

HM TREASURY RESPONSE ON PROPOSED POWER TO BLOCK LISTINGS ON NATIONAL SECURITY GROUNDS

17 December 2021 | London
Legal Briefings

The Treasury has published a [summary of responses](#) to its consultation on a proposed new power to block listings on national security grounds and says it will proceed with the proposals.

The Treasury published the consultation in light of concerns about possible links between a listing and national security, for example if the proceeds of a listing may be used for nefarious purposes, such as funding a country's nuclear weapons capability (see our blog post [here](#)).

The Treasury says that, overall, responses to the consultation were supportive of the Government's objectives, provided the regime does not disproportionately impact the attractiveness of UK capital markets. Respondents highlighted the importance of having a narrowly targeted, precautionary power that does not impede the role of the FCA, with clear safeguards:

- Scope – Respondents agreed with the intended scope, which would include all new admissions of equity securities to a UK market, but stressed the importance of the Government producing clear and comprehensive guidance, and engaging with stakeholders on it.
- Disclosure requirements – These need to be proportionate and reasonable and should not impose a disproportionate burden on small and medium-sized enterprises (SMEs) where a prospectus is not required.
- Pre-clearance process – There was support for a pre-clearance process, provided there is

clarity early on in the admission process, clear timelines and a short turnaround for decisions, to avoid issuers incurring significant costs.

The Treasury is developing its policy on this and will in due course publish a further consultation on the legislation required to implement it.



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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