

The FCA's New Prospectus Rules: A Bold Reset for UK Capital Markets

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Background

On 15 July 2025, the Financial Conduct Authority (FCA) released [Policy Statement PS25/9](#), confirming the final rules under the Public Offers and Admission to Trading Regulations 2024 (POATRs). These reforms overhaul the UK's prospectus regime, replacing the retained EU Prospectus Regulation and taking effect from 19 January 2026. The new framework aims to simplify capital raising, reduce costs for issuers and enhance the UK's competitiveness as a listing venue.

The FCA's reforms are part of a broader government strategy to ensure regulation is targeted, proportionate, and growth-oriented. They follow extensive consultation, including [CP24/12](#) and [CP25/2](#), and reflect recommendations from [Lord Hill's UK Listing Review](#) and the [Secondary Capital Raising Review](#).

Key Takeaways

IPOS ON REGULATED MARKETS: NO SIGNIFICANT CHANGE

For companies seeking admission to a regulated market, such as the Main Market of the London Stock Exchange (LSE), the requirement for an FCA-approved prospectus remains. The process for IPOs is therefore largely preserved, maintaining investor protection and transparency.

NEW GENERAL PROHIBITION

The POATRs introduce a general prohibition on public offers of securities in the UK unless made under a valid exemption, meaning that a non-exempt public offer by a private company can no longer be cured by the publication of a prospectus. This marks a reversal of the position under the previous rules, where publication of a prospectus or reliance on an exemption rendered an otherwise unlawful public offer lawful. Publicly-traded issuers benefit from admissions-related exemptions and are therefore not caught by the general prohibition when issuing new securities admitted to a regulated market or primary multilateral trading facility (MTF).

SECONDARY ISSUANCES: THRESHOLD RAISED TO 75%

One of the most significant changes is the increase in the threshold for requiring a prospectus for secondary issuances. Previously set at 20% of issued share capital, the new threshold is 75% of issued share capital and up to 100% for closed-ended investment funds. This change is designed to facilitate larger fundraisings without triggering the need for a prospectus, thereby reducing costs, shortening transaction timelines and reducing the administrative burden for issuers.

Importantly, the FCA has opted not to introduce a new disclosure document for sub-threshold issuances, relying instead on existing regulatory frameworks to ensure transparency. Issuers conducting offerings below these thresholds will not need to produce a prospectus, though they remain subject to existing disclosure obligations under the UK Market Abuse Regulation (MAR) and the Disclosure Guidance and Transparency Rules. Voluntary prospectuses, either simplified or full, remain permissible. Issuers must also publish a RIS notification of further admissions within 60 days (with the ability to consolidate multiple admissions into one notification).

Compared with the EU, which has raised the threshold to 30% under the EU Listing Act (although where the shares have been admitted for 18 months, issuers will be able to publish a short information document instead of a prospectus), the UK has opted for a bright-line 75% threshold, with the ability to publish voluntary prospectuses. However, companies may still need to produce offer documents in jurisdictions like the United States and may wish to produce offer documents for particularly large fundraisings to ensure that potential investors have access to information that they would have previously expected.

NEW EXEMPTIONS AND FLEXIBILITIES

The FCA has introduced several new exemptions and flexibilities to support issuers:

- **Protected Forward-Looking Statements (PFLS):** issuers can now include forward-looking statements in prospectuses with greater legal protection, encouraging more informative disclosures. The previous negligence standard for liability has been replaced by a recklessness or dishonesty test, which shifts the burden of proof onto investors. However, the negligence standard for non-PFLS statements remains. The FCA will release further guidance on what statements will be classified as PFLS later this year.
- **MTF Admission Prospectus:** the FCA will now allow simplified prospectuses for securities admitted to AIM and other MTFs. While the primary MTF operator (e.g., the LSE for AIM listings) will have the power to determine the content requirements for an MTF admission prospectus, the prospectus will not require FCA approval.
- **Shortened Availability Period for Retail Investors:** for retail IPOs, the period during which the prospectus must be publicly available has been reduced from six to three working days, a change which is designed to encourage greater participation by retail investors.
- **Scheme of Arrangements Clarified:** the FCA has confirmed that schemes of arrangement fall within the scope of the takeover exemption, removing the prior reference to “by means of an exchange offer”. A Technical Note will be published in 2025 to guide issuers on content requirements for exemption documents.
- **£5 Million *De Minimis* Exemption:** previously, public offers totaling less than €8 million fell outside the general prohibition, meaning that a prospectus was not required. This €8 million threshold has been replaced by a £5 million threshold, but the exemption continues to be in effect.
- **Public Offer Platform (POP) Exemption:** if the total offer exceeds the £5 million threshold, a new exemption allows companies to make an off-market public offer without publishing a prospectus, provided that the offer is made through an FCA-regulated POP. The POP operator will have regulatory responsibilities, including conducting due diligence on the issuer and providing risk warnings to retail investors, meaning that investors will receive protection in the context of a traditionally higher-risk offering.
- **Single Non-Equity Disclosure Standard:** the distinction between “retail” and “wholesale” bonds has been removed, creating a unified and simplified disclosure framework for both types of non-equity securities. This will result in less complex prospectus requirements, which should reduce time-to-market and preparation costs while improving retail access to bonds.

- **Removal of Listing Particulars:** the FCA has removed Listing Particulars as a form of admission document, meaning that, once the new rules are fully in force, admissions of new securities on the LSE's Professional Securities Market (PSM) will no longer be possible. Issuers will instead need to admit any new securities to a UK-regulated market for trading. The FCA has observed that new PSM admissions have been low in recent years, so the removal of Listing Particulars should simplify the market without causing disruption.

KEY PROSPECTUS CONTENT CHANGES

While many of the form and content requirements from the previous rules remain unchanged, there are a few notable updates:

- **Expanded Prospectus Summary:** the permitted length of the prospectus summary has been increased from seven to ten pages. Issuers may now cross-reference other sections of the prospectus, streamlining content and reducing duplication. Additionally, the requirement to include a financial annex with headline and comparative figures has been removed, allowing issuers to refer directly to the relevant financial statements.
- **Climate-Related Disclosure Obligations:** a new rule requires issuers (excluding funds and shell companies) to include climate-related disclosures in the prospectus if such risks or opportunities are deemed material. These disclosures must follow the frameworks set by the Task Force on Climate-Related Financial Disclosures and the International Sustainability Standards Board. Issuers with published climate transition plans must also summarise the plan in the prospectus and indicate where it can be accessed.
- **Further Upcoming Changes:** while no specific changes have yet been announced, the FCA has confirmed that it will be consulting later this year with a view to making changes to the working capital statement technical guidance and the information disclosures required for issuers with a complex financial history. More information on each of these upcoming changes is set out below.

Further Changes Ahead

WORKING CAPITAL STATEMENT REVIEW

Although no immediate changes have been made to the working capital statement requirement, the FCA intends to consult on revisions to its technical guidance later this year. This may include allowing issuers to disclose underlying assumptions, aligning with the removal of the “clean” working capital statement requirement for listings under the new equity shares (commercial companies) category in the UK Listing Rules.

GUIDANCE FOR COMPLEX FINANCIAL HISTORIES

Issuers with complex financial histories, such as those affected by significant acquisitions, disposals, or restructurings, can expect new guidance later this year. The FCA plans to have a consultation to clarify what financial information should be included in such cases, focusing on the size, nature and timing of relevant events. The guidance is also expected to include practical examples to support compliance.

Market Reactions

STAKEHOLDER FEEDBACK AND FCA OBJECTIVES

The FCA's decision to raise the secondary issuance threshold to 75% was met with mixed reactions during consultation. While some stakeholders welcomed the move as a step toward reducing regulatory burdens, others expressed concern about potential impacts on investor transparency and market discipline.

Despite the debate, the FCA has largely retained its measured stance from earlier consultations. It remains guided by its secondary objectives: reducing costs for issuers, promoting growth and enhancing the UK's attractiveness to investors. While these objectives are good news for investors, the effectiveness of their implementation remains to be seen.

RETAIL PARTICIPATION AND STRATEGIC GOALS

The reforms are also designed to encourage greater retail participation in UK equity markets. By simplifying documentation and reducing barriers to entry, the FCA hopes to make equity investment more accessible to individual investors. This aligns with broader government efforts to revitalise the UK capital markets following the overhaul of the UK Listing Rules in 2024.

Next Steps and Final Thoughts

The new rules will come into force on 19 January 2026, allowing a six-month familiarisation period. Issuers should begin reviewing their capital-raising strategies and consider how the new exemptions and thresholds may affect their plans.

As outlined above, further consultations are expected later in 2025 on related topics, including:

- updates on working capital statements;
- clarifications for companies with complex financial histories;
- expanded ESG guidance on climate and sustainability-related disclosures;
- technical guidance on contents of takeover exemption documents; and
- methodologies for PFLS.

The FCA’s final rules under the POATRs represent a targeted overhaul of the UK’s prospectus regime. While IPOs remain largely unchanged, secondary issuances will benefit from greater flexibility, potentially boosting London’s appeal as a global listing venue. By raising thresholds, introducing new exemptions, and streamlining requirements, the reforms aim to make UK capital markets a more agile and attractive venue for capital raising. The challenge now is to make the most of it.

7 Min Read

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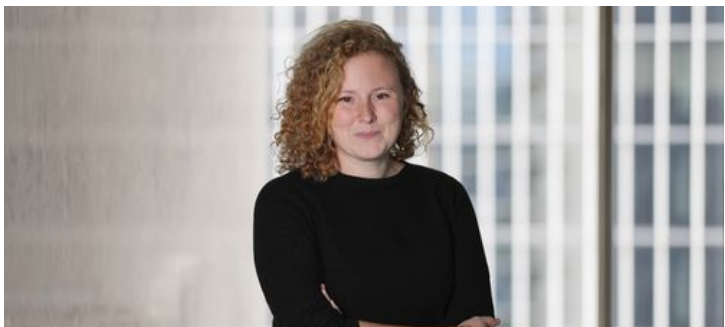
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