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New UK Prospectus Rules Published

Executive Summary

- **What is new:** The FCA has published final rules for the new UK prospectus regime, introducing significant reforms such as a new 75% threshold for secondary issuances, new prospectus exemptions, permitting protected forward-looking statements and introducing the concept of an MTF admission prospectus. The new prospectus rules will be effective from January 2026.
- **Why it matters:** These changes are expected to significantly simplify the process, and reduce costs, for UK-listed companies raising new equity capital; encourage retail participation in UK equity markets; and align UK rules more closely with those in the EU.
- **What to do next:** Issuers and their advisers should review the new prospectus rules, prepare for their coming into force in January 2026 and consider how market practice will evolve for IPOs and secondary issuances under the new rules. The FCA will also be consulting on the new rules relating to protected forward-looking statements, working capital statements and complex financial history rules later in 2025.

Introduction

On 15 July 2025, the Financial Conduct Authority (FCA) published [FCA Policy Statement 25/9](#), setting out the final rules implementing the new Public Offers and Admissions to Trading Regulations (POATRs) regime, which will replace the existing UK Prospectus Regulation. The final rules implement the vast majority of the proposals from the FCA's [consultation](#) in July 2024 and are expected to come into force on 19 January 2026, allowing for a six-month familiarisation period.

The rules seek to introduce targeted improvements to, rather than wholesale reform of, the existing prospectus regime, and are intended to simplify and reduce the cost of capital raising while encouraging retail participation in the equity markets. They form an important part of the government's strategic reforms to revive the UK capital markets, following the overhaul of the UK Listing Rules (UKLRs) last year (as more fully described in our [July 29, 2024, client alert](#)).

When Will a Prospectus Be Required?

General Prohibition

The POATRs introduce a general prohibition on public offers of securities unless they are made under an exemption. This is a reversal of the position under the retained EU law version of the UK Prospectus Regulation that an offer of securities is lawful if a prospectus is published or an exemption is relied on.

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Prospectus Exemptions and the New 75% Threshold

The existing exemptions from producing a prospectus on admission of securities to a UK regulated market will largely be retained in the new prospectus regime. New exemptions include an offering through the new public offer platform (POP) regime (see our [April 3, 2025, client alert](#)) and offerings of securities on a primary multilateral trading facility (MTF) (see below). The new *de minimis* threshold at which a public offer may be made is £5 million (reduced from the current €8 million).

An FCA-approved prospectus will still be required for IPOs (and direct listings) on UK regulated markets. However, following an IPO, the threshold where an issuer must publish a prospectus for a further issue of securities has been raised to 75% of existing share capital (and, in the case of closed-ended investment funds, as much as 100%) from 20%.

There are several key implications with this new threshold in addition to making secondary capital raisings much easier:

- This reform brings the UK closer to the approach in the EU. The EU Listing Act now requires a prospectus for secondary issuances above the 30% threshold if an issuer has been listed for less than 18 months, but does not require a prospectus for share issuances beyond that 18-month period irrespective of the offer size. Instead, an 11-page information document must be published and filed with (but not approved by) the relevant competent authority.
- Issuers may still wish to prepare an offering document for large equity fundraisings in order to ensure all material information is disclosed prior to such fundraising and to meet investor expectations. As such, the new rules retain the option for issuers to prepare a voluntary FCA-approved prospectus (without the need to appoint a sponsor) in circumstances where an offering must be documented.
- The requirement for an offering document is likely to be relevant on larger fundraisings or where securities are being offered into the US — it remains to be seen how the need for disclosure in a Rule 144A offering involving US investors will dovetail with the possibility of proceeding on an undocumented basis. Issuers will need to consider the appropriate level of documentation (if any) on a case-by-case basis having regard to market practice.
- The ability of issuers to take advantage of the new 75% threshold without undertaking a full rights issue may also be limited in practice while the Pre-Emption Group still limits annual non-pre-emptive issuances to 20% of existing share capital. The Pre-Emption Group has not yet commented on the new rules.

Encouraging Retail Participations in UK IPOs

For an IPO involving a retail component, the prospectus must now be made available to the public at least three working days prior to the end of the offer period, reduced from six working days under the existing rules.

Shortening this period is designed to encourage issuers to include an uncapped retail offering in any public offering, given the current prolonged six-day period (and associated extension to the public phase of the IPO process) is seen to create too much execution risk in the event of market fluctuations during this period.

Amendments to Prospectus Content and Format Requirements

The new prospectus rules largely retain the existing rules in terms of content and format requirements, including the principal requirement that the prospectus contains “all necessary information” which is material to an investor to make an informed investment decision. The FCA has, however, introduced certain targeted changes:

1. Prospectus Summary

- The maximum length of the prospectus summary has been increased to up to 10 pages (from the current limit of seven pages) and the FCA will permit cross-referencing to other sections of the prospectus.
- The requirement for a financial information annex in the summary (with a breakdown of headline and comparative figures) has also been removed, instead allowing for issuers to cross-reference to the relevant financials.

2. Working Capital Statement

- Although the FCA has not made any changes to the current requirement for inclusion of a working capital statement within the prospectus, the FCA plans to consult later this year on changes to existing working capital statement technical guidance, including whether issuers should be allowed to disclose the assumptions underlying the working capital statements.
- This would align with the removal of the requirement for a “clean” working capital statement for issuers seeking to list on the new equity shares (commercial companies) listing category under the UKLRs.

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3. Complex Financial History

- The FCA plans to consult later this year with a view to providing more comprehensive guidance on the financial information required to be included in a prospectus for issuers with a complex financial history (*i.e.*, issuers whose accounts do not provide a complete picture of their financial history for the period covered by the financial information contained in a prospectus, due to acquisitions, disposals, restructurings or other significant changes).
- The guidance is likely to focus on the size, nature and timing of the event(s) giving rise to the complex financial history and include practical examples.

4. Climate-Related Disclosures

- A new climate-related disclosure rule has been introduced for issuers (excluding funds and shell companies) if such issuer has identified climate-related risks within its risk factors or climate-related opportunities as material to its prospects.
- Such disclosures must be made in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures and the International Sustainability Standards Board, and will align with the current climate-disclosure requirements for listed issuers under the new UKLRs.
- In addition, issuers that have published a climate transition plan will need to include a summary of the plan in the prospectus, as well as details on where it can be located.

Introduction of Protected Forward-Looking Statements

The new rules introduce a new category of, and a distinct liability regime for, protected forward-looking statements (PFLS), which aims to encourage issuers to include more useful disclosure of projections, forecasts and future plans, which investors can use in their valuation and pricing models. PFLS would be subject to a higher recklessness/dishonesty liability standard, with the burden of proof on the investors, which is consistent with the regime for ongoing listed company disclosures.

The existing UK prospectus regime has a negligence liability standard that has deterred most issuers in the UK from including forward-looking statements in a prospectus or providing forward-looking guidance to investors close to an IPO.

To fall within the PFLS regime, the proposed statement must:

- Contain certain financial or operational information.

- Be future-oriented (meaning its truthfulness can only be determined by events occurring after the statement is made).
- Include an estimate as to when the event or set of circumstances to which the statement relates is expected to occur.
- Contain information that a reasonable investor would consider material in its investment decision (determined consistent with the test under the UK Market Abuse Regulation).
- Be clearly identified in a prospectus and accompanied with statements and disclaimers that inform investors of the risks relating to PFLS disclosures.

Although the FCA has excluded from the scope of PFLS almost all mandatory prospectus disclosures (to encourage voluntary inclusion of new forward-looking statements), there are certain targeted exceptions for regulated market issuers. For example, profit forecasts, certain of the obligatory climate-related disclosures and certain disclosures contained in the Operating and Financial Review can be treated as PFLS if they meet the other applicable criteria.

The introduction of the new PFLS rules aims to make inclusion of forward-looking statements more common at both the pre-IPO and IPO stage and give issuers (and their directors) greater comfort and flexibility.

Issuers and their advisers will still need to consider how PFLS can be verified, whether sponsors and underwriters will require additional comfort or reports from the issuer's reporting accountant, and if any applicable overseas liability regimes may restrict the scope of such disclosures. A significant increase in forward-looking statements in prospectuses may also have an impact on the UK securities litigation landscape. The FCA is expected to publish further guidance on the use of PFLS later this year.

Simplifying the Listing and Admission Process

Under the new rules, a single application will encompass all existing and future issuances of that class of security, meaning that the FCA would treat all subsequent issuances of the same class as "automatically listed" upon issuance, without requiring further application.

Issuers will, however, need to notify the market via a Regulatory Information Service on the day when its securities are admitted to trading, providing certain specified information including the total number of securities admitted and a hyperlink to the prospectus (if applicable).

The FCA has fixed the deadline for admitting further issuances to trading at 60 days from allotment, although an extended

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period of 365 days will apply for overseas issuers, and additional flexibility has been granted for frequent issuers to roll up admissions notifications over a 60-day period.

Introduction of MTF Admission Prospectuses and Increased Retail Participation

The FCA has introduced a new concept of an “MTF admission prospectus” for the Alternative Investment Market (AIM) and other primary MTFs where a public offer is being made by an AIM or other MTF issuer.

The FCA will require an MTF admission prospectus for all initial admissions (including reverse takeovers) of companies admitted to MTFs. The primary MTF operator (*e.g.*, the LSE in the case of AIM) will have discretion to determine the detailed content requirements and the process for review and approval. An MTF admission prospectus will not need to be FCA-approved and it will not be required for a further issuance of securities (including admissions of new classes of securities), unless determined otherwise by the MTF operator.

Because, like an AIM admission document, an MTF admission prospectus will not need FCA approval, these changes are intended to encourage AIM issuers to include a retail component in their IPO on the basis that it does not result in additional burdensome requirements compared to offers restricted to qualified investors only where an AIM admission document is currently required.

For secondary issuances, retail participation is encouraged by the broader changes to the new prospectus framework — the new threshold of £5 million (previously €8 million), which effectively acted as a cap on retail offers without a prospectus, no longer applies to offers by Main Market and AIM companies.

The FCA has confirmed that an MTF admission prospectus will be subject to the same statutory responsibility and compensation provisions that apply to FCA-approved prospectuses; for example, the requirement for a supplementary prospectus for omissions and material misstatements as well as withdrawal rights.

Next Steps

The FCA plans to consult later in 2025 on additional guidance in a number of areas, including climate-related disclosures, take-over exemption documents, working capital statements, complex financial history disclosures and PFLS.

Upon implementation of the new rules (and the coming into effect of the new POATRs regime) on 19 January 2026, the current Prospectus Regulation Rules (PRR) sourcebook will be replaced with the new “Prospectus Rules: Admission to Trading on a Regulated Market” sourcebook (PRM), as set out in [FCA Policy Statement 25/9](#), and the UK Prospectus Regulation will be revoked.

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