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If you have any questions regarding the matters discussed in this memorandum, please contact the following attorneys or call your regular Skadden contact.

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**Danny Tricot**

Partner / London  
44.20.7519.7071  
danny.tricot@skadden.com

**Justin Lau**

European Counsel / London  
44.20.7519.7029  
justin.lau@skadden.com

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One Manhattan West  
New York, NY 10001  
212.735.3000

22 Bishopsgate  
London EC2N 4BQ  
44.20.7519.7000

## The Wait Is Over: New UK Public Offers and Admissions to Trading Regime Takes Effect

### Executive Summary

- **What’s new:** The FCA’s new UK prospectus rules took effect on 19 January 2026. These, together with the Public Offers and Admissions to Trading Regulations 2024, replace the UK’s previous regime for public offers of securities and admissions to trading and introduce significant changes for capital raising and public offers.
- **Why it matters:** The reforms greatly reduce the need for a prospectus, therefore simplifying the process for, and reducing the cost of, capital raisings. They encourage retail participation and aim to improve London’s competitiveness as a listing venue.
- **What to do next:** Companies should consider reviewing the new exemptions, increased thresholds for secondary fundraisings, and updated requirements for prospectuses and disclosures to ensure compliance and take advantage of the regime’s greater flexibility in capital raising.

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On 19 January 2026, the new UK prospectus rules (Prospectus Rules: Admissions to Trading on a Regulated Market, known as the “PRM Sourcebook”) took effect and, together with the Public Offers and Admissions to Trading Regulations 2024 (POATR), replace the UK’s previous prospectus regime.

The PRM Sourcebook, the final version of which was published in July 2024, marks the culmination of a five-year journey to reform the EU-derived prospectus regime and forms an important part of the government’s strategic reforms to revive the UK capital markets, improve London’s competitiveness as a listing venue and make it much easier to raise new capital. Key aims of the reforms include simplifying the process for, and reducing the cost of, capital raisings, as well as encouraging retail participation in the equity markets.

**What do you need to know?** We set out our key takeaways below, together with links to further resources.

### New Regime for Public Offers of Securities

The new regime introduces a general prohibition on public offers of securities unless made under an exemption. This is a reversal of the previous position that an offer of securities was lawful if a prospectus was published or an exemption was relied on. This means that a public offer of securities will no longer trigger a requirement for

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a prospectus because any public offer of securities must fall under an exemption. For example, in an IPO, the relevant exemption is that the offer is subject to the shares being admitted to trading.

The exemptions for public offers include several of the exemptions from the previous regime, such as the 150-person exemption, the “qualified investor” exemption and the exemption for offers to existing or former employees or directors. There is also an exemption where the consideration is below £5 million (previously €8 million). However, the key difference is that under the new regime, these exemptions are only relevant for offers of securities not admitted to a regulated market or primary multilateral trading facility (MTF). Offers of securities by listed issuers will be covered by a new exemption for offers of securities that are, or will be, admitted to a UK regulated market or MTF.

There is also a new exemption for offers made via a public offer platform (POP). The POP regime is designed to facilitate companies making public offers of securities to a broad range of investors outside public markets when raising more than £5 million.

### The IPO Process Is Unchanged

The process for IPOs on UK regulated markets, such as the LSE Main Market, will remain the same and an FCA-approved prospectus will still be required. As regards the content of the prospectus, there are some additional requirements in the new rules, including requirements for climate-related disclosures. There are also changes to the format of the information contained in the prospectus, such as the ability to include an unlimited number of risk factors in the summary and increasing the page limit on the summary to 10 pages from seven.

In addition, there are certain changes in relation to offers to retail clients that will be relevant for IPOs (see “Greater Scope for Retail Participation” on page 3).

### More Flexible Regime for Secondary Fundraisings

The main impact of the new prospectus regime is on companies post-IPO. The threshold above which an issuer must publish a prospectus for a further issue of securities has been raised from 20% to 75% of the company’s issued share capital in a 12-month period (and up to 100% for equity securities issued by closed-ended investment funds). This is a significant increase that will make it easier for listed companies to raise further capital and is notably higher than the EU threshold, which is now 30% for companies whose shares have been listed for less than 18 months.

Unless there are specific marketing requirements, an open offer or rights issue by a main market company will not trigger a prospectus provided the shares being issued are under 75% of the issued share capital. However, a general meeting and circular may still be required if a company will exceed its existing allotment or pre-emption rights disapplication authority by undertaking a secondary offering. Moreover, listed companies will remain subject to the Pre-Emption Group’s guidance on limits on non-pre-emptive allotments.

The new rules preserve the option for issuers to produce a “voluntary prospectus”. This is likely to be relevant on larger fundraisings or where securities are being offered into overseas jurisdictions such as 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 undertaking a fundraising on an undocumented basis.

### New Liability Regime for ‘Protected Forward-Looking Statements’

There is a new concept of “protected forward-looking statements” (PFLS) — a category of forward-looking statement with a distinct liability regime — that 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 will be subject to a higher recklessness/dishonesty liability standard (as opposed to a negligence liability standard for other statements), with the burden of proof on the investors, which is consistent with the regime for ongoing listed company disclosures. PFLS will also need to be clearly identified in a prospectus. For further information on the types of statements caught by the new regime, please see our 22 July 2025 client alert “[New UK Prospectus Rules Published](#)” and the FCA’s [draft technical note](#).

### Takeover Exemption Document

The FCA preserves the previous exemption to produce a prospectus for admissions to trading where equity securities are offered in connection with a takeover, merger or division, provided that an exemption document describing the transaction and its impact on the issuer is made public. For the first time, the FCA is issuing guidance on the contents of the exemption document. The FCA has confirmed that an issuer may use the offer or scheme document as its “exemption document”, provided that: (i) the takeover is subject to the Takeover Code; (ii) the equity securities being admitted are fungible with existing securities already admitted to trading; and (iii) the transaction is not a reverse takeover.

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### Greater Scope for Retail Participation

The period for which a prospectus must be made public before shares can be admitted to trading in an IPO has been reduced to three working days from six. This is another welcome change aimed at encouraging retail participation because a retail offer in an IPO can now be done simultaneously with an institutional offering within the customary three-day window on the basis of the FCA-approved prospectus

### Impact on AIM Companies

There is now a new concept of an “MTF admission prospectus”, which is required for all IPOs, even where there is no fundraising, and reverse takeovers on an MTF, such as AIM. This is subject to

exemptions for admissions of new classes of securities and admissions resulting from the imposition of a new holding company.

The content of an MTF prospectus is at the discretion of the operator (*e.g.*, the LSE for AIM). The LSE has confirmed in its recent feedback statement on the AIM rules that it will not require an MTF prospectus for further issuances by AIM companies. For further information on this and on the future of AIM, please see our 8 December 2025 client alert “[London Stock Exchange Sets Out Reforms to AIM Rules](#)”.

# Capital Markets Contacts

## New York

**Ryan J. Dzierniejko**  
Partner  
212.735.3712  
ryan.dzierniejko@skadden.com

**Gregory A. Fericola**  
Partner  
212.735.2918  
gregory.fericola@skadden.com

**Alejandro Gonzalez Lazzeri**  
Partner  
212.735.3318  
alejandro.gonzalez.lazzeri@skadden.com

**Michael J. Hong**  
Partner  
212.735.2227  
michael.hong@skadden.com

**Laura A. Kaufmann**  
Partner  
212.735.2439  
laura.kaufmann@skadden.com

**Michael P. Reed**  
Partner  
212.735.3443  
michael.reed@skadden.com

**Michael J. Schwartz**  
Partner  
212.735.3694  
michael.schwartz@skadden.com

**Joseph (Yossi) Vebman**  
Partner  
212.735.3719  
yossi.vebman@skadden.com

**Jeremy Winter**  
Partner  
212.735.2104  
jeremy.winter@skadden.com

**Dwight S. Yoo**  
Partner  
212.735.2573  
dwight.yoo@skadden.com

## Houston

**Michael S. Hamilton**  
Partner  
713.655.5103  
michael.hamilton@skadden.com

## Los Angeles

**P. Michelle Gasaway**  
Partner  
213.687.5122  
michelle.gasaway@skadden.com

## Palo Alto

**Thomas J. Ivey**  
Partner  
650.470.4522  
thomas.ivey@skadden.com

**Gregg A. Noel**  
Partner  
650.470.4540  
gregg.noel@skadden.com

**Brian D. Paulson**  
Partner  
650.470.4590  
brian.paulson@skadden.com

## Washington, D.C.

**Brian V. Breheny**  
Partner  
202.371.7180  
brian.breheny@skadden.com

**Raquel Fox**  
Partner  
202.371.7050  
raquel.fox@skadden.com

**Andrew J. Brady**  
Of Counsel  
202.371.7513  
andrew.brady@skadden.com

## Frankfurt

**Stephan Hutter**  
Partner  
49.69.74220.170  
stephan.hutter@skadden.com

## Hong Kong

**Shu Du**  
Partner  
852.3740.4858  
shu.du@skadden.com

**Haiping Li**  
Partner  
852.3740.4835  
haiping.li@skadden.com

**Jonathan B. Stone**  
Partner  
852.3740.4703  
jonathan.stone@skadden.com

**Paloma Wang**  
Partner  
852.3740.6888  
paloma.wang@skadden.com

## London

**Noel Hughes**  
Partner  
44.20.7519.7600  
noel.hughes@skadden.com

**James A. McDonald**  
Partner  
44.20.7519.7183  
james.mcdonald@skadden.com

**Danny Tricot**  
Partner  
44.20.7519.7071  
danny.tricot@skadden.com

## São Paulo

**Filipe B. Areno**  
Partner  
55.11.3708.1848  
filipe.arena@skadden.com

**J. Mathias von Bernuth**  
Partner  
55.11.3708.1840  
mathias.vonbernuth@skadden.com

## Singapore

**Rajeev P. Duggal**  
Partner  
65.6434.2980  
rajeev.duggal@skadden.com

## Sydney

**Adrian J. S. Deitz**  
Partner  
61.429.444.311  
adrian.deitz@skadden.com

## Tokyo

**Kenji Taneda**  
Partner  
81.3.3568.2640  
kenji.taneda@skadden.com

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Associates **Kathryn Gamble**, **James Michelson** and **Clive Wong**, trainee solicitor **Leesha Curtis** and senior knowledge strategy lawyer **Beliz McKenzie** assisted in the preparation of this alert.