

UK Quoted Company Newsletter Q1 2024

22 April 2024

Introduction

Welcome to the most recent edition of our UK quoted company newsletter, the aim of which is to collate and highlight relevant legal, regulatory and topical developments that we have written about primarily in the first quarter of 2024.

Rules and Regulation

1. Public Offers and Admissions to Trading Regulations 2024

The [Public Offers and Admissions to Trading Regulations 2024](#) have been made by Parliament (accompanied by the publication of an [Explanatory Memorandum](#)). The Regulations create a new regulatory framework for the offering of securities to the public and the admission of securities to trading in the UK, replacing the EU-derived UK Prospectus Regulation.

For more information please see article 7 of [AGC 48](#) (7/2/24) and our ECM update [here](#).

2. FCA Primary Market Bulletin 46

The FCA [published](#) Primary Market Bulletin 46, which includes coverage of issues raised from its final notice concerning Sir Christopher Gent (see [PMB 42](#) and [AGC 25](#)), particularly in relation to Article 10 of the Market Abuse Regulation (unlawful disclosure of inside information) in the context of 'ESG stewardship'.

For more information please see article 5 of [AGC 49](#) (1/3/24).

3. Revised Payment Practices Regulations

The revised Payment Practices and Performance Regulations came into force on 5 April 2024.

For our overview of the changes to this regime, see article 5 of [AGC 45](#).

Reform of the Listing Regime

4. Second tranche of new UKLRs

The FCA [published](#) the second tranche of the draft Listing Rules (UKLRs) relating to its revision of the UK listing regime. This followed the FCA's earlier publication in December 2023 of [CP 23/31](#) which set out the FCA's detailed proposals for far-reaching reforms of the UK's listing regime and included tranche 1 of the new UKLR.

For more information please see article 7 of [AGC 50](#) (14/3/24).

5. Transitional provisions for 'mid-flight' transactions

Following the publication of the FCA's [tranche 2 rules](#), there is now have more visibility on the transitional provisions for mid-flight transactions by 'former' premium listed issuers - i.e. transactions that have not yet completed at the point the UKLRs come into force. Our summary of the transitional provisions is accessible by clicking [here](#).

For more information please see article 3 of [AGC 51](#) (4/4/23).

6. FTSE UK Index Series - indicative impact of listing regime reform

FTSE Russell provided [advance notice](#) on how its FTSE UK Index Series Ground Rules are expected to be adapted if the FCA's listing regime proposals, as set out in [CP 23/31](#), are adopted.

For more information please see article 2 of [AGC 51](#) (4/4/23).

7. Private Intermittent Securities and Capital Exchange System

HM Treasury published its [Private Intermittent Securities and Capital Exchange System Consultation](#) on the government's proposal for a new platform allowing private companies to trade their securities intermittently in a controlled environment and serving to support the pipeline for future IPOs in the UK.

For more information please see article 8 of [AGC 50](#) (14/3/24).

AGMs

8. Pre-Emption Group annual monitoring report

The Pre-Emption Group [published](#) its first report on the use of its 2022 revised Statement of Principles for the disapplication of pre-emption rights for UK listed companies.

For more information please see article 1 of [AGC 50](#) (14/3/24) and click [here](#) for a reminder of the principal changes made in the 2022 Statement of Principles.

9. PLSA 2024 stewardship and voting guidelines

The Pensions and Lifetime Savings Association [published](#) its [2024 Stewardship and Voting Guidelines](#), together with a [summary](#) document. The Guidelines reference the 2024 version of the [UK Corporate Governance Code](#) and associated revised guidance.

For more information please see article 1 of [AGC 49](#) (1/3/24).

10. Investment Association review

The Investment Association is conducting a fundamental review of its Statement of Principles which will be published later in 2024. As an interim measure, it has [written](#) to Remuneration Committee Chairs ahead of the 2024 AGM season.

For more information please see article 2 of [AGC 49](#) (1/3/24).

11. UK Stewardship Code

The Financial Reporting Council [announced](#) the identity of successful signatories to the UK Stewardship Code following the latest round of applications. There are now 273 signatories to the Code, representing £43.3 trillion assets under management. The FRC also [launched](#) a review of the Stewardship Code which will be published in early 2025.

For more information please see article 4 of [AGC 49](#) (1/3/24).

Corporate Governance

12. UK Corporate Governance Code 2024

The FRC issued [the UK Corporate Governance Code 2024](#) (our overview of the principal changes in the 2024 Code can be found [here](#)). The FRC also published accompanying guidance which incorporates the FRC's current [Guidance on Board Effectiveness](#), [Guidance on Risk Management, Internal Control and Related Financial and Business Reporting](#) and [Guidance on Audit Committees](#).

For more information please see article 1 of [AGC 49](#) (7/2/24).

13. FRC updated guidance on the UK Corporate Governance Code 2024

Following the publication of the revised 2024 UK Corporate Governance Code, the FRC updated the accompanying [guidance](#) with the aim of turning it into a live document containing links to relevant publications, improving the user experience and allowing it to be reviewed on a regular basis to ensure it remains accurate and up-to-date.

For more information please see article 5 of [AGC 50](#) (14/3/24).

14. FRC priorities for 2024 - 2025

The FRC [published](#) its Plan and Budget for 2024-25, highlighting that it will focus on its core purpose of promoting trust and confidence in audit, corporate reporting and governance with a key priority being further embedding its 'growth duty' into all regulatory decision-making.

For more information please see article 7 of [AGC 51](#) (4/4/23).

15. FTSE Women Leaders Review

The FTSE Women Leaders Review issued a [report on gender balance in FTSE leadership](#) which highlights that as at 11 January 2024 the representation of women on FTSE 350 boards has increased beyond the 40 per cent target. The report also found that the representation of women on the boards of 50 large private companies was around 31 per cent.

For more information please see article 3 of [AGC 50](#) (14/3/24).

16. Parker Review Committee 2024 report on ethnic diversity

The Parker Review Committee issued its 2024 update [report on ethnic diversity](#) on the boards of listed companies and 50 large private companies in the UK. The report highlights that ethnic minority directors hold 19 per cent of all director positions, a marginal increase from last year. Sixty-one per cent of large private companies reported having at least one ethnic minority director on their board.

For more information please see article 3 of [AGC 50](#) (14/3/24).

17. Draft Cyber Governance Code of Practice

The government has launched a [call for views](#) on a draft of [The Cyber Governance Code of Practice](#) which is intended to formalise the government's expectations of directors for governing cyber risks, as they would with any other material or principal business risk. The Cyber Code is intended to apply to organisations of all sizes and to operate on a purely voluntary basis.

For more information please see article 2 of [AGC 48](#) (7/2/24).

ESG

18. SEC climate-related disclosures

The U.S. Securities & Exchange Commission (SEC) [adopted](#) rules requiring climate-related disclosures by public companies and issuers in public offerings which are modelled on the TCFD recommendations.

For more information please see article 10 of [AGC 50](#) (14/3/24).

19. IIGCC guidance on developing net zero voting policies and practices

The Institutional Investors Group on Climate Change, which has over 400 members representing \$65 trillion in assets, [published](#) guidance to support asset owners and asset managers develop net zero voting policies and practices.

For more information please see article 10 of [AGC 48](#) (7/2/24).

20. Transition Plan Taskforce

The mandate for the Transition Plan Taskforce, which was set up following COP26 in Glasgow to deliver a 'gold standard' framework for Transition Plans was [extended](#) by HM Treasury until at least 31 July 2024.

For more information please see article 9 of [AGC 48](#) (7/2/24).

21. TNFD nature-related corporate reporting

The Taskforce on Nature-related Financial Disclosures [announced](#) that 320 organisations from over 46 countries have committed to make nature-related disclosures. The UK government is currently considering how the recommendations could be incorporated into domestic policy and legislation.

For more information please see article 4 of [AGC 47](#) (22/1/24).

22. UK sustainability assurance market

The FRC [announced](#) a market study examining the UK market for sustainability assurance services which aims to ensure the market is functioning effectively and providing high quality assurance over companies' sustainability reporting.

For more information please see article 5 of [AGC 51](#) (4/4/23).

23. EU sustainability reporting standards for SMEs

EFRAG (formerly the European Financial Reporting Advisory Group) [launched](#) a consultation on exposure drafts of EU sustainability reporting standards (ESRS) for listed and non-listed small and medium-sized enterprises (SMEs).

For more information please see article 3 of [AGC 49](#) (7/2/24).

Private company reporting

24. PERG annual report and good practice guide

The Private Equity Reporting Group [published](#) its sixteenth Annual Report and latest [Good Practice Reporting Guidelines](#) after reviewing 81 portfolio companies that fall within the scope of the Guidelines and the 71 firms that back them.

For more information please see article 6 of [AGC 48](#) (7/2/24).

25. FRC review of private company reporting

The FRC [published](#) a review of reporting by the UK's largest private companies. The FRC found the quality of corporate reporting to be 'mixed', particularly in terms of how clearly companies explained material matters that were complex or judgemental.

For more information please see article 5 of [AGC 48](#) (7/2/24).

Corporate Transparency

26. ECCTA - What is in force? What is yet to come?

We have previously reported on the Economic Crime and Corporate Transparency Act 2023 which features significant new measures aimed at improving corporate transparency and tackling economic crime (see [New economic crime and corporate transparency law: Key implications for UK businesses, 10/11/23](#) and also [AGC Update, Issue 47 \(see Item 1\)](#)). Key provisions of ECCTA came in force from 4 March 2024 with other significant areas likely to come in to force later this year and early next year.

For an update on ECCTA please see article 2 of [AGC 50](#) (14/3/24).

27. Companies House guidance on removing information from the public register

Companies House issued [guidance](#) on removing information from the public register to address incorrect and inconsistent information and has also released a new [Form RP08](#) to facilitate this.

For more information please see article 1 of [AGC 51](#) (4/4/23).

Corporate Cases

28. Unfair prejudice: statutory limitation periods do apply

The Court of Appeal held that claims in unfair prejudice petitions are subject to statutory limitation periods and that the length of the limitation period depends on the relief sought.

For more information please click [here](#) and read article 2.

29. Directors' duties: application of statutory conflict of interest duties

The Court of Appeal allowed an appeal against an order granting summary judgment in a derivative claim following the breach of statutory conflict of interest duties by a director.

For more information please see click [here](#) and read article 3.

30. Shareholder loss: unfair prejudice and derivative claims

The Court of Appeal clarified when a shareholder seeking relief by bringing a claim for unfair prejudice can also claim relief for loss suffered by the company in the same proceedings.

For more information please see click [here](#) and read article 4.

Other relevant Q1 2024 publications

Corporate

31. Ashurst and Practical Law Company Q1 2024 ([19/4/24](#))

The articles in this briefing were first published in Q1 2024 in the company law section of PLC Magazine, the leading monthly magazine for business lawyers advising companies active in the UK.

32. UK Public M&A Update Q1 2024 ([9/4/24](#))

This briefing reviews key developments in the UK public M&A market for the first quarter of 2024 including: (i) The return of large cap bids; (ii) The problem of undervaluation in the UK markets; (iii) Private sale processes under the Code.

Debt Capital Markets

33. Ashurst Quarterly Debt Capital Markets Update Q1 2024 ([16/4/23](#))

This edition summarises key developments in the first quarter of 2024 including: (i) First European Sustainability Reporting Standards; (ii) New UK prospectus regime - Public Offers and Admissions to Trading Regulations 2024; (iii) New ESMA Q&A tool; (iv) UK Listing Rules reform; (iv) ICMA proposal for climate transition plans; (v) Updated Q&As on EU PRIIPs KIDs; (vi) ICSDs' initiative concerning Electronic Global Notes and Electronic Signatures.

Employment

34. Save the date – UK employment law changes and key dates ([12/3/24](#))

This checklist helps to flag key upcoming changes to employment laws and key dates.

Finance

35. The UK Digital Securities Sandbox Takes Shape ([15/4/24](#))

This article reports on the consultation by the Bank of England and the Financial Conduct Authority on the implementation of the Digital Securities Sandbox which supports the issuance, trading and settlement of transactions in securities using distributed ledger technology.

The information provided is not intended to be a comprehensive review of all developments in the law and practice, or to cover all aspects of those referred to.

Readers should take legal advice before applying it to specific issues or transactions.