

# UK prospectus regime reform – key changes for DCM issuers in the FCA’s final rules

On 15 July 2025, the Financial Conduct Authority (**FCA**) published Policy Statement PS25/9: “New rules for the public offers and admissions to trading regime” (**PS25/9**). PS25/9 sets out the FCA’s final rules for the admission of securities to trading on UK regulated markets and UK primary multilateral trading facilities (**UK MTFs**) under The Public Offers and Admissions to Trading Regulations 2024 (**POATRs**).

We recently published a briefing ([UK prospectus regime reform – key changes for regulated market issuers in the FCA’s final rules](#)) that considered the general areas in which the FCA has made changes relevant for issuers with, or seeking admission of, equity and non-equity securities to trading on UK regulated markets. This includes coverage of certain exemptions and exclusions including in respect of further issuance of fungible securities, historical financial information, protected forward looking statements and changes to the listing applications process.

This briefing note builds on that previous briefing note, by reflecting on certain changes in the FCA’s new rules that are specific to non-equity securities (such as bonds), including measures to encourage wider participation of retail investors.

## A quick recap on the new public offers and admissions to trading regime

The POATRs, which were made in January 2024, replace the existing UK Prospectus Regulation (**UK PR**) and create a new framework for the offering of securities to the public in the UK. Whilst certain provisions of the POATRs came into force in January 2024, including provisions empowering the FCA to make rules, the POATRs will only come fully into force once HM Treasury has revoked the UK PR, which is expected to take place on 19 January 2026.

The POATRs empower the FCA to create rules to implement the new regime.

This will be done by the deletion of the existing FCA Prospectus Regulation Rules sourcebook (**PRR**) and its replacement with a new sourcebook, the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (**PRM**), which will take effect on 19 January 2026. The final text of the new PRM sourcebook is included in Appendix 1 to PS25/9. Detailed content requirements are set out as Annexes in Appendix 2 to the new PRM sourcebook, broadly like the current UK PR structure, although with the benefit of a more integrated single sourcebook versus separate assimilated regulations.

With these new rules, the FCA is (amongst other things) seeking to ensure that issuers can raise capital more easily in an efficient way; to reduce regulatory friction and rebalance the admission to trading, prospectus and listing regimes to be more proportionate; and reduce barriers to participation for retail investors.

## Reducing barriers to retail participation

The FCA have taken several measures to encourage corporate bond issuances in lower denominations, to support greater participation by retail investors in capital raising. These include:

### *Shift to a single disclosure standard*

The UK PR currently requires more disclosure for prospectuses relating to low denomination non-equity securities compared with those for high denomination non-equity securities. This two-tier disclosure standard was inherited from the EU Prospectus Regulation regime, the underlying rationale being consumer protection, and the belief that retail investors needed more information than institutional investors to make their investment decision.

Under the PRM, that two-tier disclosure regime will be replaced with a single, streamlined minimum disclosure

standard for all non-equity securities, regardless of denomination, based on the prior high denomination disclosure requirements in the UK PR.

This means that all non-equity prospectuses for admission to trading on the London Stock Exchange's Main Market — including those for securities intended for broad distribution to both retail and professional investors — will now have similar content requirements. This eliminates one of the major disincentives that previously constrained issuers from issuing low denomination bonds in the UK.

The registration document disclosure annexes have been amended accordingly. Under the new rules, the relevant disclosure annexes for plain vanilla bonds will be annexes 6 (*Registration document for non-equity securities*), 11 (*Securities note for non-equity securities*), 16 (*Guarantees*) and 17 (*List of additional information in final terms*). These are scheduled to PS25/9 and are substantively the same as the corresponding wholesale disclosure annexes under the UK PR, other than item 4.5 in Annex 11 which has been carried over from the retail securities note.

#### *Dispensing with the prospectus summary*

A prospectus summary will no longer be required for non-equity securities where admission to trading is sought on the London Stock Exchange's Main Market, regardless of denomination.

This is a welcome change, as the preparation of the summary added time and cost for issuers, as well as potential risk (in that editorial judgement was required, as to which elements of the disclosure to include in the summary).

Issuers seeking to make cross-border offers of low denomination (<EUR100,000) securities into the EU will still, however, need to be mindful of EU Prospectus Regulation requirements for a prospectus summary.

#### *Alleviations for plain vanilla listed bonds (PVLBs)*

PS25/9 institutes the concept of PVLBs, intended to encourage offerings by high-quality issuers of bonds listed in the UK to include retail investors in their offerings. (Note that this concept was previously described as 'non-complex listed bonds' in the FCA's consultation paper CP25/2, but this was subsequently changed to reflect market feedback).

PVLBs are bonds with simple features that are capable of being understood by an ordinary retail investor. Specific criteria must be met for a bond to be categorised as a PVLB, including that the bonds are unsubordinated, unsecured, fixed or floating (including SONIA or EURIBOR) rate, not subject to bail-in or write down, and issued by certain UK equity listed commercial companies or their guaranteed wholly owned subsidiaries. Note, however, that the PVLB criteria does not impose any conditionality in terms of denominations.

The PVLB concept is relevant to amendments made to (i) the Product Intervention and Product Governance sourcebook (**PROD**), (ii) the Disclosure Guidance and Transparency Rules sourcebook (**DTRs**), and (iii) the Conduct of Business sourcebook (**COBs**), each as described below, designed to facilitate the distribution of PVLBs to retail investors.

#### *PROD*

From a product governance perspective, the PROD is being updated to make it explicit that PVLBs are an example of a type of financial instrument that would ordinarily be regarded as 'simple' and compatible with the needs and characteristics of consumers in the mass retail market, and appropriate for distribution by way of a wide range of channels.

Manufacturers will not be expected to undertake a detailed target market assessment for PVLBs (a simplified procedure will be sufficient). Manufacturers will also not be expected to conduct an ongoing review of suitability of such PVLBs for the target market. These changes should make it easier for relevant issuers and their underwriting banks to include retail investors within the target market.

These changes will lead to divergence between the UK regime and the EU product governance regimes. In the context of cross-border offers into the EU, manufacturers and distributors for EU product governance purposes will still need to consider the appropriate target market pursuant to the regime under the EU Markets in Financial Instruments Directive (2014/65/EU).

#### *COBS*

The FCA have included a new rule in COBS clarifying that where a PVLB includes a make-whole call option, this does not mean that the PVLB embeds a derivative or incorporates a structure which makes it difficult for the investors to understand the risk involved. This broadens the scope of securities that fall within PVLB alleviations, which again should make it easier for issuers and underwriting banks to include retail investors within the target market.

#### *DTRs*

Under the current regime, the DTRs contain an exemption from periodic financial reporting requirements for issuers that issue exclusively debt securities admitted to trading with a denomination of at least €100,000 (or equivalent).

The lack of an exemption in the DTRs for issuers of low denomination bonds was acknowledged by the FCA to be a potential deterrent for corporate issuers to issue non-equity securities in low denominations. The DTRs are therefore amended to extend this periodic financial reporting exemption to PVLBs of any denomination that are issued through wholly owned subsidiaries of a parent company that is listed in the equity shares (commercial

companies) category, where the subsidiary is included in the consolidated accounts of the listed parent company. The rationale for this is that the listed parent company will be obliged, by virtue of its equity shares listing, to comply with the various financial reporting requirements under the DTRs for the parent and the group, and there will therefore already be a high level of transparency for investors contemplating an investment in bonds issued by such wholly owned subsidiaries.

#### *Denominations*

Denominations play a less central role in the new UK prospectus regime as compared to the position under the UK PR. For example, the denomination of bonds will not dictate the contents of a prospectus; and the PVLB criteria does not impose denomination requirements.

However, outside the admission to trading context, denominations could still be relevant for issuers that seek to benefit from an 'off-public-market' exemption from the general prohibition on offers of securities to the public in the UK. One exemption from the general prohibition relates to securities whose denomination per unit amounts to at least £50,000 (or equivalent). Note that there are also other exemptions from the general prohibition on offers to the public of securities, including offers that are below the threshold of £5 million (or equivalent), or otherwise made only to qualified investors, or made to less than 150 persons in the UK (other than qualified investors).

Denominations will also continue to be relevant in the context of cross-border offers into the EU. The public offer exemption under the POATRs is set at a lower threshold (at least £50,000 per unit or equivalent) than was the case under the UK PR (at least EUR100,000 per unit or equivalent). The threshold of EUR100,000 continues to be relevant for EU Prospectus Regulation public offer purposes. Issuers seeking to make cross-border offers into the EU of securities with a denomination of less than EUR100,000 (or equivalent) will need to rely on an alternative EU public offer exemption, and may also want to deploy additional protective measures, such as selling restrictions, prospectus legends and retail cascade language, to avoid inadvertently breaching the EU Prospectus Regulation.

#### *Outlook*

The combination of these changes by the FCA should serve to remove some of the key barriers to inclusion of retail investors by high quality bond issuers that meet the relevant criteria for a PVLB. However, it remains to be seen how market practice will develop - not least because many bond issuances also involve sales outside the UK, and other regimes (such as the EU) do not yet have such a permissive approach to low denomination bonds.

Moreover, as a practical matter, there will need to be market alignment on how to manage a retail offering in

the UK alongside an institutional bookbuild process. For example, a retail offer may need to be kept open for a longer period as compared with the short (sometimes intra-day) bookbuild used for institutional bond offerings. These practical issues are not insurmountable but will require solutions to be led by market participants.

#### **Forward incorporation by reference**

The PRM permits forward incorporation by reference of certain future financial information in base prospectuses, including annual and interim financial information, audit reports and financial statements.

Under the PRM, issuers will be able to incorporate such future financial information by reference in their base prospectus if and when this information is published through a regulatory information service (**RIS**). Forward incorporation by reference will be a voluntary option, and issuers will still be able to use supplementary prospectuses to incorporate such financial information by reference if they prefer to do so.

When future financial information is forward incorporated by reference in this way, this will not in and of itself constitute a 'significant new factor' that triggers the obligation to publish a prospectus supplement. Note, however, that a prospectus supplement will be required if the information that is forward incorporated by reference causes a material mistake or material inaccuracy in information already appearing in the base prospectus.

The FCA plans to consult in due course on a Technical Note on including "evergreen" language (i.e. language to refresh relevant prospectus statements that might be impacted by information that is forward incorporated by reference, such as the 'no material adverse change' statement) in a base prospectus.

The change is designed to remove the need to produce regular prospectus supplements, where the only driver for the prospectus supplement is to incorporate financial information by reference. This should facilitate quicker, cheaper, and more efficient issuances under MTN programmes.

The EU Prospectus Regulation also permits forward incorporation by reference, but in contrast to the UK regime, ESMA Q&A indicates a broader range of information that may be forward incorporated by reference, including management reports, corporate governance statements, and director remuneration reports.

#### **Supplementary prospectuses**

Under the UK PR, there are limitations on the kinds of revisions and amendments that can be made to a base prospectus via a supplementary prospectus. If an issuer wants to add a new class of security to a base prospectus or to add new terms and conditions to a base

prospectus, it must produce a drawdown prospectus or otherwise update the entire base prospectus.

The PRM changes the rules around supplementary prospectuses to make them more flexible, subject to certain limitations. The FCA's position is that this flexibility may be appropriate to supplement base prospectuses in certain circumstances, e.g. where there is no significant new factor, material mistake or material inaccuracy to trigger a supplementary prospectus, but an issuer wants to add terms for a new type of security such as green bonds. However, this route cannot be used to add asset-backed securities or securities with a derivative element to a prospectus, due to these securities' inherent complexity and the amount of additional information required. In this situation, the FCA still requires a full prospectus to be published.

In contrast, the EU Listing Act reforms to the EU Prospectus Regulation clarified that no new securities may be added into an EU Prospectus Regulation base prospectus via a prospectus supplement, except where an issuer does so to comply with capital requirements under EU law – in this respect, there will be EU/UK divergence in approach.

Under the PRM, withdrawal rights will not apply where a supplement is published in respect of an admission to trading prospectus that relates to certain types of offers. If the related offer would also benefit from one of a specified list of exceptions from the general prohibition on offers to the public set out in the POATRs (e.g. where the offer is made only to qualified investors or made in connection with securities whose denomination per unit amounts to at least £50,000 (or equivalent)) no withdrawal rights will apply if a prospectus supplement is published. This provides welcome clarification and reflects long-standing market understanding in the bond market.

### **Sustainability and climate-related disclosures**

For general purpose non-equity securities, the FCA retains the approach of using non-Handbook Technical Note guidance to clarify their expectations.

The FCA's climate-related disclosure rules will not extend to issuers of non-equity securities. However, while the FCA does not intend to set minimum information requirements in relation to sustainability and climate-related disclosures for general purpose non-equity securities, issuers of such non-equity securities will continue to be obliged to report information in line with the 'necessary information' test. In particular, the FCA commented in CP24/12 that issuers of long-dated non-equity securities should consider how sustainability-related risks and opportunities may affect the ability of the issuer to continue to meet its obligations.

### **Sustainability-labelled debt instruments**

The FCA has noted that sometimes prospectuses and bond frameworks (as well as other communications that may be advertisements for the purposes of the

prospectus regime) are not fully consistent in terms of the information they present to investors in green, social, sustainable, and sustainability-linked debt securities. Currently, the FCA addresses this information gap under Primary Market Bulletin 41 (June 2022), where it indicates that bond frameworks that form part of communications relating to public offers or admissions to trading of securities were likely to be advertisements for the purpose of the prospectus regime, thus requiring consistency vis-à-vis the prospectus.

To address this lack of consistency, the PRM introduces a new disclosure requirement. All issuers of non-equity securities will be required to state in their prospectus whether their bonds have been marketed as 'green', 'social', 'sustainable' or 'sustainability-linked' and/or issued under a bond framework or similar document published by the issuer, any of its subsidiaries or any entity belonging to the group of the issuer. Issuers will then need to consider whether to disclose certain further supporting information, depending on the type of bond, on a voluntary basis. It will be the issuer's choice to disclose this supporting information, but in making this choice they must be mindful of their obligations under the 'necessary information' test. The PRM sets out the nature of the supporting information that issuers might disclose.

Such disclosure should generally include the kind of information that is normally contemplated under reasonably detailed bond frameworks (unless the 'necessary information' test prompts more detailed disclosures). Issuers are prompted (but not mandated) to include a set of more general disclosures applicable to both use of proceeds (**UoP**) bonds and sustainability-linked bonds (**SLBs**), as well as more specific disclosures, depending on the type of security they are issuing.

In particular, the PRM sets out the following general disclosures:

- Where the bond framework (or similar document) may be inspected.
- The standards or principles that have been followed in preparing the framework.
- Details of any external review(s) (typically a second party opinion) on the degree of alignment between the bond framework (or similar document) and the relevant standards or principles, and where that external review or assessment may be inspected.

In the case of UoP bonds, the (voluntary) additional disclosures should focus on:

- *Eligible projects*: details of the eligible projects that will be financed (or refinanced) through the proceeds raised, whether in part or full. Issuers should consider clarifying whether the proceeds can be used for refinancing existing commitments, and if so, add details on the

proportion of proceeds that will be allocated for refinancing existing projects (and the maximum proportion of proceeds expected to be allocated to financing new projects); and the expected look-back period (i.e. the time period that the issuer will look back to for the refinanced projects).

- *Project evaluation and selection*: details of the eligible project objectives, risks specifically associated with the eligible projects and related mitigation measures; and the criteria, metrics or performance indicators used to evaluate and select the projects, including the process and methodology by which evaluation and selection is conducted.
- *External reviews*: where any external review or assessment regarding alignment of the bond to relevant standards and principles can be found.
- *Management of proceeds*: the approach and methods for the management of proceeds (including those relevant in the context of temporary management of proceeds).
- *Post-issuance external reviews*: information on post-issuance external review or assessment of the projects, including areas of focus, relevance of the review by reference to the bond's green, social or sustainable characteristics, and the persons responsible for the review.
- *Reporting*: the approach to impact reporting, including where such reports may be inspected and the frequency of updating such impact reports.

In the case of SLBs, the PRM does not seek to duplicate disclosures that should already be included in the contractual terms of the bond, including matters such as coupon ratchets, baselines, fallbacks, and verification. The PRM focusses instead on items that can provide a more rounded understanding of how an SLB fits in the issuer's strategy and sustainability aspirations. This includes an explanation of how any relevant targets, metrics or indicators, including Key Performance Indicators (**KPIs**) and Sustainability Performance Targets (**SPTs**) have been selected, by reference to the process and rationale for their selection; methods for computing KPIs and their measurability, verifiability and ability to be benchmarked; and the materiality and alignment of SPTs with the issuer's overall sustainability and business strategies.

These disclosures do broadly reflect current market practice for bond issuers that follow voluntary market-based principles such as the Green Bond Principles and the Sustainability-Linked Bond Principles; therefore, in our view, such disclosures should not be unduly onerous for issuers seeking to issue sustainability-labelled bonds.

Under the EU Listing Act reforms to the EU Prospectus Regulation, a new Annex 21 building block has been

developed by ESMA for non-equity securities "advertised as taking into account environmental, social or governance (ESG) factors or pursuing ESG objectives". It will apply to all sustainability-labelled bonds that fall within the scope of the EU Prospectus Regulation, including EU Green Bonds and UoP bonds or SLBs that align to the ICMA Principles, from 5 June 2026.

For the avoidance of doubt, the FCA has clarified that it does not intend to create a bond standard for green, social, or sustainability-labelled debt at this time. In contrast, the EU Green Bond Standard Regulation, which came into force across the EU last year, is a voluntary option for those issuers that wish to seek the EU Green Bond label for their bonds.

### UK MTF admissions

Our previous briefing note focussed on admission to trading on the London Stock Exchange's Main Market, but it is worth noting that:

- The admission to trading exemption from the general prohibition on offers of relevant securities to the public, which is set out in the POATRs, applies to UK MTFs as well as the Main Market.
- The protected forward-looking statements section of the PRM also applies to in-scope statements made in MTF admission prospectuses (save for the provisions relating to placement and presentation of protected forward-looking statements).

### FCA powers

The POATRs also empower the FCA the power to make certain rules relating to UK MTFs, including the power to oblige operators of UK MTFs to specify the publication of an MTF admission prospectus as a condition of an admission to. The FCA's rules for admissions to UK MTFs are set out in a new chapter of the Market Conduct sourcebook (MAR).

### The qualified investor condition

The FCA's powers as regards UK MTFs are limited by a qualified investor condition set out in the POATRs. This prevents the FCA from using its powers in relation to primary UK MTFs that are intended only for qualified investors (**QI-only MTFs**), such as the London Stock Exchange's International Securities Market (**ISM**), except in very defined circumstances (including withdrawal rights, persons responsible for a prospectus, and advertisements).

The below summary focuses on the position that will apply to QI-only MTFs, given the current lack of UK MTFs facilitating retail investor access to bonds in the primary market.

### Admissions prospectus

Unlike the position for UK MTFs intended for retail investors where FCA rules require an MTF admission

prospectus to be published, operators of QI-only MTFs have complete discretion as to whether an MTF admission prospectus is required for admission to trading on their markets. The expectation is that the ISM will continue to require an admissions prospectus, as is the case under the current regime.

#### *Supplementary prospectuses*

Operators of QI-only MTFs will have discretion as to the circumstances in which a supplementary prospectus will need to be published.

#### *Withdrawal rights*

Offers in connection with admissions to trading on QI-only MTFs will not give rise to withdrawal rights, even if the market operator decides to require an MTF admission prospectus and a supplementary prospectus.

#### *The ISM Rulebook*

We expect the ISM to soon launch a consultation about potential changes to the ISM Rulebook, to reflect the new regime and the points mentioned above.

### **Listing particulars and the Professional Securities Market**

For new admissions, the FCA will no longer accept listing particulars (historically used for the London Stock Exchange's Professional Securities Market (**PSM**) as an alternative listing document).

The PSM will close to new admissions. New securities seeking admission to the Official List will, once these changes come into force, need to be admitted to trading on a regulated market.

Transitional provisions will enable issuers' securities to remain listed and admitted to trading on the PSM for as long as the London Stock Exchange chooses to maintain it.

## **Conclusion**

The final FCA rules in the PRM have heeded market feedback that the current prospectus regime works well overall for non-equity securities. The FCA's new rules are, overall, measured and sensible proposals that make targeted, incremental improvements to the UK prospectus regime.

However, it remains to be seen whether the measures designed to facilitate retail issuance will result in more issuances being opened to retail investors. The new rules and alleviations are a good starting point but there is a significant amount of work to be done by market participants before PVLBs start to gain momentum.

## **What happens next?**

The new FCA rules come into effect on 19 January 2026, with certain FCA guidance to be published in due course. In particular, the FCA intends to publish additional Technical Note guidance in relation to climate-related disclosures, the takeover exemption, working capital statements and PFLS later this year.

Prospectuses approved before 19 January 2026 will remain valid during their stated validity; the new rules will only apply to prospectuses approved from 19 January 2026. This is reassuring for issuers with MTN programmes, as it means they can wait for their normal programme update cycle to incorporate necessary changes under the new FCA rules.

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