FINANCIAL CONDUCT AUTHORITY

Policy Statement

PS26/16

Changes to information flows for UK equity IPOs

August 2026

This relates to

Consultation Paper 26/14 which is available on our website at www.fca.org.uk/publications

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Chapter 1

Summary

1.1 This policy statement (PS) responds to feedback to consultation paper (CP) CP26/14. In CP26/14 we outlined proposals to amend our rules on information flows during UK equity initial public offerings (IPOs).

1.2 These rules were originally designed to improve conditions for independent research on equity IPOs, as high-quality independent research can play an important role in supporting investors in the allocation of capital across the economy.

1.3 We remain committed to supporting robust independent research coverage across markets. However, it is clear that these rules from 2018 have not always achieved their intended effect of encouraging unconnected research and have instead added market risk and costs for issuers.

1.4 Our proposals aimed to remove these additional costs and risks for issuers listing in the UK, supporting the UK's competitiveness as a listing venue. This PS sets out our final approach to our rules and when our new rules will come into force.

1.5 This PS also summarises feedback to discussion questions from Chapter 4 of CP26/14, which we will consider as part of future work.

Who this affects

1.6 This PS and our final rules will affect:

- prospective issuers
- retail and institutional investors in shares admitted to a UK regulated market
- investment advisers, brokers and other intermediaries
- independent research providers (IRPs)
- law firms involved in the IPO process
- investment banks and other companies involved in the IPO process
- sponsors

The wider context of this policy statement

Our consultation

1.7 Quality information is vital throughout the equity IPO process. Research can play an important role in this process, helping to guide price formation, mitigate risk and drive investor demand.

1.8 In 2018, we introduced rules to improve the quality and availability of information during the UK equity IPO process and address perceived risks of bias in research coverage.

1.9 These rules had 3 broad aims:

- Restore the primacy of an FCA-approved prospectus.
- Encourage the production of unconnected research.
- Improve conduct standards around analyst/issuer interactions.

1.10 Since then, markets have evolved significantly. Feedback suggested that some of the 2018 rule changes designed to encourage the production of unconnected research haven't always achieved their intended effect. Instead, they have added market risk and costs for issuers with no demonstrable benefits. This may put the UK at a competitive disadvantage, compared with listing venues in other jurisdictions that don't have equivalent rules.

1.11 We proposed to remove the 7-day delay for connected research and the broader equal information sharing requirements. This would remove the additional risk and burden for issuers and support issuers listing in the UK.

1.12 We also consulted on a technical correction to COBS 12.2.21R which was amended when transferring the MiFID Organisational Regulation (MiFID Org Reg) to the Handbook.

How it links to our objectives

1.13 These changes advance our operational objective of enhancing market integrity, by reducing unnecessary market risk and frictions for issuers, reflecting changes in the market and improving efficiency in the UK listing process.

1.14 Our changes also support our secondary objective in advancing competitiveness and growth by bringing our rules in line with relevant international peers. This will allow the UK market to compete more effectively to attract listings. A stronger listings market helps companies to access capital and to fund their growth and development, supporting the wider economy. It also provides investors with access to more diverse investment opportunities.

Outcome we are seeking

1.15 We want to reduce unnecessary market risk and frictions in the UK IPO process for issuers and market participants, to limit potential barriers for issuers considering listing in the UK and support the UK IPO market.

Measuring success

1.16 Our Rule Review Framework states that although we generally monitor key metrics of new rules, this is not a requirement where it would be disproportionate, or if the new rule relates to a minor policy or rule change with minimal impact. Due to the nature of our changes, we're satisfied that the proposed amendments are exempt from the requirement to be monitored.

1.17 We'll continue to receive informal feedback from industry about the IPO process. We will consider particular references to IPO research as part of any broader reviews.

Summary of feedback and our response

1.18 We received 12 responses from a range of market participants. This included trade associations, law firms, hedge funds, investment banks and IRPs.

1.19 Almost all respondents supported our proposals. As a result, we will implement our changes as proposed in CP26/14.

1.20 We also received 12 responses to our discussion questions. We are not consulting on any further changes at this time, but we will consider this feedback as part of future work.

Cost benefit analysis

1.21 Section 138I(2)(a) of FSMA requires us to publish a cost benefit analysis (CBA) when proposing draft rules. However, we do not need to do so if, in line with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance. In Annex 2 of CP26/14, we explained our view that a CBA was not required for our proposals because the amendments would not lead to increased costs, or the increase would be of minimal significance. Respondents did not raise any material challenges to our assessment and our position remains unchanged.

Next steps

1.22 The changes in this instrument will come into force immediately on publication of this PS.

1.23 Firms and issuers will still have the option to engage with unconnected analysts during the IPO process, but this will no longer be mandated, and any conditions should be negotiated on a commercial basis.

Chapter 2

Changes to information sharing during equity IPOs

2.1 This chapter sets out our final approach to the COBS 11A rules on information sharing during equity IPOs, as detailed in Chapter 3 of CP26/14. It also includes a summary of the feedback and our response.

Summary of feedback

2.2 In CP 26/14, we proposed to:

1. Amend COBS 11A.1.4FR to remove the 1/7-day waiting period between the publication of an approved registration document/prospectus and the publication of connected research.
2. Remove COBS 11A.1.4BR – COBS 11A.1.4ER which mandate that syndicate banks intending to publish connected IPO research share the same information with a range of unconnected analysts as they do with their own research analysts.

2.3 We received 12 responses on the proposals. Most respondents strongly supported making both proposed changes. They agreed that the current requirements have not achieved their aim of encouraging unconnected research, with only a small number of unconnected analyst reports being published since the rules were introduced.

2.4 Respondents also agreed that the 7-day waiting period has introduced unnecessary execution risk. They noted that this waiting period has been added by default to deals since these rules were introduced, due to issuer concerns about information management around a joint briefing. They also agreed it has made the UK an outlier in comparison with listing venues in other jurisdictions that do not have a comparable rule.

2.5 Many respondents also agreed that removing the equal information sharing requirements would remove considerable frictions and costs from the IPO process. Some also noted that the processes required to ensure compliance with the current requirements can impede analysts' ability to seek information from issuers to produce their research, as their interactions are often strictly structured to ensure all information can be shared effectively with other analysts

2.6 Two respondents disagreed with the proposed changes. They argued that it is essential to give unconnected analysts the information and opportunity to produce research during an IPO to provide independent views of the issuer to inform the market and price formation. These responses challenged the suggestion that returning to a pre-2018 model would allow IRPs to negotiate access to information on a commercial basis. They argued that IRPs were not given any access before the rules were introduced.

Our response

We will implement the proposal as described in CP26/14. We acknowledge the potential value of unconnected research during an IPO process. However, we do not consider it proportionate to maintain these rules. It is clear from the feedback received that these reforms have not worked to encourage unconnected research and enhance market integrity as originally intended. Instead they have added execution risk and costs for issuers. Research, including independent research, plays a critical role in enhancing transparency and helping markets function well. We are committed to reviewing our rules and identifying further opportunities to encourage research coverage of UK IPOs and welcome further input on this.

2.7 Additionally, we proposed a correction to a technical error in the drafting of COBS 12.2.21R when it was transferred from the MiFID Org Reg as finalised in PS25/13. We received 5 responses and most respondents agreed with this change. One respondent disagreed. They argued that the intent was to prevent recommendations and target prices being shared with issuers ahead of publication and so the drafting should be amended accordingly.

Our response

We will implement the proposal as described in CP26/14. As described in the CP, our general approach to transferring rules from the MiFID Org Reg was to incorporate provisions without any change to obligations, making amendments only to align with Handbook style drafting. As such, we consider that reverting to the provision's original drafting is the best way to ensure it aligns with the original policy intent.

Chapter 3

Further opportunities for reform

3.1 This chapter summarises the feedback on the discussion questions in Chapter 4 of CP26/14. We are not consulting on any changes at this time, but we will consider this feedback as part of future policy work.

Summary of feedback

3.2 The 2018 reforms also included requirements to address the two following objectives:

- Restoring the primacy of the approved registration document/prospectus.
- Reducing perceived conflicts of interest in the production of connected IPO research.

3.3 We asked whether the requirement for an approved registration document/prospectus to be published before any connected research was beneficial overall, or whether we should consider any alternatives.

3.4 We received 11 responses to this question. Most respondents argued that this requirement was not beneficial and should be amended.

3.5 Several respondents argued that this requirement should be removed. They said significant additional costs are incurred as a result, without any corresponding benefits for the market. Some highlighted that these costs can be particularly significant for smaller deals, as they can prevent any research being published for smaller equity transactions. Another respondent observed that it can be beneficial to publish research ahead of the registration document for these deals in particular, to gauge potential interest in a deal. Due to the significant costs of an IPO, smaller issuers would prefer not to enter the public phase if there is not sufficient support.

3.6 Respondents also noted that the IPO process often involves a reorganisation. This can mean the entity which is the subject of the registration document, is not the entity admitted to the Official List. In these cases, firms would need to duplicate work to revise disclosures and the registration document would provide less relevant information for investors.

3.7 One respondent observed that the registration document can be helpful in building investor interest at an early stage. However, they argued for flexibility in the timing, suggesting this could be delayed to the start of the management roadshow.

3.8 Two respondents argued that the current approach should be maintained. One respondent said that approved documents should always have publication primacy ahead of connected research, as this allows investors to make an informed assessment before pricing. Another saw less value in the publication of the registration document itself, but agreed with the principle of the requirement.

3.9 We also asked whether the COBS 12 guidance on pre-mandate issuer/analyst interactions was useful or whether we should consider any changes.

3.10 We received 10 responses to this question. Respondents expressed mixed views, though most challenged whether this prohibition was useful.

3.11 Respondents argued that this prohibition should be removed as research analysts are an important part of an IPO, and issuers often choose a firm based on whether the firms' analysts have the necessary sector expertise to cover their business. This shows that they value the opportunity to engage with the analysts early in the IPO process. Responses noted that other equivalent international regimes are less onerous and argued that this prohibition has put the UK at a competitive disadvantage.

3.12 One response highlighted that this prohibition can unfairly advantage firms who produce non-independent research, rather than independent investment research, as these analysts are able to join pitches. Though this research must be labelled as 'marketing communications', the respondent noted this distinction is not always well understood by investors.

3.13 Some respondents suggested removing the specific prohibition but adding other safeguards. Others argued that the risk of analyst bias is already substantively managed by existing rules in COBS 12 and SYSC 10.

3.14 One respondent argued that we should retain this prohibition as there is a clear and material conflict of interest for an analyst to interact with the issuer as part of the pitch process. They said this would be exacerbated if this became critical to the appointment process.

3.15 We will consider this feedback for future work. We welcome further engagement on these topics.

Annex 1

List of respondents

We are obliged to include a list of the names of respondents to our consultation who have consented to the publication of their name. That list is as follows:

Association for Financial Markets in Europe

Dentons UK and Middle East LLP

Fidelity International

Hill Dickinson LLP

Morningstar

Peel Hunt LLP

Rothschild & Co

The City of London Law Society

The European Association of Independent Research Providers

The Institute of Chartered Accountants in England and Wales

The Law Society

UK Finance

UK Private Capital

White & Case LLP

Annex 2

Updated compatibility statement

Equality and diversity considerations

1. We have considered the equality and diversity issues that may arise from the rule changes in this Policy Statement.

2. Overall, we do not consider that the rule changes materially impact any of the groups with protected characteristics under the Equality Act 2010.

Environmental, social & governance considerations

3. In developing this Policy Statement, we have considered the environmental, social and governance (ESG) implications of our rule changes and our duty under ss. 1B(5) and 3B(1)(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net-zero emissions target under section 1 of the Climate Change Act 2008 and environmental targets [under s. 5 of the Environment Act 2021]. Overall, we do not consider that the changes are relevant to contributing to those targets.

Annex 3

Abbreviations used in this paper

Abbreviation	Description
CBA	Cost Benefit Analysis
COBS	Conduct of Business Sourcebook
CP	Consultation Paper
ESG	Environmental, Social and Governance
FSMA	Financial Services and Markets Act 2000
IPO	Initial Public Offering
IRP	Independent Research Provider
MiFID Org Reg	MiFID Organisational Regulation
PS	Policy Statement
SYSC	Systems and Controls Sourcebook

Appendix 1

Made rules (legal instrument)

CHANGES TO INFORMATION FLOWS FOR UK EQUITY IPOS INSTRUMENT 2026

Powers exercised

A. The Financial Conduct Authority ("the FCA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):

(1) section 137A (The FCA's general rules);
(2) section 137T (General supplementary powers);
(3) section 138C (Evidential provisions); and
(4) section 139A (Power of the FCA to give guidance).

B. The rule-making powers listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on 5 August 2026.

Amendments to the FCA Handbook

D. The Conduct of Business sourcebook (COBS) is amended in accordance with the Annex to this instrument.

Citation

E. This instrument may be cited as the Changes to Information Flows for UK Equity IPOs Instrument 2026.

By order of the Board
30 July 2026

Annex

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

11A Underwriting and placing

11A.1 Underwriting and placing

…

Application of requirements for information flows during equity IPOs

11A.1.4A R ~~*COBS* 11A.1.4BR to~~ *COBS* 11A.1.4FR ~~apply~~ <u>applies</u> to a *firm* that:

(1) has *agreed to carry on regulated activities* for a *client* that is an *issuer* ("the *issuer client*") that include underwriting or placing of *financial instruments*, where:

(a) those *financial instruments* ("relevant securities") are either:

(i) *shares*; or

(ii) *certificates representing certain securities* where the certificate or other instrument confers rights in respect of *shares*;

(b) the relevant securities are intended to be *admitted to trading* in the *UK* for the first time;

(c) the trading under sub-paragraph (b) is intended to be effected by an *admission to trading* on a *regulated market*; and

(d) an approved *prospectus* will be required in accordance with *PRM* 1.4 for the relevant securities; and

(2) is intending to disseminate *investment research* or *non-independent research* on that *issuer client* or those relevant securities before the *admission to trading*.

~~Communications between the issuer and research analysts in equity IPOs~~

11A.1.4B R ~~(1)~~ ~~Unless it complies with paragraphs (2) and (3) a *firm* must prevent its staff involved in the production of *investment research* or *non-independent research* ("the *firm's* analysts") from being in~~

~~communication with the *issuer client* and/or the *issuer client's* representatives outside of the *firm* ("the *issuer* team").~~ [deleted]

~~(2)~~ ~~Prior to the *firm's* analysts being in communication with the *issuer* team, the *firm* must ensure that a range of unconnected analysts (as defined in paragraph (4)) will have the opportunity (subject to *COBS* 11A.1.4CR) either:~~

~~(a)~~ ~~to join the *firm's* analysts in any communication with the *issuer* team that is made or received before the *firm* disseminates any *investment research* or *non-independent research* about the *issuer client* or the relevant securities as described in *COBS* 11A.1.4AR(1); or~~

~~(b)~~ ~~to be in communication with the *issuer* team in a way that satisfies the following conditions:~~

~~(i)~~ ~~the communication results in those unconnected analysts receiving or being given access to all the information that is:~~

~~(A)~~ ~~given by the *issuer* team to the *firm's* analysts during the relevant period; and~~

~~(B)~~ ~~relevant for the purposes of the *firm* producing any *investment research* or *non-independent research* on the *issuer client* or the relevant securities;~~

~~(ii)~~ ~~the information that each of those unconnected analysts receives or can access is identical;~~

~~(iii)~~ ~~that communication is completed before the end of the relevant period; and~~

~~(iv)~~ ~~the relevant period for the purposes of sub-paragraphs (2)(b)(i) and (2)(b)(iii) starts from the time at which this *rule* applies and ends at the time at which the *firm* disseminates any *investment research* or *non-independent research* on the *issuer client* or the relevant securities.~~

~~(3)~~ ~~(a)~~ ~~To select the range of unconnected analysts under paragraph (2) the *firm* must:~~

~~(i) undertake an assessment of the potential range of unconnected analysts for the purposes of paragraph (2); and~~

~~(ii) use that assessment to ensure that the range of unconnected analysts given the opportunity under paragraph (2) is one that, in the *firm's* reasonable opinion, has a reasonable prospect of enabling potential investors to undertake a better-informed assessment of the present or future value of the relevant securities based on a more diverse set of substantiated opinions, compared to a situation in which the only research available to potential investors is that disseminated by *firms* providing the service of underwriting or placing to the *issuer client*.~~

~~(b) For its assessment and opinion under sub-paragraph (a) the *firm* may assume that an unconnected analyst that is given an opportunity to interact with the *issuer* team will publish an opinion on the *firm's issuer client* that will be available to potential investors.~~

~~(c) The *firm* must make a written record of its assessment and opinion under sub-paragraph (a) at the time at which it forms its opinion.~~

~~(d) The *firm's* record under sub-paragraph (c) must:~~

~~(i) set out the *firm's* process for conducting the assessment and forming the opinion under sub-paragraph (a);~~

~~(ii) identify the *firm's* staff that were involved in forming that opinion; and~~

~~(iii) explain the *firm's* consideration of the number and expertise of the unconnected analysts included in the range.~~

~~(e) The *firm* must retain the record made under sub-paragraph (c) for five years from the date on which it is made.~~

~~(4) An "unconnected analyst" means a *person* other than the *firm* or its staff:~~

~~(a) who does not provide the service of underwriting or placing of the same relevant securities to the same *issuer client*; and~~

(b) ~~whose business or occupation may reasonably be expected to involve the production of research.~~

11A.1.4C	R	~~(1)~~	~~If an opportunity communicated to the range of unconnected analysts under *COBS* 11A.1.4BR(2) is subject to any restrictions that would apply to any of the unconnected analysts that accept the opportunity, a *firm* must ensure that those restrictions would not unreasonably prevent, limit or discourage those unconnected analysts from producing and disseminating research on the *issuer client* or the relevant securities.~~ [deleted]
		~~(2)~~	~~The *firm* must also make and retain a written record of any such restrictions, regardless of whether the restrictions are subsequently applied to any unconnected analyst.~~
		~~(3)~~	~~The *firm* must make the record at the time the opportunity is communicated to the range of unconnected analysts.~~
		~~(4)~~	~~The *firm* must keep the record for a period of five years after the date it was made.~~
11A.1.4D	E	~~(1)~~	~~A restriction is unreasonable under *COBS* 11A.1.4CR(1) if it prevents an unconnected analyst from producing and disseminating research in circumstances in which the *firm* that is subject to *COBS* 11A.1.4CR is itself able to produce and disseminate *investment research* or *non-independent research*.~~ [deleted]
		~~(2)~~	~~Contravention of (1) may be relied upon as tending to establish non-compliance with *COBS* 11A.1.4CR(1).~~
11A.1.4E	R	~~(1)~~	~~Where a *firm* acts in accordance with *COBS* 11A.1.4BR(2)(b) then it must make and retain a written record of:~~ [deleted]
			~~(a)~~ ~~the information on the *issuer* or the relevant securities that is given by the *issuer* team to the *firm's* analysts during the relevant period under *COBS* 11A.1.4BR(2)(b)(iv); and~~
			~~(b)~~ ~~the information on the *issuer* or the relevant securities that is given by the *issuer* team to each of the relevant unconnected analysts during the same period.~~
		~~(2)~~	~~The *firm* must make the record at the end of that period.~~
		~~(3)~~	~~The *firm* must keep the record for a period of five years after the date it was made.~~

Timing restrictions for disseminating research on equity IPOs

11A.1.4 F | R | (1) A *firm* must not disseminate *investment research* or *non-independent research* on the relevant *issuer client* or relevant securities as described in *COBS* 11A.1.4AR(1) until ~~after the relevant time in paragraph (2)~~ the publication of the relevant document in (3).

(2) ~~The relevant time is:~~ [deleted]

~~(a)~~ ~~where a *firm* acts in accordance with *COBS* 11A.1.4BR(2)(a), one *day* after the publication of the relevant document in paragraph (3); or~~

~~(b)~~ ~~otherwise, seven *days* after the publication of the relevant document in paragraph (3).~~

(3) The relevant document is:

(a) an approved *prospectus* regarding the relevant securities; or

(b) an approved *registration document* regarding the *issuer*.

(4) For this *rule*, publication of the relevant document means making the relevant document available to the public in accordance with *PRM* 9.5.

(5) ~~This *rule* does not apply to a *firm* in circumstances where, as a result of the *firm's* analysts being prevented from being in communication with the *issuer* team, it has not needed to engage with any unconnected analysts for the purposes of *COBS* 11A.1.4BR.~~ [deleted]

…

12 Investment research

…

12.2 Investment research and non-independent research

…

Measures and arrangements required for investment research

12.2.21 | R | (1) A *firm* falling within *COBS* 12.2.19R(1) must have in place arrangements designed to ensure that the following conditions are satisfied:

…

(f) before the dissemination of *investment research* ~~to~~, *issuers*, ~~where the draft includes a recommendation or target price, no *person*,~~ *relevant persons* other than *financial analysts*, and any other *persons* are not permitted to review a draft of the *investment research* for the purpose of verifying the accuracy of factual statements made in that research, or for any purpose other than verifying compliance with the *firm's* legal obligations, where the draft includes a recommendation or a target price.

…

Sch 1 Record keeping requirements

…

Sch 1.3 G

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
…				
~~*COBS* 11A.1.4BR (3)(c)~~ [deleted]	~~The *firm's* assessment under *COBS* 11A.1.4BR(3)(a)~~	~~(1) The *firm's* process for conducting the assessment and reaching the opinion under *COBS* 11A.1.4BR(3)(a);~~ ~~(2) the *firm's* staff that were involved in reaching that opinion; and~~ ~~(3) an explanation of the *firm's* consideration of the number and expertise of the unconnected analysts included in the *range*.~~	~~Once the *firm* has formed its opinion under *COBS* 11A.1.4BR(3)(a)~~	~~5 years~~

~~*COBS* 11A.1.4CR~~ [deleted]	~~Restrictions on unconnected analysts~~	~~Any restrictions that would be imposed on each unconnected analyst that accepts the opportunity under *COBS* 11A.1.4BR(2)~~	~~When the opportunity is *communicated* to the *range* of unconnected analysts~~	~~5 years~~
~~*COBS* 11A.1.4.ER~~ [deleted]	~~Information given by the *issuer* team during the relevant period under *COBS* 11A.1.4BR(2)(b)(iv)~~	~~(1) The information on the *issuer* or the relevant securities that is given by the *issuer* team to the *firm's* analysts during the relevant period under *COBS* 11A.1.4BR(2)(b)(iv); and~~ ~~(2) the information on the *issuer* or the relevant securities that is given by the *issuer* team to each of the *range* of unconnected analysts during the same period.~~	~~At the end of the relevant period under *COBS* 11A.1.4BR(2)(b)(iv)~~	~~5 years~~
…				

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