

UK listing reforms on track for publication by summer, FCA official says

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By [Abhishek Kumar](#)

UK companies are on track to see new listing rules published by the Financial Conduct Authority this summer and implemented shortly afterward, its director of market oversight has confirmed. A consultation what Claire Cole called "the most wide-ranging and consequential reforms to the UK's capital markets in over three decades" will close on March 22.

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The reforms are aimed at incentivizing companies to consider listing in the UK and offer better investment options to UK investors. Among proposals are consolidating the "premium" and "standard" listing segments into one commercial company category, streamlining regulations around shareholder approval for major transactions and easing rules on dual-class share structures.

"Thriving capital markets are the cornerstone of a strong economy and drive the sustainable growth that powers our economic ecosystem," Clare Cole told an audience* in London yesterday. "These are the most wide-ranging and consequential reforms to the UK's capital markets in over three decades."

A consultation on the changes will close on March 22, she said. "Subject to feedback and approval, we aim to publish final rules this summer. Implementation will follow shortly after publication."

The FCA also proposes to publish a restructured, streamlined and more user-friendly UK listing rules sourcebook, the regulator said. "The aim is to reduce costs and regulatory burdens for issuers while promoting shareholder engagement through disclosure rather than prescribed votes," she said, stressing an impetus to ensure that the UK remains globally competitive.

The reforms are focused on providing more choice for issuers and investors rather than regulator-mandated requirements, Cole said. Stressing that the FCA's rules are only one factor in a company's decision to list, she called on other players in the ecosystem to follow suit and carry out the necessary reforms.

The regulator also cited evidence of UK-listed companies being at a disadvantage in merger situations compared with international peers, depriving investors of opportunities, and said the FCA's reforms seek to rectify this.

"The disadvantage faced by UK-listed companies when competing on the global M&A stage is very real," Cole said. "It manifests itself in the form of processes that increase issuer and shareholder costs, and also deal contingency that means UK issuers may pay a premium or lose out on opportunities to their non-UK peers."

"This represents an opportunity cost for UK issuers and their investors, who lose out on potentially value-generative transactions. Small and mid-cap companies that grow through innovation and transactions are worst affected."

On investor protection, Cole said that the FCA would seek to safeguard protection with the help of existing disclosure, transparency, market abuse and prospectus regulations. The onus will be on investors to actively engage with companies based on their disclosures, she said.

**Westminster Business Forum, London, on Feb. 6, 2024.*

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