



## Looking ahead

UK equity capital markets and takeovers: recent updates and horizon scanner – Autumn 2024 (UK)

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**Eversheds Sutherland** has identified key upcoming developments for inclusion in this report. These include anything that has been published or updated since the last report (published Summer 2024).

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## Introduction

Welcome to our Autumn 2024 quarterly round-up and horizon scanner. We highlight some of the key legal and regulatory developments in relation to UK equity capital markets and the Takeover Code over the last quarter since the publication of our last report (Summer 2024 – [available here](#)), as well as those that are on the horizon in the UK for 2024 – 2025 and beyond. The developments will be of interest to UK listed/traded companies and their advisers. We have applied a RAG rating to the developments in terms of timing. We include links to relevant client briefings in the **'Useful links'** column.

This report is intended to give you a general overview of legal and regulatory developments. It is provided for information purposes only and is not intended to be comprehensive or to constitute advice on which you may rely.

An expected timeline of key dates is set out in the [Appendix](#) and we have also set out links to some [further reading](#).

If you would like to discuss any of the matters covered in further detail please get in touch with our team.

This report reflects the position at 06 November 2024.

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## Snapshot

Our Autumn 2024 report follows the biggest change to the Listing Rules in over three decades when the new rules became operational on 29 July 2024. The new rules represent a move to a more disclosure-based regime, putting information into the hands of investors so they can make their own decisions. There are fewer barriers for companies seeking a listing on the main market and the new rules on significant transactions will make the M&A process easier. However, the new rules by themselves are only part of the story in reversing the decline in London listings.

The new Listing Rules taking effect was followed swiftly by the FCA consulting on proposals for a new public offers and admissions to trading regime (replacing the EU inherited Prospectus Regulation), intended to reduce costs and make it easier for UK companies to raise funds. One of the key proposed changes is a higher threshold for triggering a prospectus for secondary issues where shares are already admitted to a regulated market. We await the publication of the final rules from the FCA, which are expected in Q1 2025.

After a very busy Spring and early Summer for regulatory change, the last quarter has been quieter in terms of significant ECM legal and regulatory developments. From a corporate governance perspective, in October, the Investment Association published their updated Principles of Remuneration which have been simplified and are intended to allow for additional flexibility and support a competitive UK listing environment (executive pay restrictions being cited as another factor reducing the attractiveness of a UK listing). Listed companies will also start to apply the revised UK Corporate Governance Code 2024 for financial years from 1 January 2025.










The government has also indicated that there will be consultation on company law reforms in 2025 focused on simplifying and modernising the non-financial reporting framework and clarifying the law in relation to virtual AGMs. ESG remains on the agenda, with the government expected to make an endorsement decision on the first two IFRS Sustainability Disclosure Standards in Q1 2025. If endorsed, this is likely to result in consultation on changes to climate and sustainability disclosures required by both listed and larger AIM and private companies.

This has also been a quiet period for developments in relation to the Takeover Code, although the Code Committee of the Takeover Panel has just published a Response Statement to its consultation confirming it is narrowing the scope of companies to which the Takeover Code applies.

We have seen interest, including from overseas companies, in the proposals for creation of the world's first private intermittent capital exchange system (PISECS). There is no firm update on the timing for this, although it is now expected that transfers of shares on such platforms will not be subject to stamp duty.

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Topic areas covered:		RAG rating		
	Listing regime			
	Prospectus and public offers			
	Takeovers			
	Regulatory updates			
	Reporting, corporate governance and ESG			
	Miscellaneous			

Immediate impact


Short term impact  
(6 - 12 months)

On the horizon or  
timescales not yet  
known



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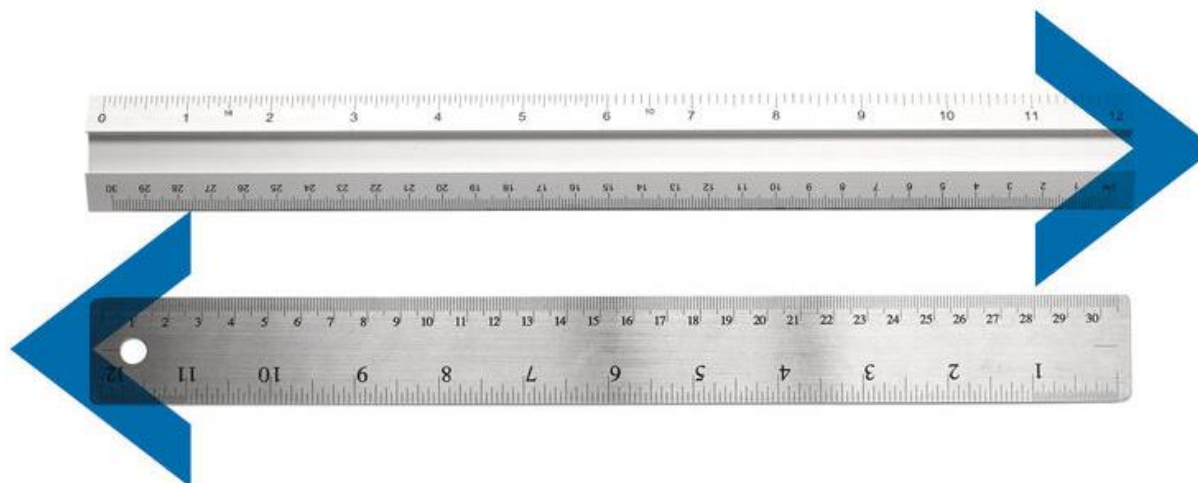
Development	Summary	Next steps	Impact date or period	Useful links
<b>Listing regime</b>				
<b>Updated FCA technical notes</b>	<p>In September 2024, the Financial Conduct Authority (<b>FCA</b>) published Primary Market Bulletin 51 (<b>PMB 51</b>).</p> <p>In PMB 51, the FCA provided feedback on its consultation in <a href="#">Primary Market Bulletin 48</a> and confirmed subsequent changes to a number of Technical Notes in its Knowledge Base to reflect the revised UK Listing Rules which <u>took effect</u> on 29 July 2024.</p> <p>A summary of what has changed can be <a href="#">found here</a>.</p> <p>Technical and Procedural Notes in the FCA Knowledge Base are being updated on a phased basis. In the meantime, issuers should interpret references to the previous Listing Rules “purposively” in the light of the changes.</p>	Listed companies should familiarise themselves with the updated guidance.	Immediate 	<a href="#">Primary Market Bulletin 51</a>



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Development	Summary	Next steps	Impact date or period	Useful links
<b>Prospectus regime and public offers</b>				
<b>Prospectus regime reform</b>	<p>As we noted in our Summer 2024 report, the FCA published a consultation in July 2024 on its draft new rules that will replace the UK prospectus regime.</p> <p>A key change is in relation to further issues where securities are already admitted to trading on a regulated market, increasing the trigger for a prospectus from 20% to 75% of existing issued share capital.</p> <p>For AIM companies, a new form of admission prospectus (MTF admission prospectus) would be created.</p>	<p>The consultation closed on 18 October 2024.</p> <p>The FCA stated their aim to finalise the rules by late Q2 2025.</p> <p>Await further developments.</p>	H2 2025 	Briefing: <a href="#">Financial Conduct Authority sets out draft new rules to replace the UK prospectus regime</a>



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Development	Summary	Next steps	Impact date or period	Useful links
<b>Takeovers</b>				
<b>Takeover Panel Response Statement: Companies to which the Takeover Code applies</b>	<p>On 6 November 2024, the Code Committee of the Takeover Panel published a Response Statement to its consultation (published in April 2024) on a new jurisdictional framework narrowing the scope of companies to which the Takeover Code (<b>Code</b>) applies.</p> <p>The Code Committee has adopted the amendments set out in the consultation, subject to certain modifications.</p> <p>The changes will re-focus the application of the Code, subject to transitional arrangements, to apply to companies which are registered in the UK, Channel Islands or Isle of Man and either:</p> <ul style="list-style-type: none"> <li>– the company is “UK quoted”; or</li> <li>– the company was “UK quoted” at any time during the previous two year period.</li> </ul> <p>The principal change from the consultation is that the length of each of the run-off period and the transition period will be two years (rather than three).</p>	<p>The Code changes take effect on Monday 3 February 2025. The transition period will run for two years from 3 February 2025 until 2 February 2027.</p> <p>The changes will not impact UK companies with securities currently admitted to a UK regulated market (eg the main market), markets including AIM or a stock exchange in the Channel Islands or the Isle of Man (which remain subject to the Code).</p>	<p>February 2025</p> 	<p><a href="#">Response Statement RS 2024/1</a></p> <p><a href="#">Panel Statement 2024/24</a></p> <p>Briefing: <a href="#">UK Takeover Panel consults on narrowing the scope of companies subject to the Takeover Code</a></p>
<b>Takeover Panel 2023-24 Annual report and Accounts published</b>	<p>In September 2024, the Takeover Panel published their Annual Report and Accounts for the year ending 31 March 2024.</p> <p>The Report includes (at pages 17 – 18) some key statistics relating to transactions regulated by the Panel:</p>	<p>For information only.</p>	<p>Not applicable.</p>	<p><a href="#">Panel Statement 2024/22</a></p>



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Development	Summary	Next steps	Impact date or period	Useful links
	<ul style="list-style-type: none"><li>- of the 61 (48 in 2022-23) firm offers announced, 10 (10 in 2022-23) were structured as a contractual offer and 51 (38 in 2022-23) as a scheme of arrangement at the time of the firm offer announcement;</li><li>- 3 (1 in 2022-23) offers were mandatory bids at the time of the firm offer announcement; and</li><li>- the Executive granted 47 (41 in 2022-23) whitewash dispensations and 9 (8 in 2022-23) Code waivers.</li></ul>			





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Development	Summary	Next steps	Impact date or period	Useful links
<b>Regulatory updates</b>				
<b>Digital Securities Sandbox opens for applications</b>	<p>On 30 September 2024, the FCA announced that the Digital Securities Sandbox (<b>DSS</b>) was open for applications. The DSS is a temporary regime that will allow firms to use distributed ledger technology (DLT) for the issuance, trading and settlement of digital securities (including shares and bonds).</p>	The FCA encourages firms that are innovating in financial markets infrastructure to apply. Further guidance and support is available.	<p>Immediate</p> 	<p><a href="#">FCA News Story 20 September 2024</a> Briefing: <a href="#">Bank of England and FCA consult on a digital securities sandbox</a></p>
<b>FCA publish interim update to the Regulatory Initiatives Grid</b>	<p>In October 2024, the Financial Services Regulatory Initiatives Forum announced that, because of the replanning required as a result of the change of government, it is unable to publish a complete Regulatory Initiatives Grid this year. Instead, the Forum has published an Interim Update covering known regulatory initiatives impacting firms from October 2024 to March 2025.</p> <p>The Grid is generally published twice a year and sets out the regulatory pipeline for the following two years to help the financial services sector manage the operational impact of planned reforms. The Grid was last published in November 2023.</p> <p>From a corporate and equity capital markets perspective, the interim update confirms that:</p> <p><b>Prospectus regime reform:</b> the FCA is aiming to publish detailed rules relating to the new public offers and admissions to trading regime in Q1 2025. The FCA previously consulted on aspects of the new regime in July 2024. See the <a href="#">above entry</a>.</p>	Await further updates.	<p>Further developments expected during 2025</p> 	<p><a href="#">Regulatory Initiatives Grid – Interim update (October 2024)</a></p>



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Development	Summary	Next steps	Impact date or period	Useful links
	<p><b>Stewardship Code:</b> the Financial Reporting Council (<b>FRC</b>) will continue its review of the UK Stewardship Code and engage with other relevant regulators in this regard in Q4 2024 and Q1 2025.</p>			
<p><b>FCA consultation on investment research payment optionality for fund managers</b></p>	<p>On 5 November 2024, the FCA published a consultation paper on investment research payment optionality for fund managers. CP24/21 sets out proposals to take forward recommendations from the Investment Research Review and feedback given to the FCA following its work relating to payment optionality for investment research (see the briefing opposite).</p>	<p>The consultation closes to comments on 16 December 2024. The FCA will aim to publish its policy statement containing new rules and guidance in the first half of 2025.</p>	<p>H2 2025</p> 	<p>Consultation paper CP24/21: <a href="#">Investment research payment optionality for fund managers</a> Briefing: <a href="#">FCA Policy Statement – Payment Optionality for Investment Research</a></p>
<p><b>Accelerated Settlement Technical Group publish draft recommendations report and consultation</b></p>	<p>The Accelerated Settlement Taskforce is currently examining a potential migration by the UK to a 'T+1' settlement standard – ie reducing the time it takes for securities transactions to settle.</p> <p>In September 2024, the Accelerated Settlement Technical Group (<b>ASTG</b>) published a draft recommendations report and consultation.</p> <p>The ASTG was established in March 2024 in line with one of the recommendations made by the Accelerated Settlement Taskforce to determine the technical and operational changes necessary for the UK to transition to a T+1 settlement cycle.</p> <p>In its report, the ASTG sets out a number of draft operational recommendations, which it invited market participants to review and comment on by 31 October 2024.</p>	<p>The ASTG will publish the final version of the recommendations at the end of 2024.</p> <p>The UK government has determined that transition to T+1 should complete by no later than the end of 2027 once any operational changes are mandated in 2025.</p>	<p>2027</p> 	<p><a href="#">ASTG Draft Recommendations Report &amp; Consultation</a> <a href="#">Accelerated Settlement Taskforce Report</a> (March 2024) <a href="#">Government Response</a> (March 2024)</p>



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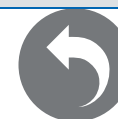
Development	Summary	Next steps	Impact date or period	Useful links
<b>Reporting, corporate governance and ESG</b>				
<p><b>Revised Investment Association Principles of Remuneration published</b></p>	<p>In October 2024, the Investment Association (<b>IA</b>) published their updated Principles of Remuneration (and supporting guidance). The Principles outline IA members' views on the commonly accepted approach to executive remuneration for the majority of UK listed companies.</p> <p>The Principles have been simplified and updated following a fundamental review of the pay guidelines to reflect evolving investor expectations and support a competitive UK listing environment. The IA emphasises that the Principles and supporting guidance should not be viewed as prescriptive rules and encourages companies to adopt remuneration structures that are most appropriate for their business, strategy and performance.</p> <p>The Principles set out three overarching objectives for remuneration policies, which should:</p> <ul style="list-style-type: none"> <li>– promote long-term value creation through transparent alignment with the company's strategy;</li> <li>– support individual and corporate performance, encourage the sustainable long-term financial health of the business and sound risk management; and</li> <li>– seek to deliver remuneration levels clearly linked to company performance.</li> </ul>	<p>The Principles and accompanying guidance are more flexible and less prescriptive than previous versions. UK proxy advisers refer to the IA Principles when setting voting guidelines for AGMs.</p> <p>The revised Principles are likely to impact the 2025 AGM reporting season, particularly for companies seeking shareholder approval for a new director remuneration policy.</p>	<p>2025</p> 	<p><a href="#">IA press release</a></p> <p><a href="#">IA Principles of Remuneration</a></p>



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Development	Summary	Next steps	Impact date or period	Useful links
<p><b>Reminder: UK Corporate Governance Code 2024</b></p>	<p>A reminder that the revised UK Corporate Governance Code published by the FRC in January 2024 applies generally to accounting periods beginning on or after 1 January 2025. The exception to this is the requirement for a board declaration on internal controls (revised Provision 29), which applies to accounting periods beginning on or after 1 January 2026.</p>	<p>Listed companies and others that apply the Code voluntarily should familiarise themselves with the revised Code ahead of it coming into effect.</p>	<p>Generally from 1 January 2025</p> 	<p>Briefing: <a href="#">Revised UK Corporate Governance Code published</a></p> <p>FRC webinar: <a href="#">UK Corporate Governance Code 2024 – first reporting cycle preview</a></p>
<p><b>Corporate governance and reporting updates: round-up</b></p>	<p>There have been various developments in relation to corporate governance and reporting in the last quarter, including:</p> <ul style="list-style-type: none"> <li>– In August 2024, the FRC published for consultation <a href="#">revised guidance on the going concern basis of accounting and related reporting</a>.</li> <li>– In August 2024, the FRC published a discussion paper which seeks views on the <a href="#">future policy direction of the UK digital reporting framework</a>.</li> <li>– The FRC also published its <a href="#">Annual Review of Corporate Reporting 2023/24</a> in September 2024. The review identifies areas for improvement and outlines the FRC's key expectations for the 2024/25 reporting season.</li> <li>– In September 2024, the Department for Business and Trade published <a href="#">updated guidance</a> to reporting on payment practices and performance. The guidance is for large companies and LLPs that must comply with the statutory reporting duty for payment practices and performance.</li> </ul>	<p>We comment further on these developments in our Autumn 2024 Corporate Horizon Scanning Report. If you have not received a copy and would like to do so, then please get in touch.</p>	<p>Various</p>	<p>See opposite.</p>



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Development	Summary	Next steps	Impact date or period	Useful links
	<ul style="list-style-type: none"> <li>- In September 2024, the UK government published an <u>update</u> on the creation of UK Sustainability Reporting Standards.</li> <li>- In October 2024, the Institute of Directors <u>published a voluntary code of conduct</u> for UK company directors.</li> </ul>			
<b>Company law reform</b>	<p>In October 2024, the government announced upcoming corporate law reforms as follows:</p> <p><b>Reporting</b> - the government will launch a consultation in 2025 aimed at simplifying and modernising the UK's non-financial framework.</p> <p><b>AGMs</b> – the consultation will also examine the potential for updating shareholder communication in line with technology and clarifying the law in relation to virtual AGMs.</p> <p><b>Secondary Capital Raising Review</b> – the government is committed to implementing the outstanding recommendations from the Secondary Capital Raising Review, including reducing from 10 to 7 working days the minimum time in which a company must offer new shares to existing shareholders before offering them to the wider market.</p>	<p>Await further consultation in 2025.</p> <p>In the event of a change in the law to facilitate wholly virtual AGMs (which has not historically been supported by institutional investor bodies), companies will need to examine their Articles of Association, amending them to expressly provide for virtual general meetings (in addition to physical and hybrid meetings). Continue to monitor developments.</p>	<p>The reforms could be implemented in late 2025 – 2026</p> 	<p><u><a href="#">Ministerial Statement Briefing (July 2022): Next steps for UK capital markets reform: UK Secondary Capital Raising Review recommendations published</a></u></p>





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Development	Summary	Next steps	Impact date or period	Useful links
<b>Miscellaneous</b>				
<b>London Stock Exchange publish Dividend Procedure Timetable</b>	<p>In September 2024, London Stock Exchange announced the publication of its Dividend Procedure Timetable 2025.</p> <p>Companies with shares listed on the LSE's main market and on AIM should use the timetable when setting their interim and final dividend programmes for 2025.</p>	Companies to note.	<p>From December 2024</p> 	<p>Market Notice: <a href="#">Dividend Procedure Timetable 2025</a></p>
<b>Update on PISCES (Private Intermittent Securities and Capital Exchange System)</b>	<p>The HM Treasury consultation on the proposed PISCES was published alongside the Spring budget in March 2024. The consultation noted that the Treasury intended to lay a statutory instrument later in 2024 providing the legal framework for the PISCES sandbox.</p> <p>The government is yet to publish the consultation feedback, or provide an update on the timing for the publication of draft or final legislation.</p> <p>In a speech delivered on 6 September 2024, the current government confirmed their commitment to taking PISCES forward. It was noted, however, that further thinking was required in relation to the issues of disclosure and market abuse.</p> <p>Further, It was announced as part of the Autumn 2024 budget that the Finance Bill 2024-25 will include a power enabling HM Treasury to make stamp duty exemptions for transfers on a PISECS platform.</p>	Await further developments.	<p>During 2025</p> 	<p>Briefing: <a href="#">UK Government consults on new platform for trading private company shares</a></p> <p><a href="#">Speech from the City Minister</a></p> <p>Policy paper: <a href="#">Stamp Duty and Stamp Duty Reserve Tax — power to make changes in connection with FMI sandboxes and exemption for PISCES</a></p>



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# Appendix: Key dates

Date	Detail
<b>01 January 2025</b>	UK Corporate Governance Code 2024 generally applies to accounting periods commencing on or after 1 January 2025
<b>16 December 2024</b>	FCA consultation on investment research payment optionality for fund managers closes
<b>By the end of 2024</b>	Accelerated Settlement Technical Group expected to publish its final recommendations
<b>Q4 2025 – Q1 2025</b>	FRC continued engagement on Stewardship Code review
<b>Early in 2025</b>	FRC expected to publish revised guidance on the going concern basis of accounting and related reporting
<b>3 February 2025</b>	Takeover Code changes regarding companies to which the Takeover Code applies take effect
<b>Q1 2025</b>	FCA expected to publish final rules relating to the new public offers and admissions to trading regime
<b>Q1 2025</b>	Government expected to make an endorsement decision on the first two published ISSD standards (IFRS S1 and IFRS S2)
<b>Q2 2025</b>	FCA expected to consult on Listing Rule changes to move from TCFD to UK-endorsed ISSB disclosure standards (subject to an affirmative endorsement decision from the government) & to strengthen transition plan disclosures
<b>H1 2025</b>	FCA expected to publish policy statement on new rules and guidance on investment research payment optionality for fund managers
<b>During 2025</b>	Government expected to consult on company law changes, including non-financial reporting framework and virtual AGMs



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## Further reading

Further briefings and articles

[UK: Code of Conduct for company directors published](#)

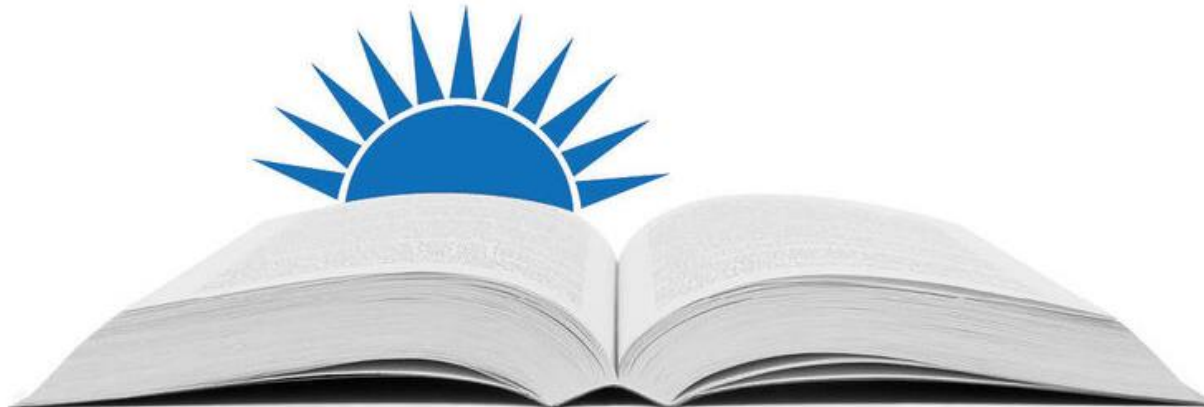
[Financial Conduct Authority publishes final UK Listing Rules](#)

The following reports which have been published this quarter may be of interest:

[Building World-Class Capital Markets of Tomorrow](#) (Capital Markets Industry Taskforce - September 2024)

[The Future of Smaller Company Capital Markets in the UK](#) (Produced in partnership with the QCA and others)

[Publish and be Dammed: The Problems with Proxy Advisers](#) (the QCA)



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