the context of the POATRs which have created a new framework for the offering of securities to the public in the UK and the admission of securities to trading in the UK, replacing the UK Prospectus Regulation (the on-shored version of the EU Prospectus Regulation). The key changes introduced by the POATRs are:

Public offers:

- a prospectus will not be required for any public offer of transferable securities admitted (or to be admitted) to trading on a regulated market or MTF (although the FCA may still require a prospectus in relation to admission to trading) or offers to existing shareholders
- the maximum size for an offer to the public (i.e. not just existing shareholders) is £5m rather than €8m although larger offers would be possible if the offer was made on a POP. At the same time as publishing the new prospectus rules, the FCA published their final rules on POPs which will also come into force on 19 January 2026

FCA Rules: the FCA is empowered to make rules in relation to MTFs requiring that MTFs allowing access to retail investors, such as AIM, require an MTF admission document to be known as an MTF admission prospectus

Prospectus content changes

	Current regime	New regime
Summary	✓ 7 pages	✓ 10 pages Cross-referencing now permitted No financial information annex needed
Historical financial information - 3 years audited financial information (or such shorter period as the issuer has been in existence) - Working capital statement	✓ including where complex financial history	✓ New Technical Note on complex financial history allowing a more flexible approach
	✓	✓ Technical Note will clarify permitted disclosures around assumptions
Protected forward looking statements	X	✓
Sustainability disclosures	Only if required by the general disclosure duty	✓ If issuer has identified climate-related risks

IPOs

IPOs: Main Market

The new regime will not change much of the disclosure requirements for a company seeking an IPO on the Main Market.

There will still be a need for an FCA-approved prospectus and prospectus content will remain fairly similar to the current regime. The overarching disclosure standard for prospectuses will remain the same. As is the case in the current regime, issuers will be permitted to publish a simplified prospectus when “stepping up” from AIM to the Main Market.

Prospectus content

There are only limited changes to the disclosure requirements for a prospectus (see the table above).

Areas that will require particular focus under the new regime are working capital statements and

the financial disclosure requirements for a company with a complex financial history.

There will still be a requirement for a working capital statement, however, the FCA will be consulting shortly on proposals to amend the existing guidance. These proposals are likely to focus on permitting the disclosure of some assumptions in the working capital statement, building on the approach taken during the COVID pandemic, which is perceived to have been helpful to issuers and investors.

The FCA is also consulting on a Technical Note which sets out draft guidance for issuers with a complex financial history in order to provide more clarity on the FCA’s expectations in this area. The stated intention is to limit the requirement for an issuer to create accounts especially for a prospectus where it might have made an acquisition or disposal during the period covered by the issuer’s financials in the prospectus. In the draft Technical Note, the FCA sets out examples

as to when it considers any additional financial information should be included, focussing on the size of the acquisition/disposal and how long ago it took place.

In addition, there is a new specific requirement for further disclosure where the issuer has identified climate-related risks as risk factors or where climate-related opportunities are material to the issuer's prospects. The required disclosures relate only to climate change and are aligned to the four pillars set out in the TCFD Recommendations. They also include a requirement that where an issuer has published a transition plan and where the contents are material, a summary of key information about the transition plan and where it may be located and inspected should be included in the prospectus. The FCA will consult on updating its existing Technical Note later this year and will address sustainability-related risks and opportunities beyond climate change as part of this consultation.

Retail participation

The current requirement for an IPO prospectus for a public offer to be made available to the public for a period of 6 working days prior to closing of an offer has been reduced to 3 working days. The change aims to encourage issuers to allow retail to participate in IPOs as the current 6 working day period is seen as a disincentive. The new approach does eliminate the need for a retail offer to span a weekend and therefore in effect reduces the offer period by 5 calendar days.

Protected forward looking statements (PFLS)

The POATRs create a new concept of PFLS which benefit from a recklessness/dishonesty liability standard with the burden of proof on the claimant rather than the existing liability standard which is based on negligence and requires the defendant to prove that it is not negligent. The expectation is that the introduction of PFLS will encourage issuers to include PFLS in prospectuses and that these PFLS will help investors to make better informed investment decisions and inform the

production of valuation models. A PFLS must meet the following conditions:

- it must contain either financial or operational information which refers to future events together with an estimate of when the expected events will occur
- it must contain information which a reasonable investor would be likely to use as part of the basis of their investment decisions
- it must be accompanied by general and specific accompanying statements explaining the nature of the information and the principal assumptions on which it is based

In relation to both regulated market prospectuses and MTF admission prospectuses, nearly all mandatory disclosures (e.g., working capital statements) cannot constitute PFLS, however, guidance regarding the performance of the business is likely to be a PFLS. Disclosures on sustainability are eligible to be designated as PFLS and accordingly disclosures on strategy, transition plans and metrics and targets can be PFLS .

Specialist issuers – mineral companies

In its latest consultation paper, the FCA had raised whether additional guidance relating to climate disclosures for mineral companies should be provided. Although a number of respondents requested that guidance around disclosure of an "Atmospheric Viability" test should be included in the relevant FCA Technical Note, the FCA has decided not to proceed with this additional climate disclosure at the current time. Instead, the FCA will conduct further reviews and analysis before suggesting further policy options. However, mineral companies will continue to be required to produce a competent persons report for inclusion in a prospectus, as currently, with no additional reports required.

IPOs: MTFs

MTF admission prospectuses

IPOs on MTFs such as AIM which are open to retail investors will require an MTF admission prospectus regardless of whether there is a retail offer or not. An MTF admission prospectus is not approved by the FCA. The FCA's expectation is that this will encourage issuers seeking an IPO on an MTF to include retail investors as the current regime discourages this due to the requirement to have an FCA-approved prospectus. The requirement also applies to reverse takeovers by an MTF issuer but it does not apply where a holdco is introduced above an existing MTF company or where a company uses the existing AIM Designated Market route.

The MTF operator (the London Stock Exchange in the case of AIM) will be responsible for specifying the content of the MTF admission prospectus. The expectation is that there will be no changes to the current AIM admission document content requirements, although we are awaiting a consultation from the London Stock Exchange on this and the future of AIM more generally. The PFLS regime will also apply to MTF admission prospectuses.

Other changes

The new regime for MTFs also requires that supplementary MTF admission prospectuses are required in certain circumstances together with associated withdrawal rights (in the same way as applies to regulated markets). The current advertisement regime which applies to admissions to trading on a regulated market and is aimed at ensuring consistency between advertisements and prospectuses will be extended to MTFs and MTF admission prospectuses.

Secondary issuances

Main Market

The most significant change in the new prospectus regime is the increase in the admission to trading threshold trigger for a prospectus from 20% or more of the issued securities to 75% or more of the issued securities in relation to further issuances of the same securities in the prior 12 months, with an increase to 100% for CEIFs. In its policy statement response, the FCA noted that feedback on the proposed increase had been mixed and that its decision was a policy matter. It also noted that the EU regime has also recently changed significantly with the new EU requirements setting a threshold of 30% where issuer's securities have been traded on a regulated market for less than 18 months and that where securities have been traded for more than 18 months no prospectus is required at all regardless of the size of issuance and provided that a summary document is produced.

In practice this change will mean that there are very few mandatory FCA-approved prospectuses for secondary issuances on the Main Market (which includes companies listed on the international commercial companies secondary listing and transition categories as well as the equity shares commercial companies category (ESCC)). Unlike the current regime, a rights issue will only require a prospectus where the admission to trading threshold is triggered (i.e. the offer is of 75% or more of issued securities).

The FCA has confirmed that voluntary prospectuses may be produced by issuers and approved by the FCA where the 75% threshold is not triggered, which may be considered necessary where issuers offer securities into other international markets such as the United States. The FCA will not require a sponsor to be appointed for a voluntary prospectus by a company with securities admitted to the ESCC, CEIF or SPAC categories. In addition, a prospectus will not be required where a CEIF issues C shares although the CEIF is required to make a notification to the

market including certain information such as a description of the rights attaching to the C shares.

As is the case in the current regime, issuers will be permitted to publish a simplified prospectus for a secondary issuance whether it is a mandatory prospectus or a voluntary one.

The FCA will not require any type of offering document for a further issuance of securities below the 75% threshold, however, issuers and their directors may choose to disclose additional information on a voluntary basis in an announcement of a share issue. Any banks underwriting the issuance may also have views on what an issuer should disclose and the corresponding due diligence that is performed. It is also possible that investor bodies, including the Pre-Emption Group, may issue guidance on what disclosure it would expect to see where there is no prospectus.

Companies will in any event need to comply with the requirement to disclose inside information under UK MAR when issuing shares.

It should also be noted that issuers may need to publish a shareholder circular depending on the size of the issuance and the issuer's existing shareholder authorities. Again, issuers may choose to include additional information in a circular, particularly as the overarching content requirement for a circular is that it contains all information necessary to allow the shareholders to make a properly informed decision on how to vote at the meeting.

Market practice around what disclosure to make where there is no prospectus will no doubt develop over time. One thing is for sure, issuers, directors and underwriters should consider very carefully, in the absence of a prospectus, how best to mitigate the risk that investors make a claim to not have received all relevant information at the time of making their investment in a share offering.

MTFs

The FCA rules do not require an MTF admission prospectus for a secondary issuance. Instead, MTF operators will have discretion to decide whether an MTF admission prospectus is required. We think that this is unlikely in respect of AIM given that an AIM admission document is not currently required for secondary issuances, unless there is a reverse takeover. The issues mentioned above in relation to disclosure will also apply to AIM issuers, however, these issues are relevant to AIM issuers now given that AIM prospectuses are very rare and therefore we would not expect a change in market practice.

Other points

Listing process

The FCA has changed the listing process in order to simplify the current process. A single application will be made to admit a new security to the Official List which will cover securities already in issue as well as securities to be issued in future removing the need for further applications, including block applications for listing.

Notification requirements

The current regime of delivering a private pricing statement to the FCA will be replaced by an enhanced public notification regime. The notification must be published on the same day as admission to trading occurs and will include details such as the number of shares admitted to trading as well as a hyperlink to the prospectus where a prospectus has been published. Where there is no prospectus, the issuer will not be required to disclose the prospectus exemption it had relied on as originally proposed by the FCA.

Admission to trading

Where further shares are issued, the issuer must obtain admission to trading within 60 days of allotment, unless the shares are listed on the international companies secondary listing category, where the period is 365 days from issue of the shares. A notification to the market must be made including details such as the number of further shares admitted to trading and the total number of shares admitted to trading.

Transitional provisions

If a prospectus is not approved by 19 January 2026, it will be required to comply with the new rules notwithstanding that the FCA review process may have begun. The FCA has committed to review prospectuses under the new rules prior to 19 January if so requested.

Issuers and advisers will need to play close attention to timetables and be ready to adapt a prospectus or admission document for the new rules if the publication date slips past 19 January 2026.

Next steps

As mentioned above, the FCA has already or will be publishing later this year draft guidance and Technical Notes on the following topics for consultation:

- **Working capital statements and disclosure**
- **Complex financial history** – this has already been published for consultation
- **Sustainability** – updates to the current FCA Technical Note to address sustainability-related information that is beyond climate risk
- **Takeover exempt documents** – content requirements
- **PFLS** – new Technical Notes on the preparation of financial and operational information in relation to PFLS

Final thoughts

The new regime will come into effect on 19 January 2026. The FCA's intention is to create a new regime which advances the FCA's objectives of market effectiveness, market integrity, consumer protection, effective competition and secondary international competitiveness and growth. In doing so, the changes seek to introduce a proportionate regime which makes capital raising easier for issuers and encourages more meaningful disclosure. Looking forwards, we hope this makes the UK public markets more attractive to issuers and that we see an increase in UK IPOs and more dynamic, quicker ways for issuers to use the public markets to finance their growth

[simmons-simmons.com](https://www.simmons-simmons.com)

© Simmons & Simmons LLP and its licensors. All rights asserted and reserved. This document is for general guidance only. It does not contain definitive advice.

Simmons & Simmons LLP is a limited liability partnership registered in England & Wales with number OC352713 and with its registered office and principal place of business at Citypoint, 1 Ropemaker Street, London EC2Y 9SS. It is authorised and regulated by the Solicitors Regulation Authority and its SRA ID number is 533587. The word "partner" refers to a member of Simmons & Simmons LLP or one of its affiliates, or an employee or consultant with equivalent standing. A list of members and other partners together with their professional qualifications is available for inspection at the above address.