

FCA consultation on UK prospectus regime

On 26 July 2024, the FCA published a consultation on the new *Public Offers and Admissions to Trading Regulations regime (POATRs) (CP24/12)*, which sets out its proposals for when companies will need to produce a prospectus for the admission of securities to UK regulated markets or certain “primary” multilateral trading facilities (MTFs) and detailed requirements for the content of prospectuses for regulated markets. The consultation follows on from the making in Parliament in January 2024 of the *Public Offers and Admissions to Trading Regulations (POATRs) 2024*, which set out a framework for replacing the UK Prospectus Regulation, and the FCA’s engagement with market participants via various engagement papers in summer 2023 (which was reported on at page 24 of the [Fourth Quarter 2023](#) edition of this Quarterly Report). The consultation response deadline is 18 October 2024.

In CP24/12, the FCA stated it plans to publish a separate consultation paper on debt offerings to retail investors (by removing barriers to issuance of low denomination bonds) in late Q4 2024.

Many of the changes proposed by CP24/12 mainly impact equity capital markets. Provisions relevant to debt offerings include:

- Voluntary forward incorporation by reference.
- More flexibility around the use of supplements, including being able to add new securities to the base prospectus and to make non-material changes.
- Applying withdrawal rights to offers made by certain primary MTF issuers.
- Allowing further issuances of fungible non-equity securities without a prospectus of up to 75% of securities already admitted to trading.
- A new Protected Forward Looking Statement regime.
- For sustainable finance:
 - The proposed rules do not introduce any new general corporate sustainability disclosure rules for debt issuers.
 - For use-of-proceeds bonds and sustainability-linked bonds, the consultation introduces a new rule that a prospectus must state that the securities are (i) marketed as “green”, “social”, “sustainable” or “sustainability-linked” or (ii) issued under a framework (the framework does not need to be disclosed in the prospectus).
 - For use-of-proceeds bonds and sustainability-linked bonds, the rules also introduce a voluntary set of disclosures.

Overall, the FCA has proposed a new regime that is broadly consistent with the current prospectus regime, with some improvements, although clarification on some aspects of the proposed rules is needed. ICMA is conducting meetings with members currently on the details of the provisions listed above as there are some technical queries as to how the proposed rules will apply to debt offerings, and also on whether the proposed sustainable finance provisions are fully aligned with the ICMA Principles, all of which will feed into ICMA’s consultation response.



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