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PUBLIC OFFERS AND ADMISSIONS TO TRADING REGIME: NEW RULES COME INTO FORCE

HIGHLIGHTS FOR DEBT CAPITAL MARKETS

On 19 January 2026, the new public offers and admissions to trading regime comes into force, replacing the UK prospectus regulation-based regime that the UK inherited from the EU.

Most of the previous rules relating to prospectuses and admissions to trading will be carried across into the new regime broadly as they are, however, there are some substantive changes impacting issuers of debt securities. The overall aim of the new rules is to reduce the costs for issuers of admitting securities to trading on UK regulated markets, make capital raising easier for issuers and remove barriers to retail participation.

This briefing summarises the key points relevant to the debt capital markets (DCM). Key points relevant to the equity capital markets are summarised in a separate briefing.

PUBLIC OFFERS AND ADMISSIONS TO TRADING: THE NEW LANDSCAPE

Under the previous regime, an FCA-approved prospectus would need to be published before an issuer could (i) offer transferable securities to the public in the UK or (ii) request that transferable securities be admitted to trading on a UK regulated market, with various exemptions available in each case. Under the new regime, the rules for public offers are separated from those for admission to trading:

Public Offers

The Public Offers and Admissions to Trading Regulations 2024 (“**POATRs**”), which were made by Parliament in January 2024, provide a new public offer framework to replace the previous regime:

- Rather than requiring an approved prospectus for a public offer as was the case under the previous regime, the POATRs make it unlawful to offer securities to the public in the UK unless an exemption applies. Public offer exemptions typically relied upon in DCM have been carried across such as an offer made

SUMMARY OF KEY CHANGES

- A single wholesale-based prospectus disclosure standard applies for all debt securities, regardless of denomination (replacing the previous differentiated disclosure regime for ‘wholesale’ and ‘retail’ securities). A prospectus summary is no longer required for debt securities.
- There is a new concept of Plain Vanilla Listed Bonds (broadly, senior unsecured, plain vanilla, listed bonds). UK listed corporate issuers that issue Plain Vanilla Listed Bonds will benefit from certain alleviations and guidance to make retail participation more accessible.
- There are new prospectus disclosure requirements and guidance for green, social, sustainable and sustainability-linked bonds.
- MTN programme issuers have the option to future incorporate by reference annual and interim financial information into their prospectuses, doing away with the need to supplement for this purpose.
- There is greater flexibility in what information can be included in prospectus supplements.
- The threshold for triggering a prospectus for further issuances is increased from 20 per cent. (of existing fungible securities) to 75 per cent. across all asset classes.
- Certain forward-looking statements in a prospectus that satisfy criteria and labelling requirements will be subject to a higher threshold for statutory liability.
- In terms of practical implications, London Main Market listed programme issuers approaching annual updates will need to consider the applicable changes, including updates to selling restrictions.

to qualified investors (QIs) only, an offer addressed to fewer than 150 persons in the UK (other than QIs) and an offer of relevant securities whose denomination per unit amounts to at least £50,000 (or an equivalent amount) (replacing the former €100,000 threshold). A new exemption is available for 'offers conditional on admission to trading', which can be relied on for low denomination offers.

- The POATRs give the FCA enhanced rule-making powers to set rules on when a prospectus should be required for admission of securities to a regulated market or primary MTF in the UK (see below).

- The POATRs also amend the general disclosure test ("necessary information" test) for prospectuses to make clear that, for debt securities, "prospects" should be read as a reference to the "creditworthiness of the issuer and any guarantor".

Admission to trading

The POATRs create the designated activity of requesting or obtaining admission of transferable securities to trading on a regulated market and confer broad powers on the FCA to make rules on when a prospectus is required and its content. The new FCA rules are called the *Prospectus Rules: Admission to Trading on a Regulated Market sourcebook* (the "**PRM**").

The POATRs also create the designated activity of admission to a primary MTF and empower the FCA to make related rules; where a primary MTF does not meet the qualified investor condition (i.e. is open to retail investors), its operator must require an MTF admission prospectus as a condition of admission. A primary MTF restricted to qualified investors (for example, the London Stock Exchange's International Securities Market) is not subject to this FCA prospectus requirement.

THE PRM: KEY HIGHLIGHTS FOR DCM

A single disclosure standard for debt securities

The prospectus disclosure regime is now streamlined; with the previous rules which differentiated disclosure for debt securities with a denomination per unit above €100,000 ('wholesale securities') and debt securities with a denomination below that threshold ('retail securities') replaced by a single lighter wholesale-based disclosure standard for all debt securities, regardless of denomination. In addition, a prospectus summary (previously required for retail securities) is no longer required for debt securities.

A key driver behind these changes is the FCA's recognition that differentiated disclosure requirements have contributed to the decline of low denomination (retail) bond issues. The introduction of a single disclosure standard as well as other changes outlined below are together designed to streamline the rules, reduce frictional costs for issuers that existed under the previous regime and facilitate the issuance of low denomination bonds capable of retail participation.

A new concept of 'plain vanilla listed bonds'

The PRM introduces a new concept of 'plain vanilla listed bonds' which are broadly senior, unsecured plain vanilla debt securities ("**Plain Vanilla Listed Bonds**" or "**PVLBs**") which can be issued by eligible UK listed corporate issuers and benefit from certain alleviations and guidance, with the intention of removing regulatory disincentives to issuing low denomination bonds that can be offered to retail investors:

Exemption to financial reporting requirements in DTRs: Under the new rules, ESCC subsidiary issuers of Plain Vanilla Listed Bonds are exempted from the annual and half-yearly financial reporting requirements in the DTRs (this exemption has previously only been available for exclusively wholesale debt issuers).

PLAIN VANILLA LISTED BONDS

Listed debt securities that are:

- fixed or floating rate securities (subject to certain conditions);

- unsubordinated, unsecured and not subject to a potential write-down or conversion as a result of a resolution authority exercising its powers (i.e. not subject to bail in); and

- not convertible securities, asset backed securities or securities giving rise to payment or delivery obligations linked to an underlying asset or index (other than benchmarks tracking UK inflation).

To be issued by:

- an '**ESCC Issuer**' (an issuer that has an existing listing in the equity shares (commercial companies) category), or

- an '**ESCC subsidiary**' (a wholly owned subsidiary of such a listed company) provided the debt securities are guaranteed by the UK listed parent.

Product governance rules: Guidance in the Product Intervention and Product Governance Sourcebook (**"PROD"**) is now updated to clarify that Plain Vanilla Listed Bonds are an example of the type of instrument that should be treated as 'simple' which are therefore 'likely to be compatible with the needs and characteristics of customers in the mass retail market and appropriate for distribution by way of a wide range of channels'. In addition, a new PROD rule confirms that manufacturers do not need to carry out ongoing reviews of Plain Vanilla Listed Bonds. A corresponding rule in the Conduct of Business Sourcebook states that make-whole call options do not make these bonds complex.

CCIs regime: The FCA published a policy statement (PS25/20) in December 2025 setting out the final rules of the consumer composite investments (CCIs) regime, which will replace EU-derived packaged retail investment products (PRIIPS) regime and come into effect on 6 April 2026. The new rules will clarify that Plain Vanilla Listed Bonds are not considered CCIs.

Eligible Issuers: The FCA has set out relatively narrow parameters for eligibility under the new PVLB concept. Financial institutions are out of scope due to the requirement for PVLBs to not be subject to bail in. Most utility issuers are also expected to fall out of scope because their debt is typically guaranteed by the operating company rather than the listed parent.

"Access Bonds": The London Stock Exchange will apply a new "Access Bond" designation to retail eligible bonds (including Plain Vanilla Listed Bonds) admitted to the Exchange's Main Market.

Sustainability Related Disclosures in Prospectuses

The PRM sets out new disclosure requirements in prospectuses for sustainability-labelled debt securities (i.e. green, social or sustainable 'use of proceeds' bonds and sustainability-linked bonds). An issuer must include a statement in the prospectus indicating whether the bonds are marketed as green, social, sustainable or sustainability-linked and whether they are issued under a bond framework.

Issuers should also assess whether additional disclosure is necessary to meet the general prospectus disclosure requirement (i.e. the "necessary information" test). The PRM provides guidance on what further disclosures may be appropriate. This includes:

General disclosures applicable to all sustainability-labelled debt securities, such as availability of the bond framework, adherence to any relevant standards or principles in developing the framework and details of any external reviews, including their locations.

Use of proceeds bonds: Suggested supporting information includes: description of eligible projects to be financed or refinanced, project evaluation and selection processes, location of any external reviews, approach to the management of bond proceeds, post-issuance reporting and impact reporting.

Sustainability-linked bonds: Suggested supporting information includes: explanation of how relevant targets, metrics, or indicators (e.g. KPIs and sustainability performance targets (SPTs)) were selected, rationale and methodology for KPI selection, verifiability and benchmarking of KPIs and materiality and alignment of SPTs with the issuer's broader sustainability strategy.

It is important to note that the FCA has framed most of these sustainability-related disclosure requirements as guidance, allowing issuers some flexibility in determining what constitutes material information for investors. This contrasts with the more prescriptive approach proposed under the EU prospectus regime reforms, where a new disclosure annex is proposed for bonds advertised as taking into account ESG factors or ESG objectives (see our briefing for further detail).

Forward Incorporation by Reference

Similar to what is permitted under the EU prospectus regime, the new rules permit forward incorporation by reference of annual and interim financial information in MTN base prospectuses (during their 12-month validity period), without the need to supplement, provided that such information is published through a regulatory information service. Issuers can continue to prepare supplements voluntarily for this purpose if they wish to do so. The new rules should be read alongside FCA guidance on forward incorporation by reference and the use of "evergreen language" in base prospectuses.

More Flexibility for Supplements

The new rules carry over many of the requirements relating to supplements under the previous regime including the trigger for preparing a supplement ("a significant new factor, material mistake or material inaccuracy"). In addition, the new rules permit greater flexibility in allowing supplements to be prepared in certain circumstances where there is no significant new factor, material mistake or material inaccuracy, with the aim of reducing the need for a prospectus to be updated in its entirety or requiring a drawdown prospectus to be produced. In particular, the rules permit new securities to be added to the base prospectus via a supplement, subject to certain conditions (although asset-backed securities or securities with a derivative element cannot be added).

Further Issuances

The new rules increase the threshold for triggering a prospectus for further issuances from 20 per cent. (of existing fungible securities) to 75 per cent. across all asset classes and the further issuance listing application process is simplified.

The extent to which the further issuances exemption will be utilised by debt issuers remains to be seen. Whilst it provides added flexibility, the exemption has not been widely used to date due to the architecture of MTN programmes allowing for fungible tap issuances to be conducted relatively easily. It may prove to be a more useful exemption in the context of standalone bond issuances.

The new rules contrast with the approach taken under reforms to the EU prospectus regime where the further issuances exemption threshold has been increased from 20 per cent. to 30 per cent.

Other prospectus exemptions

Other exemptions from the requirement to publish a prospectus in the new rules broadly mirror those under the previous regime, save that (i) instruments of Islamic finance benefiting from an arrangement equivalent to a guarantee from a sovereign will also be exempt, and (ii) securities issued by non-profit associations will be brought within scope. Public International Bodies continue to be exempt issuers, with a broader definition included within the PRM.

Protected Forward-Looking Statements

To encourage issuers to disclose more detailed forward-looking information in prospectuses, the POATRs establish a different liability threshold (based on fraud or recklessness) for certain categories of forward-looking statements ("**Protected Forward-Looking Statements**" or "**PFLS**") in prospectuses, with the FCA responsible for specifying what qualifies as PFLS and the labelling and other requirements that should apply to them.

The PRM sets out specific parameters around what forward-looking information can be considered PFLS; for example, a statement can only qualify for protection if it contains financial or operational information (in accordance with the applicable rules), is verifiable only by reference to future circumstances or events, includes an estimate as to when those are expected to occur, and contains information that a reasonable investor would use as part of the basis of their investment decision.

The PRM also makes clear that mandatory prospectus annex disclosures cannot be considered PFLS. However, certain information such as profit forecasts and disclosures relating to sustainability strategy and transition plans can be considered if it satisfies the relevant criteria. All PFLS disclosures will need to be clearly labelled, and certain accompanying statements will have to be included.

Withdrawal rights

The FCA has confirmed the market view that withdrawal rights do not apply to supplements prepared only for admission to trading of securities (where there is no public offer).

Removal of listing particulars as an admission document

The London Stock Exchange's Professional Securities Market ("**PSM**") is closed to new admissions from 19 January 2026, with 'listing particulars' removed as an admission document from the rules. Transitional provisions apply for issuers with existing PSM listed securities so that these securities will remain listed and admitted to trading on the PSM for as long as the LSE chooses to maintain it.

Transitional Provisions

The POATRs contain 'grandfathering' provisions which provide that any prospectuses approved by the FCA before 19 January 2026 will continue to remain valid for their validity period (12 months from their date of approval).

The FCA has made clear in guidance that such grandfathered prospectuses and any related supplements remain subject to the previous UK Prospectus Regulation regime until their renewal.

Conclusion

The FCA has sought to maintain key aspects of the previous regime, introducing targeted enhancements for debt issuers rather than wholesale changes. This measured approach is intended to support smooth and efficient cross-border bond issuance across both the UK and EU.

The changes designed to facilitate the issuance of low denomination bonds will be of particular interest to eligible issuers and could pave the way for a stronger retail investor presence in the UK corporate bond market.

London Main Market listed programme issuers approaching annual updates will need to consider the applicable changes, including updating base prospectus selling restrictions and legends for the new regime.

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