The Chartered Governance Institute UK & Ireland

Saffron House
6-10 Kirby Street
London EC1N 8TS

+44 (0)20 7612 7014
pswabey@cgi.org.uk
cgi.org.uk

Peter Swabey
Policy & Research Director

Financial Conduct Authority
12 Endeavour Square
London E20 1JN

By email: cp26-8@fca.org.uk

20th March 2026

Dear Sir / Madam

Quarterly Consultation 51 - CP26/8

The Chartered Governance Institute is the professional body for governance and the qualifying and membership body for governance professionals across all sectors. Its purpose under Royal Charter is to lead effective governance and efficient administration of commerce, industry, and public affairs working with regulators and policymakers to champion high standards of governance and providing qualifications, training, and guidance. As a lifelong learning partner, the Institute helps governance professionals achieve their professional goals, providing recognition, community, and the voice of its membership.

One of nine divisions of the global Chartered Governance Institute, which was established 135 years ago, the Chartered Governance Institute UK & Ireland represents members working and studying in the UK and Ireland and many other countries and regions including the Caribbean, parts of Africa and the Middle East.

As the professional body that qualifies Chartered Secretaries and Chartered Governance Professionals, our members have a uniquely privileged role in companies' governance arrangements. They are therefore well placed to understand the issues raised by this consultation document.

ProShare, a part of The Chartered Governance Institute, has been the voice of employee share ownership since 1992 when it was established by HM Government, a group of FTSE 100 companies and the London Stock Exchange to promote wider share ownership. Today, its focus is solely on helping to promote employee share ownership in the UK and are the voice of employee share plan practitioners and professionals. Many of these have been affected by the issues address in chapter 10 of the consultation.

In preparing our response we have consulted, amongst others, with members both of the Institute and of ProShare. However, the views expressed in this response are not necessarily those of any individual members, nor of the companies they represent.

We have restricted our comments to chapter 10 or your consultation, the area of most concern to our members, and our views on the questions that you ask are set out below.

General comments

We welcome the prompt action that the FCA has taken in response to the issue that we raised in our email of 20th February and we understand that a number of other organisations have raised similar concerns.

There were two principal issues:

- the impact of the removal of the 'block listing exemption to the notification obligation in UKLR 6.4.4R(4) (and corresponding rules in other chapters)' which, on the face of it made complete sense given the removal of the further issuance listing application process from UKLR, but increased the regulatory burden for issuers, particularly those who regularly issue listed equity securities, for example under an employee share scheme.
- the interface between the new Public Offers and Admissions to Trading Regulations regime and the LSE rules on admission to trading, particularly as regards announcements.

It seems to us that it would be more helpful – and create less uncertainty in the market – were a process to be agreed between the FCA and LSE which minimises the number of announcements that have to be made to the market. We assume that the new POATR rules were discussed with LSE before they were published.

The Institute had a call last month, convened at very short notice, with around sixty company secretaries and many of their professional advisers to look at challenges they are experiencing from this change. The number of people who asked to join our call at short notice shows, I think, the level of uncertainty in the market on how to manage compliance with the two regimes.

Where we now stand (assuming that the FCA proposals go ahead) is that issuers are required under PRM 1.6.4R to "notify a RIS of any admission to trading within 60 days of the admission to trading." However, LSE still require a published announcement prior to the effective date of the admission. It seems to us that it should be possible to have just one announcement under these circumstances and we will be approaching the LSE in this regard. However, it may be more effective for the FCA to discuss

this with the LSE and agree between yourselves whether the announcement should be before, on or after admission.

Our members strong preference would be that the LSE remove their announcement requirement and we just have the 60 days announcement under PRM1.6.4R but our key issue is that there should be only one announcement required. Some companies have told us that they would continue to block admit for employee share schemes because to seek admission after issue of shares for employee share schemes would be administratively burdensome, unworkable and impractical as they undertake upwards of 100 allotments per year for share schemes including, in some cases, an extended period of daily SAYE allotments (SAYE is an all-employee share scheme in which many companies have thousands of employees exercising options on a date of their choice over a six month period). They would also not want colleagues to have to wait to transact in the shares, which they would have to do if admission was sought after issuance. Consequently, as things stand, it seems likely that companies will continue to use the block admissions process to minimise the impact of the LSE rules, and that doesn't seem the right answer.

There is a further complexity created by DTR 5.6.1R which states that "An *issuer* must, at the end of each calendar month during which an increase or decrease has occurred, disclose to the public:

1. the total number of voting rights and capital in respect of each class of *share* which it issues …; and
2. the total number of voting rights attaching to *shares* of the *issuer* which are held by it in treasury."

One of the areas of confusion that companies have experienced with the 60-day period has been investors contacting them concerned when they see an announcement about shares being issued and admitted without a total voting rights (TVR) update at the same time, as they are unable to reconcile the announcement with the most recent TVR announcement under DTR 5.6.1R.

From a pragmatic point of view, we believe that the most effective solution is for a company which has had an increase or decrease of capital during a calendar month to make a combined TVR and admission to trading announcement, meeting their obligations under both PRM 1.6.4R and DTR 5.6.1R. Some of our members already do this, but others have been advised that the FCA does not believe this is appropriate, and that there may be issues in having two headline codes in the same announcement. Given the FCA's focus on making the NSM more useful, it would be helpful were the FCA, as part of the response to this consultation, to state clearly that this is an acceptable (or even ideal!) solution.

Other points on which formal clarification from the FCA would be welcome are:

- When does the FCA regard shares as admitted to trading for PRM1.6.4R purposes, where a block admission is being relied upon? Is it on the date of the block admission itself (i.e. when the block admission is granted), or the subsequent issue of the shares pursuant to the block admission? This is relevant in knowing from when the 60 days runs.
- If an issuer has issued an announcement about its intention to admit shares to trading as part of its application to trade with the LSE, is this sufficient to comply with the FCA's requirements under PRM1.6.4R or would it require a further announcement (see point above as to timing)?
- Where an issuer has obtained a block admission after 19th January 2026, do they also benefit from the FCA forbearance?

Specific questions asked in the consultation

Question 10.1: Do you agree with our proposal to remove UKLR 6.4.4R(4), UKLR 6.4.5R and corresponding rules in other UKLR chapters? If you disagree, please provide your reasons.
Yes, we do. However, we believe that these proposals could more usefully go much further as outlined above by:

- The FCA agreeing with the LSE that a single announcement following admission to trading is sufficient for market transparency purposes as this will avoid multiple announcements.
- The FCA clarifying that a combined TVR and admission to trading announcement, meeting obligations under both PRM 1.6.4R and DTR 5.6.1R is an acceptable (or even ideal!) solution.
- Where companies make a block admission request to the LSE, the FCA clarifying when it considers shares as “admitted” for the purposes of the PRM 1.6.4R announcement.

If it would be helpful for the FCA to discuss the issues with some practitioners whilst developing thinking around that consultation, the Institute would be happy to facilitate this.

If you would like to discuss any of the above comments in further detail, please do feel free to contact me.

Yours faithfully,
Peter Swabey
Policy and Research Director
The Chartered Governance Institute UK & Ireland