Emerging market practice trends—*UK listing regime and public offers regime*

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Introduction

Two years ago, the United Kingdom's capital markets regulatory framework underwent its most fundamental transformation in over three decades. Three interlocking sets of reforms now define the framework within which issuers operate. First, the UK Listing Rules (UKLR), which came into force on July 29, 2024, replaced the long-standing premium and standard listing segments with a single Equity Shares in Commercial Companies category (ESCC). Second, the Public Offers and Admissions to Trading Regulations 2024 (POATR) replaced the retained EU-derived prospectus framework with a new regime for public offers and admissions to trading. Third, the Financial Conduct Authority's (FCA) Prospectus Rules: Admissions to Trading on a Regulated Market (PRM) sourcebook, effective from January 19, 2026, completed the legislative architecture.

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UK listing regime

The new UKLR regime replaced the former class 1 circular and shareholder vote model with a disclosure-based significant transactions regime, fundamentally changing how deals are executed and disclosed.

Significant transaction announcements

This streamlined, disclosure-based approach has led listed companies to adopt varied practices when disclosing significant transactions.

The FCA has monitored significant transaction announcements since the regime took effect and, in Primary Market Bulletin 64 (PMB 64) (July 6, 2026), gave its first substantive commentary on how issuers have approached them. The FCA will continue to monitor these announcements and will provide its findings in due course.

With two years of announcements now available, firmer market-practice trends can be identified. This note draws on 51 significant transactions announced under UKLR 7 between July 29, 2024 and July 31, 2026.

AT A GLANCE

51 significant transactions coded at transaction level:
20 acquisitions (39%), 28 disposals (55%), 3 JV/other (6%)

A comprehensive initial announcement remains the central model, but many transactions still have routine completion or status updates that are consistent with that norm. Approximately 84% of transactions delivered their full UKLR 7 content that way

Acquisition disclosure moved beyond the bare minimum in most cases, particularly through voluntary target financials, adjusted metrics and selective pro forma line items

The fairness statement route remains a minority approach on disposals, reserved for businesses without standalone financials. Where used, the supporting evidence ranges from book-value comparisons to competitive-process references

Board statements, risk disclosure and material contracts disclosure remain areas of drafting variation, with PMB 64 providing the FCA's first substantive commentary on risk disclosure quality and board statement compliance under UKLR 7

The dataset

Of the 51 transactions, 20 were acquisitions, 28 disposals and three joint ventures or other arrangements. The three JV/other deals are not the same as the three Takeover Code Rule 2.7 acquisitions discussed below. Both groups comprised three transactions, each representing around 6% of the sample, but they are analytically distinct categories.

The transactions spanned every major sector (financial services, real estate, industrials, technology, energy, media, consumer goods and healthcare) with no single sector above a fifth of the sample. Market capitalisation was similarly distributed: approximately one-third of transactions involved FTSE 100 or FTSE 250 constituents, one-third involved smaller Main Market issuers, and the remainder involved issuers outside the principal indices.

SIGNIFICANT TRANSACTIONS

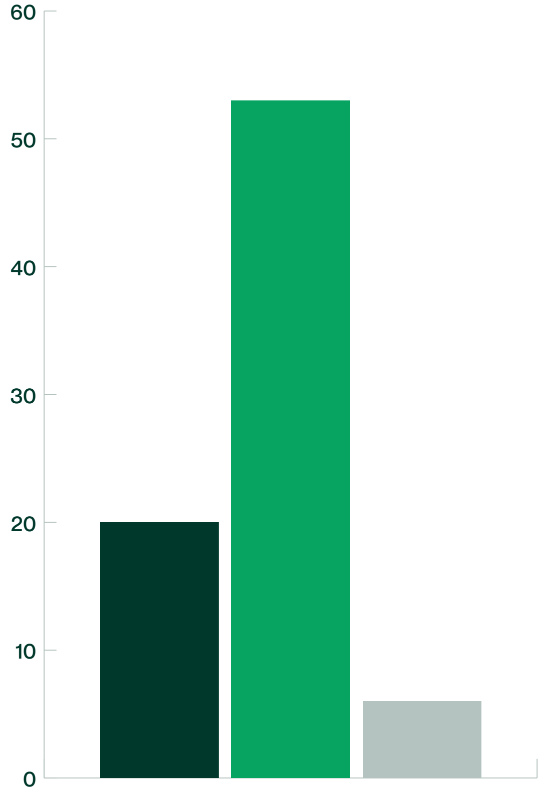

Figure 1: Transaction mix across the dataset (July 29, 2024–July 31, 2026)

1. ONE ANNOUNCEMENT, DONE PROPERLY

The UKLR 7 obligation is to include all required content in an announcement at signing. Where certain information is not yet available, follow-on disclosure is permitted. Separately, UKLR 7 requires a completion confirmation and no-material-change statement as a post-completion disclosure.

Most issuers now include all required content in a single announcement at signing. Across the 51 transactions reviewed, approximately 84% included all material UKLR 7 disclosures at the point of signing. Under the predecessor regime, a listed company would typically issue a short announcement at signing of a class 1 transaction and follow it with an FCA-approved circular several weeks later.

STRUCTURE	WHAT IT LOOKS LIKE	HOW COMMON
Comprehensive at signing	A single announcement carrying all substantive UKLR 7 content, followed at most by routine completion or no-material-change confirmations	~84%
Substantive follow-on	An initial announcement at signing, followed by one or more announcements that add genuinely required UKLR 7 content (for example target financials, risk factors or final class test calculations)	~10%
Takeover Code Rule 2.7	A Code-driven process in which the Rule 2.7 firm-intention announcement itself meets the UKLR 7 content requirements at signing, with any residual content in the later scheme or offer document; this is not a deferral of required content	~6%

2. SUBSTANTIVE FOLLOW-ON DISCLOSURE

Deferral of substantive UKLR 7 content to a follow-on announcement was uncommon and happened in only around five transactions (roughly 10% of the sample). Many issuers published a second announcement, but usually to confirm completion or that there has been no material change. Since those announcements were routine rather than substantive follow-on disclosure, treating them as such would overstate how often issuers actually split their disclosure.

Where deferral was genuine, the gap between the initial and follow-on announcements ranged from approximately one week to over 90 days. The most common drivers were regulatory clearance conditions that delayed certain disclosures, phased transaction structures where aggregation applied, and cases where target financial information was not available at signing. At the long end of the range, intervals beyond 90 days usually tracked a clearance timetable: CMA Phase 1, European Commission review, or a sector-specific approval. In those cases, the delay was driven by an external process rather than any deficiency in the issuer's disclosure preparation.

UKLR 7 does not set a maximum interval for follow-on disclosure, but the FCA's supervisory expectations on timeliness still apply. Where a lengthy interval is anticipated, best practice appears to favour flagging this in the initial announcement (for example, stating that certain information will be provided following regulatory clearance) rather than leaving the market uncertain about whether and when supplementary disclosure will follow. Several transactions featured multiple supplementary items in a single follow-on announcement, suggesting that issuers tend to batch outstanding disclosure requirements rather than publishing piecemeal updates.

3. RULE 2.7 ANNOUNCEMENTS

Three transactions in the review period involved a Takeover Code (Code) Rule 2.7 firm-intention announcement as the initial disclosure. In each case, the announcement timeline was dictated by Code procedures—including put-up-or-shut-up deadlines and Takeover Panel requirements—rather than by the UKLR 7 timetable, producing a multi-stage disclosure sequence distinct from the standard pattern. The issuer's obligation under UKLR 7 was satisfied either within the Rule 2.7 announcement itself or through the scheme document or offer document that followed. Since Code announcements are drafted to a different template and serve different regulatory objectives, they do not align precisely with the UKLR 7 content checklist.

Some issuers augmented the Rule 2.7 announcement to carry UKLR 7 content that would not otherwise sit in a Code announcement—for example, explicit class test calculations, board rationale in UKLR form and risk factors. In other cases, the UKLR 7 content was deferred to the scheme document or offer document, on the basis that this subsequent document (which must be despatched within the Code's timetable) constitutes follow-on disclosure for UKLR purposes.

4. DISPOSALS: FINANCIALS AND FAIRNESS STATEMENTS

On a disposal, UKLR 7 calls for two years of financial information on the business being sold. Where that is not available, or cannot be produced without unreasonable expense, an issuer may disclose an alternative—provided the board states that it considers the consideration fair and reasonable so far as security holders are concerned.

The 28 disposals in the review period represent the single largest transaction category of the 51 transactions. Most disposals in the sample included the historical financials. They were typically unaudited, drawn from group consolidation schedules and presented on the group's IFRS accounting policies. There is no requirement under the UKLRs for that information to be independently assured, and reporting accountant involvement was rare in standalone (non-Code) significant transaction announcements as issuers leaned on their own finance functions instead. Code-governed deals were a different matter: there, the synergy and benefits figures carried reporting-accountant and adviser sign-off under Rule 28 of the Code. Third-party assurance in the transactions was a function of the Code, not of UKLR 7.

The fairness statement route was a minority approach. It was used where the business sold did not have standalone reported financials—disposals of property assets, or of shareholdings that were not a separable operating business.

FORMULATION TYPE	WHAT IT INVOLVES
Clean fairness statement	A short statement that the board considers the consideration fair and reasonable, with limited supporting rationale beyond the board's own commercial assessment
Explanatory fairness statement	The same conclusion, supported by evidence—book value of the assets, a recent market or independent valuation, a premium to valuation, profit on sale against carrying value, or a competitive sale process

An overwhelming share of issuers chose the explanatory route. That fits the FCA's expectation that boards give investors enough context to understand the basis for the issuer's conclusion. Issuers contemplating disposals where standalone financials are unavailable should consider what supporting evidence they can marshal for the fairness statement.

In PS24/6, the FCA cautioned against formulaic or heavily caveated disclosures. The announcements reviewed were consistent with that expectation: boards tended to offer straightforward justifications—whether brief or detailed—rather than defensive, qualification-laden language.

Where issuers did explain, the evidence they reached for included:

- **Book or carrying value**. Consideration measured against the net asset value in the most recent accounts.
- **Independent or market valuation**. Common on property disposals, where valuations are routinely produced.
- **Premium to valuation.** The premium of the consideration over book value or an independent valuation.
- **Profit on disposal**. The accounting profit expected on completion, as an implicit comparison to carrying value.
- **Third-party comfort**. A reference to a financial adviser having taken account of the board's assessment. Standalone published fairness opinions did not appear.
- **Competitive process**. That the disposal followed a genuine competitive sale, offering its own comfort on price.

5. ACQUISITIONS: TARGET FINANCIALS AND PRO FORMAS

UKLR 7 requires that acquisition announcements include, as a minimum, the gross assets and attributable profits of the target. Over the last two years, voluntary disclosure has become a firm and settled practice. Around 75% of acquisition announcements went further by voluntarily including target revenue and earnings figures, likely reflecting investor and analyst expectations, together with competitive pressure to demonstrate the rationale for a deal.

Larger acquisitions attracted more scrutiny and tended to include more extensive detail, such as multi-year revenue, margin data and balance sheet metrics. Adjusted or non-IFRS measures featured in roughly 8 of the 20 acquisitions. Issuers were comfortable presenting a target on an adjusted basis.

Selective pro forma metrics—a headline combined-group revenue or EPS figure— appeared in about half of acquisition announcements. Full pro forma tables did not, save where a parallel prospectus or a Code context brought reporting-accountant procedures. Investors, it seems, value the directional number without needing the full statement at announcement stage, and because the selective metrics come without accountant assurance, the verification burden sits with the issuer's own processes and its advisers' diligence.

6. RISK FACTORS

UKLR 7 requires disclosure of the material risks relating to a transaction. It does not prescribe a format, and practice reflects that.

Without prescriptive FCA guidance on format, practice has developed organically. Adviser preference, transaction complexity and issuer precedent have each shaped the approach taken. There is no safe harbour in format choice alone. In Donaldson and Arden v FCA (the Metro Bank decision), the Upper Tribunal confirmed that a breach of the predecessor to UKLR 1.3.3R arises only where information in an RNS announcement is materially misleading, false or deceptive, or omits material facts. This is a substance-based test that applies regardless of whether a standalone risk-factor section was deployed.

Risk disclosure across the review period falls into three observable categories highlighted below.

FORMAT	WHAT IT LOOKS LIKE	HOW COMMON
Formal risk-factor section	A separate section with individually headed, numbered or bulleted risks, close to prospectus-style architecture	~20%
Narrative disclosure	Risks woven into the body of the announcement, as part of the transaction description, with no standalone section	~61%
Hybrid	A short dedicated section, plus transaction-specific caveats elsewhere in the announcement	~18%

Narrative integration was markedly the most common format. Many issuers regarded a standalone, prospectus-style section as unnecessary for a significant transaction, preferring to set risks in their commercial context. From an evidential perspective, narrative disclosure may be harder for a court or tribunal to assess as a self-contained body of information. If a shareholder subsequently alleges the risks were understated, the absence of a clearly marked risk section can make it more difficult to show the disclosure was comprehensible and complete. A formal section gives cleaner evidence that the issuer put material risks in front of shareholders as a distinct exercise. The narrative approach offers flexibility, and avoids a risk section becoming a boilerplate "laundry list". It should also be noted that the UKLR requirement for an announcement—rather than a circular—does not lend itself as naturally to including a formal risk-factor section. A standalone risk-factor section sat more comfortably within the longer-form circular format. That said, there is no prohibition on including one in an announcement, and issuers may choose to do so where that is their preference or where there is a desire to align the announcement's risk disclosure with a parallel prospectus (where one is required for the transaction). The hybrid approach combines both elements but requires the dedicated section and the dispersed caveats to be kept consistent.

The FCA noted differing approaches to the number and presentation of risks, and that some notifications had moved away from the structured format used in class 1 circulars—where each risk was stated and briefly explained—towards more concise, high-level descriptions and a less defined structure. It accepted that the number and detail of risks will vary with the size and complexity of a deal, and that issuers retain discretion as to how they present and order them. However, the FCA noted that the explanations of risks were generic in some cases and reiterated its expectation that risk disclosures should be tailored to the company as a result of the transaction, and should clearly articulate the risk to the company rather than be generic.

7. BOARD STATEMENTS

UKLR 7 requires the board to give its opinion on the transaction, and that opinion must not be misleading. The wording was varied across the transactions, and settled into the three categories below.

CATEGORY	FORMULATION
Clean shareholder-only	The board considers the transaction in the best interests of shareholders as a whole
Qualified/rationale-linked	The same conclusion, with specific supporting rationale or conditional language
Stakeholder-extended	The statement reaches beyond shareholders to employees, customers, suppliers or other stakeholders

"the transaction is, in the board's opinion, in the best interests of security holders as a whole."

The clean formulation was the most common. One issuer consistently adopted a stakeholder-extended variant across its property disposals, stating that the transaction was in the best interests of shareholders as a whole, as well as its colleagues, suppliers and customers—wording that went beyond the prescribed text. In an acquisition, the board added a paragraph of commercial rationale tying the conclusion to specific strategy.

In PMB 64, the FCA noted instances where the board statement wording did not track the rule, and reminded issuers that they must follow the prescribed text. Bespoke or narrowed wording that dilutes the rule's intent is not acceptable. Issuers should ensure their board statements replicate the prescribed language verbatim, with any additional rationale clearly separate from the prescribed statement. The statement must include the words: "the transaction is, in the board's opinion, in the best interests of security holders as a whole."

The same discipline applies to related party transactions. A clean confirmation tracking UKLR 8.2.2R(4) should be given: that the transaction is fair and reasonable so far as security holders are concerned, and that the directors have been so advised by a sponsor (UKLR 8.2.4G). Departures from the prescribed text are not appropriate.

Other areas of note

Several additional themes emerged from the dataset that merit brief comment:

1. BREAK FEES

The UKLRs removed break fees from the significant transaction category. Previously these fees were capped at 1% of the issuer's market capitalisation. Break and termination fees were disclosed in only a handful of transactions, and where they appeared they were expressed as fixed sums. On the buy-side they took the form of conventional termination or break payments; on the sell-side, at least one disposal carried a reverse break fee payable by the buyer if regulatory conditions were not met. Several issuers expressly recorded that no break fee applied.

2. SPECIALIST COMPANIES

Mining and natural resources issuers gave relevant geological or reserves data in their announcements, but not full standalone expert reports, resulting in less detailed announcements when compared to the previous regime.

3. INVESTOR ENGAGEMENT

Despite the removal of the shareholder vote, a number of the 51 transactions show issuers continuing to engage with major shareholders ahead of announcement. Several announcements expressly reference prior shareholder consultation. This suggests that investor engagement has shifted from a vote-driven necessity to a market-confidence exercise, with boards using it to de-risk execution and gauge likely share-price reaction. The UK Market Abuse Regulation (MAR) constraints on selective disclosure apply in full, and issuers should ensure the scope of any engagement is confined to matters bearing on the transaction's deliverability.

4. VERIFICATION AND THE SPONSOR GAP

The removal of sponsor oversight and FCA pre-clearance has transferred—not reduced—the verification burden. Across the dataset, the more detailed announcements suggest adviser involvement and source-checking consistent with class 1 circular standards, compressed into a shorter timeline.
Shorter announcements at the lower end of the range offer less evidence of structured verification. In our view, given the Metro Bank decision's confirmation that personal liability can attach to directors under UKLR 1.3.3R, the quality of the verification record is now the issuer's principal defence.

5. SUB-THRESHOLD TRANSACTIONS

The abolition of the former class 2 category means that transactions with class test ratios between 5% and 25% no longer attract specified disclosure requirements. Announcements for deals in this range are governed by MAR and UKLR 1.3.3R alone. In PMB 64, the FCA focused on significant transaction announcements and has not yet addressed sub-threshold deals. In our view, issuers announcing transactions in this range should consider whether the former class 2 content requirements remain a useful reference point, particularly where the transaction is material enough to affect analyst models or the share price.

Public offers and prospectus regime

The POATR and the PRM came into force on January 19, 2026, completing the reform of the UK's framework for public offers and prospectuses. Although the regime has been in force for a much shorter period than the significant transactions regime discussed above, a review of the nine Main Market secondary issuances conducted between January 19, 2026 and July 31, 2026 reveals a number of identifiable patterns and practice points that merit discussion.

THE FURTHER ISSUANCE EXEMPTION IN PRACTICE

Eight of the nine secondary issuances since January 19, 2026 did not require or produce a prospectus. Those issuers relied on the expanded further issuance exemption under PRM 1.4.3R, which raised the threshold for an exemption from the prospectus requirement for further issuances from 20% to 75% of the number of securities already admitted to trading on the same regulated market. The universal adoption of this exemption in the first six months confirms that the 75% threshold has effectively removed the prospectus requirement from the standard equity fundraising toolkit for established listed companies—at least for issuances within that ceiling.

OFFERING MEMORANDA AND VOLUNTARY DOCUMENTATION

Of the nine issuances, only one—a placing and open offer—featured an offering memorandum. The number of new ordinary shares being issued by the issuer was equal to up to 50.5% of its existing issued share capital, making it the first secondary issue in the period where shares were issued in an amount exceeding 20% of the existing issued share capital without a prospectus. The presence of an offering memorandum in this case could have been driven by the U.S. selling dimension: the placing and open offer shares were offered and sold in the U.S. to qualified institutional investors under Rule 144A and to accredited investors under Regulation D.

Another issuer, which issued shares representing 608% of its existing share capital as part of a heavily restructured refinancing, published a full prospectus because the shares to be issued represented more than 75% of the number of securities of that class already admitted to trading on the same regulated market, thereby exceeding the further issuance exemption threshold. The capital raising was also conditional on shareholder approval and involved an open offer with an importance-of-the-vote section. The remaining seven issuances proceeded without any form of offering document, relying solely on the fundraise announcement as the primary disclosure medium.

SOFT PRE-EMPTION AND PRE-EMPTION GROUP COMPLIANCE

All nine issuers adhered to soft pre-emption principles when allocating shares, with management participation in allocations in most cases, and each issuer complied with applicable MiFID II requirements. Where allocations fell outside soft pre-emption, issuers directed them preferentially towards existing shareholders in excess of their pro rata entitlements, or towards wall-crossed accounts. In the retail offer components, issuers consistently prioritised existing shareholders to ensure they received at least their pro rata entitlement. Each results announcement included a post-transaction report under the Pre-Emption Group Statement of Principles 2022.

THE 75% THRESHOLD VERSUS THE 20% GOVERNANCE CONSTRAINT

There is a notable tension between the expanded statutory headroom under the further issuance exemption and the Pre-Emption Group's guidance. The Pre-Emption Group continues to limit non-pre-emptive issuances to 10% of share capital for general corporate purposes (with an additional 10% for acquisitions or specified capital investments, subject to a 12-month look-back period, and a further 2% for follow-on offers to existing shareholders in respect of each limb—meaning up to 24% of share capital in aggregate where the issuance is for an acquisition or specified capital investment). The Pre-Emption Group has not revisited this guidance to reflect the new 75% threshold, meaning the statutory ceiling and the corporate-governance framework currently pull in different directions.

Of the nine issuances, the majority involved shares representing between 5% and 20% of the issuer's existing share capital—comfortably within the Pre-Emption Group's guidelines.
One transaction at 50.5% was the single instance to exceed 20% without a prospectus (and is the first such transaction recorded). The offering memorandum it produced may reflect, among other factors, a recognition that additional disclosure is a prerequisite when accessing U.S. capital markets. The issuance at 608% of existing share capital was a distressed refinancing involving shareholder approval, a prospectus and a debt-for-equity conversion—an exceptional case that does not reflect standard market practice. In our view, it is too early to tell if the 75% threshold has materially changed market behaviour.
Issuers, so far, continue to operate within the Pre-Emption Group's narrower parameters, and the expanded headroom remains largely untested. Three questions will determine whether practice evolves: whether the Pre-Emption Group revises its guidance; whether institutional attitudes to larger issuances shift; and whether issuers begin to test the space between 20% and 75%.

SHAREHOLDER CONSULTATION AND WALL-CROSSING IN SECONDARY FUNDRAISINGS

Shareholder consultation or wall-crossing ahead of launch has been a consistent feature of the nine issuances. In virtually every case, the issuer consulted with major shareholders prior to the fundraise to gauge feedback on the terms and potential participation. Several boards concluded the placing was in the best interests of shareholders and wider stakeholders only after conducting this consultation. This practice is significant for two reasons. First, it demonstrates that even without a prospectus or a shareholder vote, issuers regard pre-announcement engagement as essential to execution strategy—a means of de-risking the bookbuild and building support for the transaction.

Second, it raises the same MAR considerations that apply in the significant transaction context. The information shared with wall-crossed shareholders constitutes inside information. Issuers must ensure that the scope of disclosure is reasonable, necessary and proportionate, and that proper cleansing or information barriers are in place.

RELATED PARTY CONSIDERATIONS IN SECONDARY FUNDRAISINGS

Two of the nine issuances involved related party transactions arising from substantial shareholder participation. In one placing, the issuer's largest shareholder—entitled to exercise 20% or more of the votes at general meetings—subscribed for approximately GBP26 million of placing shares, constituting a notifiable related party transaction.

The board confirmed the participation was fair and reasonable as far as shareholders were concerned, having been so advised by the sponsor. In another capital raising, a substantial shareholder holding approximately 24% of the existing ordinary shares committed to subscribing for new shares worth up to approximately GBP22m, with the board providing the same confirmation on its sponsor's advice.

IPOS, PFLS AND WORKING CAPITAL

Given that only three IPO listings have occurred on the equity shares (commercial companies) category and the international commercial companies secondary listing (International) category combined, we will need to wait and see how issuers interpret and disclose protected forward-looking statements (PFLS) and working capital in practice.

On July 31, 2026, the FCA published Handbook Notice No 143, confirming the Prospectus Rules: Admission to Trading on a Regulated Market (Clarificatory Amendments) Instrument 2026, which amended PRM 8.2.3R with effect from that date. The original drafting of PRM 8.2.3R required the content-specific accompanying statement for a PFLS to appear immediately next to the PFLS to which it related.

Following feedback that issuers may wish to include numerous PFLS disclosures alongside non-PFLS content, or to repeat the same PFLS disclosure at several points in a single prospectus, the FCA accepted that the original drafting could have undermined the readability of a prospectus by requiring repeated disclaimer-like statements that interrupt the flow of the text. The amended rule gives issuers greater flexibility in deciding how to present PFLS disclosures in a prospectus, while still ensuring that readers can easily locate the content-specific accompanying statement for a particular PFLS disclosure. This clarification is likely to be of practical relevance once issuers on the equity shares (commercial companies) and international commercial companies secondary listing (International) categories begin to test how PFLS disclosures are presented under the new regime.

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