

PROSPECTUS REGIME - TREASURY REVIEW OF THE PROSPECTUS REGIME

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Legal Briefings

The Treasury has published a wide-ranging [review of the UK prospectus regime](#) promising the biggest shake up of the prospectus regime since 2005.

The review follows the conclusions of the Hill Review of the UK listing regime published in March 2021. The Financial Conduct Authority (FCA) consultation discussed at item 3 below and its earlier consultation on SPACs (special purpose acquisition companies) (see our [corporate update 2021/10](#)) also stem from the Hill Review's recommendations. We have updated our summary of the Hill Review's recommendations, which sets out further information on the key proposals and progress in respect of them to date. The summary is available [here](#).

One of Lord Hill's recommendations was an overhaul of the prospectus regime, in particular for further issuances by companies that are already listed. The Treasury has now published an initial consultation on fundamental reforms to the rules governing when a prospectus must be published, and what should be in it when it is required.

The key proposals in the Treasury's consultation paper are:

- IPOs and secondary issues – Prospectuses will remain a key feature of an IPO in the UK. The FCA will be given discretion to determine when a prospectus is required on a further issue but, for a listed issuer, a public offer to its existing shareholders would not of itself require a prospectus.
- Prospectus contents – The overarching requirement for necessary information will be retained, but the FCA will be given power to make the rules on the detailed disclosure requirements, opening the door to a more proportionate disclosure regime, particularly

for secondary issues (if a prospectus is required at all). The FCA will also have discretion to decide which types of prospectuses to review.

- Liability – Liability for forward-looking information in a prospectus will be aligned with liability for other listed company published information, so that liability is only incurred when those involved are reckless.

The consultation closes on 24 September 2021. The Treasury says that the replacement of the current prospectus regime will be achieved via a two-stage process:

- a further consultation followed, assuming the Government decides to proceed, by legislation; and
- an FCA review and consultation on the rules that will replace the UK Prospectus Regulation.

For more information, see our [detailed briefing on the proposals](#).

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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