

## The new UK Listing Rules: what does this mean for Jersey companies?

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The United Kingdom's Financial Conduct Authority has published new Listing Rules which took effect from 29 July 2024. They mark the most significant amendments to the UK's listing regime in more than 30 years.

The Financial Conduct Authority (FCA) has said that the aim of the changes is "to support a wider range of companies to issue their shares on a UK exchange, increasing opportunities for investors."

Jersey has long been a popular jurisdiction of incorporation for businesses seeking to list on the London Stock Exchange's Main Market or Alternative Investment Market (AIM). This is due to the flexibility of Jersey's legal regime within its Companies Law and compatibility with the UK's legal, tax and regulatory regimes.

The new listing rules which impact listings on the Main Market (as opposed to AIM) provide a simplified regime, which, coupled with the flexibility of Jersey companies, could make an attractive combination.

### The main changes to the Listing Rules

#### Relaxed disclosure regime

The Listing Rules pivot from what was previously a prescriptive disclosure regime to one with increased flexibility where the board of directors provide disclosures in respect of transactions the company may undertake.

#### Shareholder voting

Shareholder voting will no longer be required for significant or related party transactions other than reverse takeovers which will be encouraging for start-up companies who can access the Main Market significantly earlier than would have been possible under the old regime and continue to

maintain an element of control over their companies.

## Dual class share structures

Companies with weighted voted rights or a bespoke class structure (typical in private companies) will find it easier to list due to the removal of the five-year sunset clause and the fact that weighted votes may be held by investors (natural or corporate) or employees of the listed company. Such a change will be helpful in the context of private equity funds who seek to retain control of the company once listed.

## Single listing category

Introducing a single listing category for the UK market brings the UK in line with other markets which do not have a distinction between "premium" or "standard" segment on the Official List.

## Reduced financial reporting hurdles

Companies with limited accounting records will find it easier to list, as the requirement (for premium listed companies) to provide three years of accounts and demonstrate a sound financial history (amongst other deliverables) has been removed. Such companies will now only need to comply with the requirements of the UK Prospectus Rules.

## Conclusion

The streamlined Listing Rules demonstrate the FCA and UK government's aim to encourage investors into what they hope will be regarded as a revitalised and attractive UK capital market - a competitive proposition to other international exchanges. What appears to be a reduced regulatory regime will hopefully make it easier and cost efficient to list on the Main Market.

This can only be regarded as positive news for Jersey as there have always been close ties between the UK and Jersey, which is internationally viewed as a well regulated but flexible international finance centre.

For further information about the use of Jersey companies to list, please see our briefing: [Listing Jersey holding companies](#).

## How can Ogier help?

If you are interested in a listing on the London Stock Exchange, contact one of our [Listing Services team](#).

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