

Emma Guo
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

By email: cp26-14@fca.org.uk

29 May 2026

Dear Emma,

Re: FCA Consultation Paper CP26/14 – Changes to information flows for UK equity IPOs

UK Private Capital is the association of the UK private capital industry. We represent 600 firms including the wider ecosystem of professional advisers and investors. Private capital consists of private equity and venture capital which make long-term investments to grow British businesses and build a better economy. Private credit and venture debt provide active and engaged debt finance to businesses.

The private capital industry backs 13,000 UK businesses, nine in 10 of which are small or medium-sized enterprises. Businesses backed by the industry employ 2.5 million people across the UK and contribute 7% to GDP. In 2024, £29.4bn was invested by private capital into UK businesses in sectors across the UK economy, ranging from consumer products to emerging technology. This increased investment has fuelled the growth of businesses across the UK, with six in ten (58%) of the businesses backed in 2024, located outside of the capital. These investments are long term, with an average investment period of six years, in contrast to less than a year in public markets.

UK-based private capital specialists have raised £190bn of funds, known as dry powder, which is expected to be invested over the next three to five years. The industry invests for a better future by backing some of the UK's best loved businesses, developing the next generation of companies and delivering solutions to global problems.

UK Private Capital supports the FCA's goal of reducing unnecessary market risk and friction in the UK IPO process for issuers and market participants, so as to limit potential barriers for issuers considering listing in the UK and support the UK IPO market.

In that context, we consider that the current 7-day waiting period between the publication of an approved registration document/prospectus and publication of connected research imposes an unnecessarily extended timetable on UK IPOs compared to those in other major jurisdictions. It lengthens the public phase of the transaction, thereby increasing execution risk and reducing deal certainty. Given the limited number of unconnected research reports published since the 2018 reforms, we do not consider those costs and risks are justified by any benefits achieved.

We consider that the current prohibition on communication between connected analysts and IPO issuers, unless syndicate banks identify a range of unconnected analysts and share equal information with them, imposes a material cost and administrative burden on issuers. While issuers should remain free to involve unconnected analysts where appropriate, we do not

consider that a mandatory framework of this kind allows sufficient flexibility to reflect the circumstances of the transaction or prevailing market conditions.

Similarly, in light of market developments since the 2018 reforms, we think that it is no longer necessary to retain the requirement to publish an approved registration document/prospectus as the associated burdens of such a requirement, and the resulting adverse effect on the competitiveness of the UK listing regime, appear increasingly disproportionate to the benefits.

Finally, in relation to the restrictions on pre-mandate analyst/issuer communications, we would recommend the FCA undertake a broader review of the COBS 12 framework.

Please do not hesitate to get in touch if you have any questions or if you would like to discuss our response in more detail (please contact Ciaran Harris charris@ukprivatecapital.co.uk / Tom Taylor ttaylor@ukprivatecapital.co.uk).

Yours sincerely,



Clare Gaskell
Chair, UK Private Capital Legal Committee

Response to Consultation Questions

Question 1: Do you agree with the proposal to remove the 7-day waiting period for connected research?

We agree with the proposal to remove the 7-day waiting period between the publication of an approved registration document/prospectus and connected research.

The 7-day waiting period was intended to give unconnected analysts sufficient time to produce research. However, we note that in practice the 2018 reforms have not delivered on this objective and only a small number of unconnected research reports have been published since they were introduced.

In addition, the 2018 reforms have had the effect of adding a 7-day delay to the UK IPO process as market practice has been to publish the approved registration document/prospectus alongside an Expected Intention to Float announcement, thereby effectively extending the public period of an IPO. As the FCA notes, IPO timelines are shrinking globally for many reasons, including increased market volatility in recent years, and issuers are increasingly concerned about unforeseen market events arising during the public period of their IPO, disrupting the process, affecting valuations and potentially requiring them to withdraw the offer. Against this backdrop, the 7-day waiting period builds additional risk into the UK IPO process. Other global

listing venues do not have this requirement and, as a result, IPOs in those jurisdictions can be conducted on a shorter timetable and with less uncertainty.

We therefore agree with the proposal to remove the 7-day waiting period for connected research.

Question 2: Do you agree with the indicative post-implementation IPO timeline?

We agree with the indicative post-implementation IPO timeline which removes the 7-day waiting period such that the analyst presentation, ITF announcement, publication of the approved registration document/prospectus and connected research can all take place in a shorter timeframe. However, we note that it would remain necessary to publish an approved registration document/prospectus in order to publish connected research, albeit that the two may be published simultaneously. In order to make the UK listing regime more competitive and the IPO process consistent with those of other major European listing venues, we suggest that the changes should go further and the requirement to publish an approved registration document/prospectus before connected research can be published should be removed for the reasons explained in response to Question 5 below.

Question 3: Do you agree with the proposal to remove the prohibition on communication between connected analysts and IPO issuers unless syndicate banks identify a range of unconnected analysts and share equal information with them?

UK Private Capital supports the proposal to remove the prohibition on communication between connected analysts and IPO issuers unless syndicate banks identify a range of unconnected analysts and share equal information with them.

As the FCA's own engagement with market participants has indicated, the current requirement to provide equal information to connected and unconnected analysts introduces considerable friction to the overall IPO process. In practice, it imposes a significant administrative burden on issuers and their advisers, who must establish and operate protocols for the unconnected analysts, ensure the consistency of information across analyst groups and monitor the dissemination of such information. It should also be noted that these frictions often result in reduced information flow to all analysts, which is obviously counter-productive. The limited volume of unconnected research actually produced since the 2018 reforms does not, in our view, justify either the administrative burden or the related negative impact on information flow to analysts more generally.

We also note the FCA's observation that it is not aware of any similar mandatory information sharing rules in other markets, including the EU, and that this additional burden may therefore put the UK at a competitive disadvantage. We agree with foregoing and therefore urge the FCA to remove the prohibition. If the requirement were to be removed, issuers would remain free to involve unconnected analysts but would no longer be required to do so in circumstances where that approach is not justified by the transaction or prevailing market conditions.

Question 4: Do you agree with the proposal to amend COBS 12.2.21R?

We do not have a view on the proposal to amend COBS 12.2.21R.

Question 5: Is the requirement to publish an approved prospectus/registration document before, or at the same time as, connected research beneficial overall? Should the FCA consider any alternative approaches?

As the FCA notes, prior to 2018, connected research was often the sole written source of information during the investor education period, supplemented only by a pathfinder prospectus ahead of the management roadshow and bookbuild process. The 2018 reforms addressed this by requiring an approved registration document/prospectus to be published before any connected research.

UK Private Capital observes that market practice has developed since the 2018 reforms and any perceived benefit provided by the requirement to publish an approved registration document/prospectus has been diluted. Issuers now provide institutional investors with greater direct access to information earlier in the process via multiple rounds of early marketing, which is increasingly detailed, and “deep dive” presentations during which further detailed information is made available. In some cases near-final drafts of certain sections of the prospectus in advance of formal publication are also provided. It is also important to note that retail offers are becoming an increasingly common feature of IPOs and this trend is expected to continue supported by changes in attitude towards retail investment and technological developments which make it easier for retail investors to participate in IPOs. An increase in retail offers means that a growing number of IPOs are likely to involve a price range prospectus which is made available to retail as well as to institutional investors, usually 1-2 weeks prior to admission. These developments diminish the policy rationale for retaining a requirement to publish an approved registration document/prospectus.

We also note that the requirement to publish an approved registration document/prospectus early in the IPO process can in some cases lead to sub-optimal outcomes, which do not improve access to relevant information or assist in price discovery. The disclosure in the registration document (as, in practice, it is a registration document that is produced) relates to the entity publishing the document (as opposed to a description of the proposed issuer group’s business). Often, the IPO process involves a corporate reorganisation in which a newly incorporated entity (i.e. the issuer) is inserted as the holding company of the existing operating group. Typically, this is done fairly late in the process. This means that when the registration document is published earlier in the IPO process, it is published by, and focuses on, an existing entity in the group that is not, in fact, the entity that will be admitted to the Official List. In those circumstances, the entity-specific disclosure in the registration document (for example, the summary of its articles of association, share capital history, board of directors, remuneration, any existing debt which may be repaid as part of pre-IPO arrangements etc.) as opposed to the business-related disclosure, is not particularly useful to investors and involves material duplication of work for the issuer group, which is required to prepare information on both the existing holding company for the purposes of the registration document and the issuer for the purposes of the prospectus. Furthermore, the requirement for legal advisors to prepare two documents and for each to be verified and for reporting accountants to provide a separate comfort package on each of those documents imposes an additional cost burden on issuers

which is disproportionate to the benefits it brings and is not one faced by issuers on other major European listing venues.

In light of the foregoing, we think that it is no longer necessary or helpful to retain the requirement to publish an approved registration document.

Question 6: Are the COBS 12 rules and guidance on analyst/issuer communications appropriate?

While cognisant of the reasons for the introduction of the provisions in COBS 12, we do not express a specific view on whether the restrictions relating to pre-mandate communications between issuers and analysts are appropriate. We would, however, make the following general observations.

- When considering a potential IPO of one of our portfolio companies, direct engagement with analysts covering the relevant sector can assist in informing our understanding of the market and, in turn, the decision whether to proceed with the transaction. In that context, restrictions on pre-mandate communications between issuers and analysts may, in some circumstances, limit the ability of issuers to obtain useful market insight at an early stage.
- Similarly, when selecting banks for a proposed transaction, the identity and quality of the research analyst associated with a particular bank is an important consideration, although not determinative in itself. Given the importance that issuers may attach to analyst capability and sector coverage when making appointment decisions, an inability to engage directly with analysts is unhelpful. In our view, it should be possible for issuers to meet analysts in a manner that does not compromise analyst independence.
- Moreover, we understand that market participants on the buy-side may in any event read connected research with an understanding of the relationship between that research and the relevant sell-side institution. To the extent that concerns remain regarding analyst independence, restrictions on meetings between issuers and analysts do not appear, in themselves, to address those concerns directly.

In light of the foregoing, we would suggest the FCA undertake a broader review of the COBS 12 framework relating to research analyst independence, taking into account the requirements in place in other key markets.