

C L I F F O R D
C H A N C E

DEBT SECURITIES UNDER THE NEW UK PROSPECTUS AND POATR REGIME
THE FINAL PICTURE
JULY 2025

OVERVIEW: FIVE KEY THINGS

01 PS25/9: the final piece

FCA Policy Statement [PS25/9](#), published on 15 July 2025, completes the picture of the new UK public offers and admission to trading regime (**UK POATR regime**), due to take effect from 19 January 2026.

02 Final FCA rules

Following two years of engagement, including two formal consultations ([CP24/12](#) and [CP25/2](#)), PS25/9 sets out final FCA Handbook rules, including:

- the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (**PRM**);
- rules relating to MTFs which will be included in the Market Conduct (**MAR**) sourcebook; and
- changes to UK Listing Rules (**UKLRs**).

03 Simplify, simplify

For debt, much of the new UK POATR regime is familiar. But the FCA is introducing simplifications, such as:

- uniform debt disclosure annexes, irrespective of denominations – and no prospectus summaries;
- clarifying that withdrawal rights do not apply to exempt offers;
- some listing process streamlining; and
- a 75% prospectus exemption thresholds for fungibles (although less relevant for those with MTN programmes).

04 Targeting retail

- The FCA is incentivising low denomination bond issuance, in general, by easing prospectus disclosure.
- In addition, it has adopted its February 2025 concept of a ‘simple’ debt product suitable for ‘mass retail’. Renamed as a ‘plain vanilla listed bond’ (**PVLB**), rather than a ‘non-complex listed corporate bond’ (**NLCB**), bonds meeting the PVLB definition in the FCA Handbook Glossary benefit from product governance (PROD) alleviations.

05 This briefing

- We covered FCA Consultations [CP24/12](#) and [CP25/2](#) in our [August 2024](#) and [February 2025](#) briefings. This briefing therefore builds on our commentary, indicating where the FCA “landed” in PS25/9 – and, where appropriate, contrasting the [EU position](#).
- We focus primarily on debt admitted (or to be admitted) on a UK regulated market. There are only brief mentions of MTFs, given the significant autonomy and limited application of FCA rules to multilateral trading facilities (**MTFs**) – especially to qualified investor-only (**QI-only**) MTFs. We do not address public offers via the Public Offer Platform (**POP**) regime covered by FCA Policy Statement [PS25/10](#), published on 15 July 2025.
- **Appendix 1 – Annex disclosure:** We have updated our Annex blacklines of existing UK debt registration statement and securities note annexes against the equivalent (now uniform) annexes.
- **Appendix 2 – Targeting retail:** We have also revised our [February 2025 flowchart](#) on navigating sales to UK investors.

NAVIGATING THE UK POATR LEGISLATIVE LANDSCAPE ON ‘DAY 1’: 19 JANUARY 2026

**Laws, rules and regulations:
What will be removed?**

Level 1: The current “onshored” EU Prospectus Regulation regime (saved into UK law at the time of Brexit pursuant to the EU Withdrawal Act 2018) will be repealed in full.

Level 2: The FCA’s Prospectus Regulation Rules sourcebook (PRR) will be removed from the FCA Handbook.

**Laws, rules and regulations:
What will replace them?**

They will both be fully replaced by a new UK regime created by:

- **Level 1: A UK statutory instrument** (the UK Public Offers and Admission to Trading Regulations 2024 (**POATRs** or **UK SI**)) made in January 2024 which established the framework for the new regime (see our Clifford Chance briefing [The new UK Public Offers and Admission to Trading regime](#)); as supplemented by,
- **Level 2:** The FCA Handbook “**Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM) rules**”, **rules applying to MTFs contained in the Market Conduct (MAR) sourcebook rules**, and streamlined **UK Listing Rules**, set out in the three instruments contained in [FCA Policy Statement PS25/9](#). These detailed content rules for prospectuses, admission to trading on the UK regulated market and rules applying to UK MTFs were created by the FCA using delegated powers granted under the UK SI.

**Transitional measures:
Grandfathering of prospectuses**

There is a ‘grandfathering period’ for prospectuses (including base prospectuses) approved under the current UK Prospectus Regulation regime, which will remain valid for the remainder of their 12-month term.

A word of caution: There is no grandfathering for any ‘in-flight’ prospectuses which are mid-way through an FCA approval process on 19 January 2026.

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NEW POATR CONCEPTS: PUBLIC OFFERS, ADMISSION TO TRADING, EXCEPTIONS, CONDITIONAL OFFERS, TIMING

The public offer prohibition

- A major conceptual shift in the new UK POATR regime is that a “public offer” itself no longer requires the publication of a prospectus. That is because all offers to public are prohibited under the UK POATR regime, subject to a list of exceptions in the POATRs. See our [April 2024 briefing](#) on the UK POATR regime.
- Consequently, several historic principles and disclosure requirements anchored to the concept of a “public offer” and “offer period” (such as, having an approved prospectus prior to making an offer to the public in the UK) are largely redundant and have (largely) been removed from the PRM Rules. Instead, the main focus in the PRM Rules is on rules relating to admission to trading.

Exceptions to the public offer prohibition

- Notwithstanding the public offer prohibition, there are limited exceptions catered for in the UK SI. A public offer which falls within one of the exceptions will not breach the prohibition. Some exceptions are described as “general”, and are familiar – such as a QI-only offer, or securities meeting the minimum denomination threshold of £50,000 (where £50,000 is the new POATRs ‘wholesale’ threshold), or to fewer than 150 people. Others are new, specific exceptions.

Offers “conditional on admission to trading” – and timing

- Where more than 150 UK retail investors are being targeted in respect of low denomination securities (with a denomination below £50,000), one of the new, specific public offer prohibition exceptions is likely to be used – the new paragraph 6(a) exception: where the offer is conditional on the admission of the transferable securities to trading on a regulated market or primary MTF.
- In that scenario, the idea of an offer period remains pertinent – and the timing for delivery and publication of a prospectus or base prospectus and final terms in the context of that offer are relevant. Helpfully, in the PRM Rules, the FCA has responded to concerns around timing of the offer and the provision of a prospectus or final terms:
 - The PRM Rules no longer require a prospectus (or base prospectus) to be made available “*before the offer is made*” (as was envisaged in Consultation CP25/2). Instead, where the paragraph 6(a) exception is being used, the FCA has added some extra leniency in PRM 9.5.1R:
 - a prospectus (or base prospectus, as the case may be) need only be published “*before the end of the offer period*”.
 - furthermore, in the case of a base prospectus and final terms, a new PRM 9.5.1R(2) confirms only the base prospectus (and not the final terms) must be published “*before the end of the offer period*”.
 - This contrasts with the general timing when not relying on the paragraph 6(a) exception: in such other cases, PRM 9.5.3R requires a prospectus to be made available to the public a reasonable time in advance of the admission to trading of the securities involved and, in any event, no later than admission to trading.

Final terms – and timing

- The FCA confirms in the PRM Rules (PRM 2.3.10R) that final terms made available to the public in accordance with PRM 9.5.3R to 9.5.8R (this seems to be a mis-reference and should now be to 9.5.4R to 9.5.9R) will form part of the base prospectus.
- Moreover, in PRM 2.3.9R, the FCA has also granted extra leniency (compared with its CP24/12 proposals) for timing for publication of final terms. This will be relevant not only for the paragraph 6(a) exception, but also more generally. Following market feedback, the FCA opted to retain similar timing to the current UK regime and the PRM Rules now provide that final terms need only be made available to the public “*as soon as practicable*” and, “*where possible*”, before the beginning of the offer or admission to trading.

Practical considerations

- Although the FCA has clarified that withdrawal rights do not apply to an offer relying on an exemption other than the paragraph 6(a) exception (i.e., offers that do not benefit from one or more of the exemptions set out in paragraphs (1) to (5) of Schedule 1 of the POATRs (for example, the qualified investor exemption and minimum denomination exemption)), they will remain relevant for retail offers.
- Flexibility on timing of publication of final terms where parties are relying on paragraph 6(a) of Schedule 1 of the POATRs will be helpful when targeting retail investors as well as QIs. In practice, we will expect issuers of retail-denominated debt to continue to publish the final terms at the commencement of the offer period, due to other regulatory constraints.

NEW POATR CONCEPTS – DISCLOSURE: DEBT DISCLOSURE, PROSPECTUS SUMMARIES, RETAIL CASCADES, RISK FACTORS

Uniform debt disclosure

- One of the ‘headline’ items for debt in the PRM Rules (heralded by Consultation CP25/2 on retail) is the removal of the distinction between wholesale and retail disclosure requirements.
- The separate retail disclosure Annexes have therefore been removed and the former wholesale Annexes (formerly relevant only for denominations of £50,000 or above) now apply irrespective of the denomination of the non-equity securities (see blacklines of the Annexes in Annex 1).
- Note that the disclosure for a PVLB will be the same (see “*Plain vanilla listed bonds*’ (PVLBs) – *Definition and implications*’ below).
- See also the commentary immediately below about consent and ‘retail cascade’ language and the discussion on page 10 about supplementary prospectuses and withdrawal rights in respect of offers that do not benefit from one or more of the exemptions set out in paragraphs (1) to (5) of Schedule 1 of the POATRs.

Farewell to debt prospectus summaries

Additionally, low denomination debt securities no longer need to include a prospectus summary (PRM 2.5.1R).










Miscellaneous disclosure items

- **Consent and ‘retail cascade’ language:** This is not mandated but can be optionally included (paragraph 2.76 in PS25/9).
- **Risk factors:** The language in the PRM Rules on materiality tracks the current form of UK Prospectus Regulation regime wording, rather than the slightly adjusted (or nuanced) EU Prospectus Regulation language. Under PRM 4.5.4R in the FCA Handbook, the requirement is for risk factors to be presented in a limited number of categories depending on their nature; in each category, the most material risk factors must be mentioned first, in accordance with the issuer’s assessment of the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

Practical considerations

- In many cases, these adjustments are welcome – and may facilitate the initiative to bolster sales of low denomination securities. It is, though, a key area of divergence between the UK and EU prospectus regimes.
- Where there are issues of low denomination securities (or, indeed, ‘wholesale’ securities of the new, lower UK threshold of £50,000 and below the EU ‘wholesale’ denomination exemption threshold of EUR 100,000), issuers (and underwriters) will need to be mindful of the risk of any sales creeping into the EU, in breach of EU offer to the public exemptions. As such, it is likely that strong legending and ‘retail cascade’ language will continue to be included voluntarily, even for ‘wholesale’ denominations.

SNAPSHOT COMPARE OF NEW AND CURRENT REGIMES

	PRM in PS25/9	Current UK regime	EU PR regime
Mandated retail cascade language	 <p>(FCA indicates in PS25/9 that issuer can limit the use of the prospectus on a voluntary basis. Issuers are likely to wish to continue to do so).</p>		
Uniform prospectus disclosure for wholesale and retail	 <p>Note that under the POATRs and PRM regime, 'wholesale will be £50,000 or above.</p>	 <p>Note that under the current UK regime, 'wholesale is EUR100,000 or above.</p>	 <p>Note that under the EU PR regime, 'wholesale is EUR 100,000 or above.</p>
Summary for a low denomination debt prospectus			

FORWARD INCORPORATION OF FINANCIALS BY REFERENCE (PRM 5)




Forward incorporation of financials by reference

- During the life of a base prospectus, an issuer will be able to update financial disclosure by incorporating its future annual and interim financial information, as well as audit reports and financial statements. No other information is permitted to be forward incorporated.
- Any information forward incorporated must be in English, published after the date the base prospectus is approved and during its validity period, **and published through an RIS** (PRM 5.1.3R).
- The ability to forward incorporate is voluntary and not mandatory.
- PRM 10 (on supplementary prospectuses) makes it clear that forward incorporation by reference of financial information does not trigger the requirement to prepare a supplementary prospectus (PRM 10.1.2R) **save where** the information so incorporated causes a material mistake or material inaccuracy in other information in the base prospectus (PRM 10.1.3G).
- PRM 5 is similar to the changes made by the EU Listing Act to the EU Prospectus Regulation, which are already in effect (although ESMA Q&A interpret financial information more broadly).

Practical considerations

- Forward incorporation is designed to remove the need for an issuer to prepare a supplementary prospectus for regular financial information, although one may be produced at an issuer's discretion. Additionally, in the absence of a supplementary prospectus, forward incorporation will not trigger withdrawal rights (see '*Supplementary prospectuses and investor withdrawal rights (PRM 10)*' below).
- In the same vein as current documentation amendments being made to reflect the future incorporation provisions under the EU prospectus regime, associated drafting changes will need to be made to encompass any forward incorporation. Examples include: a statement in the prospectus (required by the PRM Rules) identifying the information to be forward incorporated (this will require precise drafting) and which RIS will be used to publish the information; "evergreen" language to refresh relevant prospectus statements; and suitable associated representations in contractual documentation.
- The FCA will consult on a Technical Note providing guidance on "evergreen language", although (unlike many of the other Technical Notes mentioned in PS25/9 (many of which will be targeted for "later in 2025")) there is no time frame specified in PS25/9 for this consultation.
- Issuers will need to be alert to whether other parts of the base prospectus would be considered to include a material mistake or material inaccuracy following any forward incorporation and prepare a supplementary prospectus if necessary.
- Given that ESMA adopted a slightly broader scope in its June 2025 Q&A on the EU Prospectus Regulation (to include management reports, for example) there may be lobbying for a similar UK approach – or, at least, for further guidance on UK scope.

SNAPSHOT COMPARE OF NEW AND EXISTING REGIMES

	PRM in PS25/9	Current UK regime	EU PR regime
Forward incorporation by reference	 Permitted.	 Not permitted.	 Permitted. The EU PR regime permits a broader list of information to be forward incorporated (including management reports) than is permitted under the PRM Rules due to the ESMA Q&A interpretation of 'financial information'. The EU regime does not require the publication of a RIS.

SUPPLEMENTARY PROSPECTUSES AND INVESTOR WITHDRAWAL RIGHTS (PRM 10)

Requirements for a supplementary prospectus

Many supplementary prospectus obligations set out in the PRM Rules are familiar:

- The general “significant new factor, material mistake, or material inaccuracy” test governing when an issuer will be required to publish a supplementary prospectus will remain, although the new rules introduce flexibility for certain non-material changes (see ‘*Supplementary prospectuses, non-material information and new securities (PRM 10.1.6R – 10.1.9R)*’ below).
- Additionally, as under the current UK and EU prospectus regimes, the PRM Rules mandate certain trigger events which will require a supplementary prospectus to be published. PRM 10.1.22R contains a list of trigger events, largely carried over from the current regime.
- Relevant timing for publication of a supplementary prospectus is also familiar (namely, an event which arises or is noted between prospectus approval and the closing of the offer period or the time when trading begins, whichever occurs later).

Withdrawal rights

- The current position remains that investor withdrawal rights will continue to apply when a supplementary prospectus is published: within 2 working days in the case of the regulated market (PRM 10.1.10R).
- However, helpfully, the FCA has clarified in the PRM Rules that withdrawal rights will only apply in relation to offers relying on the paragraph 6(a) exception (i.e. offers that do not benefit from one or more of the exemptions set out in paragraphs (1) to (5) of Schedule 1 of the POATRs (for example, the qualified investor exemption and minimum denomination exemption)) (PRM 10.1.14R).
- A new limb has been added to PRM 10.1.14(2)(b) to specify that a withdrawal right can only be exercised in relation to a ‘non-material’ supplementary prospectus published prior to the delivery of the securities (see ‘*Supplementary prospectuses, non-material information and new securities (PRM 10.1.6R – 10.1.9R)*’ below).
- In relation to MTFs:
 - *Supplementary prospectuses*: The new chapter on MTFs in the MAR sourcebook includes supplementary prospectus requirements but they will not apply to QI-only MTFs (such as the London ISM), which will have discretion as to when and whether a supplementary prospectus will be required. Currently, the London ISM Rulebook requirements for a supplementary prospectus are similar to the regulated market rules; and
 - *Withdrawal rights*: The FCA has clarified that the investor withdrawal right provisions under the new rules introduced under the MAR sourcebook will not apply to QI-only MTFs (such as the London ISM).

Practical considerations

- Investor withdrawal rights in the PRM Rules apply on the same basis as under the current regime – namely, the trigger is whether a supplementary prospectus is published. The rationale is that a supplementary prospectus is likely to contain significant information for an investor to assess.
- The existing market understanding that supplementary prospectuses prepared in relation to ‘wholesale’ prospectuses will not result in withdrawal rights being applied will be unaffected and arguably put on a clearer footing by the explicit carve out in the PRM Rules.
- Minor clarifications from the FCA would be helpful (but not necessary) such as that PRM 10.1.14(2) is intended to work in the same way as the current rules; whether the notification requirements in PRM 10.1.16R apply in relation to ‘wholesale’ offers and if they should reference a ‘non-material’ supplement.

SNAPSHOT COMPARE OF NEW AND EXISTING REGIMES

	PRM in PS25/9	Current UK regime	EU PR regime
Supplementary prospectuses – significant factor/specified events	✓	✓	✓
Investor withdrawal rights	<p>✓</p> <p>When a supplementary prospectus is published.</p> <p>Do not apply to a 'wholesale' supplementary prospectus – explicit exemption.</p> <p>Note: A supplementary prospectus is optional where an issuer opts for forward incorporation by reference (unless this causes a material mistake or inaccuracy in the base prospectus); there will not be investor withdrawal rights in the absence of a supplementary prospectus.</p>	<p>✓</p> <p>When a supplementary prospectus is published.</p> <p>However, generally viewed as not applying following publication of a wholesale supplementary prospectus, notwithstanding technical UK PR requirements.</p>	<p>✓</p> <p>When a supplementary prospectus is published.</p> <p>However, generally viewed as not applying following publication of a wholesale supplementary prospectus, notwithstanding technical EU PR requirements.</p> <p>(See ESMA's 2018 Report on the Prospectus Regulation RTS)</p>
Withdrawal period	2 working days (both regulated market and MTF).	2 working days.	3 working days.

SUPPLEMENTARY PROSPECTUSES, NON-MATERIAL INFORMATION AND NEW SECURITIES (PRM 10.1.6R – 10.1.9R)

Non-material information

The PRM Rules widen the scope of when a supplementary prospectus can be used. Under PRM 10.1.7R, issuers can use a supplementary prospectus to amend a base prospectus with non-material information (i.e. where there is no significant new factor, material mistake or material inaccuracy), although certain conditions apply:

- there can be no open offer or securities with a pending application for admission of securities to a regulated market;
- amendments can only be made to securities note information; and
- no changes can be made to registration statement information or information relating to a guarantee or guarantor.

New securities

Significantly, the PRM Rules also allow new securities to be added to the base prospectus via a supplementary prospectus (PRM 10.1.9R), but only if:

- (PRM 10.1.9R(1)) the change results in securities which might be issued after the change “*remaining fungible with*” securities which might have been issued before the change was made; **OR**,
- (PRM 10.1.9R(2)) where the change results in the securities not remaining fungible:
 - the new securities are not asset backed or linked to an underlying asset; and
 - the supplementary prospectus must include the minimum information required by the relevant securities note annex.







Withdrawal rights

Technically, the FCA PRM rules cater for withdrawal rights for a supplementary prospectus for non-material information (see ‘*Supplementary prospectuses and investor withdrawal rights (PRM 10)*’). But this is likely to be largely theoretical given the PRM 10.1.7R constraints on when a supplement with non-material information may be published (i.e., no supplement to be published during an open offer or with a pending admission application). That leaves a narrow window, given that the trigger for withdrawal rights for a supplement relating to non-material information in PRM 10.1.14R(2)(b) is that the supplement is published before delivery of securities. For withdrawal rights to be triggered, therefore, it would mean publishing a supplement after closing of the offer or after admission, but before delivery.

Practical considerations

- Overall, allowing non-material information to be included/updated via a prospectus supplement is welcome. It addresses the concerns issuers have with the limits on the use of supplementary prospectuses under the current UK and EU regimes – and will become a clear point of distinction from the EU regime.
- For changes to terms and conditions, PS25/9 replaces “*manifestly the same*” in CP24/12 with “*remaining fungible with*”. It is unclear how the phrase “*remaining fungible with*” is intended to apply – even if using a looser, informal interpretation of “fungible” than the one commonly adopted in capital markets, but issuers will be able to rely on PRM 10.1.9R(2) as long as the base prospectus changes do not relate to asset backed securities or securities linked to an underlying asset.
- Although less of a concern, another requested change that was not picked up by the FCA in PS25/9 was to allow non-material changes to be made to the registration statement information (e.g., a registered office).

SNAPSHOT COMPARE OF NEW AND CURRENT REGIMES

	PRM in PS25/9	Current UK regime	EU PR regime
Supplementing base prospectus with non-material information	 Subject to conditions in PRM 10.1.7R.		
Adding new securities to base prospectus	 Subject to conditions in PRM 10.1.9R.	 See also the FCA Technical Note 605.4 .	

SUSTAINABILITY DISCLOSURES, USE OF PROCEEDS BONDS AND SUSTAINABILITY LINKED BONDS (PRM 4.7)

Necessary information test

- For all debt issuers, the rule regarding prospectus disclosure of sustainable information remains the same. Namely, disclosure is required of all “necessary information” (PRM 2.1.1R) and accordingly any sustainability information that is necessary information must be included. The [FCA Technical Note 801.2](#) provides existing guidance on this point. The FCA confirmed in PS 25/9 that it will be consulting on updates to this Technical Note later in 2025.
- The PRM Rules do not introduce any new general corporate sustainability disclosure rules and the FCA confirmed in PS 25/12 that to do so would be a significant expansion in scope of the rules. However, equity issuers will be subject to the new disclosure rules for climate-related information in PRM 4.6.

Disclosure for Use of Proceeds (“UoP”) bonds and Sustainability Linked Bonds (“SLBs”)

- For UoP bonds and SLBs, the PRM Rules introduce a new rule that a prospectus must state that the securities are (i) marketed as “green”, “social”, “sustainable” or “sustainability-linked” or (ii) issued under a framework (although, for clarification, the framework does not need to be disclosed in the prospectus) (PRM 4.7.1R).
- The PRM Rules also introduce a “voluntary” set of disclosures that support the requirements under the necessary information test. These voluntary disclosures are broadly based off the ICMA Principles and “4 Pillars” style disclosure. The FCA intends these to ‘bridge the information gap’ between prospectus and sustainability frameworks.
 - *Common voluntary disclosures for both UoP and SLBs*: details of any framework, where it is available, what principles apply in preparing the framework and details of any external review in assessing the framework.
 - *UoP voluntary disclosures*: details on the projects (including refinancings), project evaluation, selection process, external opinions, alignment with taxonomies, management of proceeds and post-issuance performance reporting.
 - *SLB voluntary disclosures*: details of key performance indicators (including process and rationale for selection, how calculated, verifiable, how benchmarked), and details of sustainability performance targets (including the process and rationale for selection ambition in light of the issuer’s strategy and trajectory). Helpfully, disclosure on the adequacy of the incentives (included in the draft rules) has been removed in the final PRM Rules.

No UK green bond standard or green taxonomy

The FCA confirmed in CP24/12 that it did not intend to develop a UK standard for green, social or sustainable debt. Separately, and by way of completeness, as part of the Leeds Reforms also announced on 15 July, the Government confirmed that it will not proceed with the development of a UK Green Taxonomy.

Practical considerations and points for further FCA discussion

- While it is helpful that the majority of the UoP and SLB disclosures are “voluntary”, our expectation is that most issuers will seek to include them as a matter of best practice and investor expectation.
- While, in CP24/12, the FCA’s stated intention was that these voluntary disclosures “*should generally include the kind of information that is normally contemplated under reasonably detailed bond frameworks*” and are “*aligned with best international practices (such as the ICMA Principles) and stakeholder expectations*”, the specific disclosures do not align exactly with the ICMA Principles so certain drafting changes are likely to be needed when updating programmes with ICMA “4 pillars” style disclosure. In PS25/9, the FCA explicitly acknowledges that the voluntary structure should provide issuers with an appropriate margin of discretion when including information and also that it would not expect a more granular set of disclosures in prospectuses than those included in the sustainability framework. Specifically, the FCA commented that the certain of the required UoP disclosures could be provided on an aggregated rather than project specific basis.
- The market will need to engage with the upcoming consultation on the Technical Note to ensure the guidance continues to be suitable for debt issuers.

SNAPSHOT COMPARE OF NEW AND CURRENT REGIMES

	PRM in PS25/9	Current UK regime	EU PR regime
Climate-related disclosures for debt prospectuses	✗	✗	✗
Necessary information	✓	✓ (FCA Technical Note 801.2)	✓ (see also ESMA public statement July 2023).
Disclosure if marketed as sustainable OR issued under a framework	✓	✗ (But note FCA PMB 41)	✗ (But note ESMA public statement) Annex 21 will require similar disclosure from 5 June 2026.
Disclosures on sustainability framework	✗ (voluntary)	✗ (But note FCA PMB 41)	✗ (But note ESMA public statement) Annex 21 will require disclosures from 5 June 2026.
UoP bonds disclosures	✓ (voluntary)	✗ (But note FCA PMB 41)	✗ (But note ESMA public statement) Annex 21 will require disclosures from 5 June 2026
.SLB disclosures	✓ (voluntary)	✗ (But note FCA PMB 41)	✗ (But note ESMA statement) Annex 21 will require disclosures from 5 June 2026.

PROTECTED FORWARD LOOKING STATEMENTS (PFLS) (PRM 8)

The PFLS regime

- The concept of PFLS was introduced in the POATRs and is expanded in the PRM Rules. It applies to both regulated market and MTF admission prospectuses. Briefly, liability will not attach to a PFLS without knowledge or recklessness about whether something was untrue or misleading, or knowledge that omission was dishonest concealment of a material fact.
- PRM 8.1.2R provides a PFLS definition (a forecast; a statement containing a projection or giving guidance; a statement of opinion as to future events; or, a statement of intention).

PFLS requirements

- To be a PFLS, a forward-looking statement must (PRM 8.1.3R):
 - contain financial information OR operational information (criteria for financial information and operational information will form part of a Technical Note consultation later this year);
 - whether the statement is untrue, misleading or omits required information can only be determined by events after the date of the statement (this was reworded from the CP24/12);
 - include an estimate of when the circumstances relating to the statement will occur;
 - be information that a 'reasonable investor' would use for its investment decision (this was a point of debate under CP24/12 industry discussions, but has been retained in final PRM rules); and
 - include the necessary accompanying statements.

Exceptions

- The general FCA position is that a forward-looking statement in information required by the relevant PRM disclosure annexes (or the rules of the MTF operator) cannot be a PFLS – on the basis that there is no need to encourage an issuer to make a statement that it is already required to make under the PRM Annex disclosure.
- There are, however, exceptions for certain selected Annex items (PRM 8.1.4R and PRM 8.1.5R):
 - One such exception is climate-related information required for equity securities (relating to transition plans and assessments of climate-related risks and opportunities).
 - Notably, for some of these exceptions, the carve-out extends to profit forecasts only (and not to profit estimates), and additional clarificatory guidance added into the final PRM rules (PRM 8.1.6G) confirms that the forward-looking information covered by any such exceptions must also satisfy the PFLS requirements set out in PRM 8.1.3R.
 - For debt, in the final rules in PS25/9, the only PRM 'Annex information exception' is a voluntary profit forecast.
 - For MTF admission prospectuses, a new PRM 8.1.5R provides a parallel rules MTF prospectus content.




Accompanying statements

- 'Accompanying statements' in the prospectus must indicate which content is a PFLS (PRM 8.2.1 R):
 - a general statement which appears once (PRM 8.2.2G); and
 - a content-specific statement which appears next to each PFLS (PRM 8.2.3R).
- The PRM Rules prescribe the content of the statements.

Practical considerations

- The PFLS regime is likely to be of more significance for equity issuers, rather than debt issuers. It is intended to expand the range of useful information disclosed to investors. However, given the definitions of what information can be considered a PFLS and the strict parameters, it may not be that easy for issuers to align any future information within the PRM criteria.
- In CP24/12 (paragraph 7.24), the FCA noted that subsequent updates regarding any PFLS may need to be published in accordance with the UK market abuse regime (**UK MAR**). UK MAR implications are again noted (obliquely) in paragraph 5.27 of PS25/9 and issuers should be mindful that any changes in relation to PFLS statements may constitute inside information under UK MAR and therefore need to be disclosed in the usual way.

SNAPSHOT COMPARE OF NEW AND CURRENT REGIMES

	PRM in PS25/9	Current UK regime	EU PR regime
Protected Forward Looking Statements	 Subject to conditions.		

'PLAIN VANILLA LISTED BONDS' (PVLBS) – DEFINITION AND IMPLICATIONS

'Plain vanilla listed bonds' (PVLBs)

- In addition, and over and above the general approach to disclosure for low denomination securities, the FCA has adopted the concept proposed in CP25/2 of a simple bond, suitable for mass retail. This derives from an idea of a 'non-complex listed corporate bond' in CP25/2 which has now been renamed as a 'plain vanilla listed bond'.
- Significantly, no special disclosure requirements are proposed for a 'PVLB': it will be a bond admitted to the UK official list maintained by the FCA (and, therefore, admitted to trading on the UK regulated market) and subject to the same disclosure requirements.
- Instead, alleviations are dealt with via distribution and marketing alleviations, including removing the need for an annual Target Market review (PROD 3.2.9 G(2)) (see the following page). The FCA has also, however, expanded the exemption under DTR 4.4.2R in respect of annual and half-yearly financial reporting requirements in DTR 4.4 to include SPV issuers that exclusively issue PVLBs or which only issue PVLBS and high denomination debt securities (of EUR 100,000, in this case).
- A detailed definition of a PVLB appears in the FCA Handbook Glossary and is set out below:
 - a debt security that:
 - (1) is admitted to the official list;
 - (2) (where the issuer is an ESCC subsidiary) is unconditionally and irrevocably guaranteed by the issuer's parent undertaking that is an ESCC issuer;
 - (3) bears: (a) a fixed coupon rate, including where: (i) a set coupon rate (including a nil or zero rate) applies until maturity; or (ii) the coupon rate is a stepped coupon, being subject to pre-defined changes at fixed times prior to maturity; or (b) a floating or variable coupon, provided that: (i) the interest payable is determined by reference to: (A) the Bank of England official Bank Rate or any equivalent rate set by another central bank; (B) a benchmark or index that tracks the rate of UK inflation; (C) the Sterling Overnight Index Average (SONIA), or any other equivalent risk-free reference rate in any currency; or (D) the Euro Interbank Offered Rate (EURIBOR), with or without a spread reflecting the credit risk of the issuer; and (ii) the interest payable is not subject to any additional modification or structuring such as a cap or a floor other than zero;
 - (4) is unsubordinated, ranking equally with all other present and future unsubordinated indebtedness of the issuer in the form of bonds, notes, debentures, loan stock or other transferable securities;
 - (5) is unsecured;
 - (6) is not subject to a potential write-down or conversion as a result of a resolution authority exercising its powers; and
 - (7) is not a convertible security, asset backed security or security giving rise to a payment or delivery obligation linked to an underlying asset or index (except those in (3)(b)(i)).
- The FCA included some small changes (other than the name) in PS25/9, for example:
 - expanding the definition to add the ability to issue a bond referencing EURIBOR;
 - confirming that a make-whole is permissible in a PVLB. This is being enacted through a new COBS rule (COBS 10A.4.1AR). This approach on make-wholes is in line with the FCA proposals for its replacement for PRIIPS in the UK CCI regime in CP24/30, where a make-whole will similarly be excluded; and is also in-line with the direction of travel in Europe where a make-whole is also part of the changes being contemplated for the EU PRIIPS Regulation as part of the EU Retail Investment Package); and
 - clarifying that in the definition of a PVLB, "unsubordinated" refers to contractual subordination, as opposed to structural subordination

Practical considerations

- The criteria do not reference denominations or say that they should be targeted at retail investors – although both are likely to be the case.
- Notwithstanding the slight alleviations and clarifications, the PVLB nonetheless is a narrow definition. Bonds issued by credit, investment institutions or bank holding companies are not in scope given the requirement for the bonds not to be subject to bail-in. The Floating Rate bonds linked to non-risk-free rates, other IBORs, or any other reference rates not specifically listed in the Glossary definition will be out of scope – and the use of an RFR index may also cause a security to fall out of scope. Such 'other' bonds which fall outside the PVLB definition may still be suitable for retail distribution but would not benefit from PVLB distribution and marketing alleviations.
- As bond issuances are typically marketed to both UK and EU investors, issuers and underwriters will need to be alive to ensuring that any 'plain vanilla listed bonds' also offered in the EU will need to rely upon an appropriate EU Prospectus Regulation exemption for public offers (other than the usual wholesale denomination exemption – which remains as EUR100,000 under the EU Prospectus Regulation regime).
- See Appendix 2 (*The retail landscape: Accessing UK investors under the new UK prospectus and UK CCI regimes*) of this briefing for our "at a glance" flowchart.

‘PLAIN VANILLA LISTED BONDS’ (PVLBS) – DISTRIBUTION AND MARKETING (PROD 3, COBS AND CONSUMER DUTY)

Product Governance

- A PVLB will be considered a ‘simple’ instrument for the purposes of PROD 3.1.3(1)G. A new limb (PROD 3.1.3G(2)) has been added which states (among other things):
“...A plain vanilla listed bond issued by an ESCC issuer or ESCC subsidiary is therefore likely to be compatible with the needs and characteristics of consumers in the mass retail market and therefore appropriate for distribution by way of a wide range of channels.”
- As regards the Target Market, the FCA expects only a simple target market identification process need be undertaken in respect of PVLBs and an extra limb has been added as PROD 3.2.9G(2):
“Where the financial instrument is a plain vanilla listed bond issued by an ESCC issuer or ESCC subsidiary, the identification of the target market is likely to require less detail due to the nature of the financial instrument”.
- PROD 1.3.3AR in PS25/9 waives the annual review process for PVLBs by providing that on-going review of financial instruments by manufacturers in PROD 3.2.19R – 3.2.26R do not apply in respect of the manufacture of plain vanilla listed bonds issued by an ESCC issuer or ESCC subsidiary.

Financial Promotion rules under COBS

- CP25/2 did not make any proposed changes to the COBS rules. But it clarified that the applicability of COBS 4 (Communicating with clients, including financial promotions) to low denomination corporate bonds will depend upon the specific structure of a security rather than its denomination and that most debt securities will constitute ‘readily realisable securities’ (as defined in the FCA Handbook Glossary) for the purposes of the financial promotion rules and therefore not be subject to marketing restrictions or bans.
- To the extent that a small sub-set of listed non equity securities are similar to ‘speculative illiquid securities’ (as defined in the FCA Handbook Glossary) they would be subject to the same marketing restrictions as speculative illiquid securities.

UK FCA Consumer Duty rules

- In CP25/2, the FCA gave reassurance that simply issuing and admitting to trading low-denomination bonds will not bring an issuer under scope of the Consumer Duty rules.
- The Consumer Duty carve-out for securities with minimum denomination of £50,000 clearly does not apply to low-denomination bonds, but the carve-out in limb (3) of the definition ‘retail market business’ in the FCA Glossary Handbook is likely to apply.
- Bonds with a redemption amount linked to an index will not be able to rely on this carve-out to the Consumer Duty requirements as the definition of ‘retail market business’ requires that the relevant financial instrument does not incorporate a clause or condition where the return of the initial principal amount is linked to an index.

Practical considerations

- The PROD alleviations and guidance in the FCA Handbook are welcome.
- Underwriters/managers considered as manufacturers/distributors for the purposes of EU’s product governance regime will still need to consider the appropriate target market pursuant to the regime(s) applicable to them. There is no equivalent provision to this UK alleviation under EU law and this could result in a splintering of the target market identification between the UK and EU in certain instances.
- See Appendix 2 (*The retail landscape: Accessing UK investors under the new UK prospectus and UK CCI regimes*) of this briefing for our “at a glance” flowchart.

LISTING PROCESSES AND OTHER AMENDMENTS

Simplification of the UK Listing Rules

PS25/9 outlines the simplification processes and procedures relating to the listing of further issuances consisting of (amongst other things):

- creation of a single listing application process so that the admission process for all securities includes all future issuances of the same class, i.e. no further application needs to be submitted for any further issues (UKLR 3.2.1A);
- only requiring an issuer to advise the FCA of the final terms under a programme in the case of each new series (UKLR 20.5.10R);
- the listed status of any individual issuance being evidenced by that class being recorded in the Official List and the FCA will treat further issuances of the same class as being automatically listed when the securities are formally issued;
- a new notification obligation for issuers in respect of securities admitted to trading under PRM 1.5 (and PRM 1.6 for further issuances) (as discussed below);
- removal of the requirement for an issuer to provide written confirmation to the FCA of the number of securities to be listed (UKLR 20.5.4(4) is deleted); and
- issuers no longer need to specify an 'up to' number of securities to be listed in anticipation of future issuances.

New market notification

For all debt securities being admitted to trading (irrespective of the need for a prospectus pursuant to the PRM Rules) an issuer will be required to make the new market notification requirement (PRM 1.5 and PRM 1.6 (for further issuances)) via an RIS on the date of admission to trading occurs (or, for further issuances, within 60 days of admission to trading) specifying:

- the name and legal entity identifier of the issuer;
- the name, type and ISIN of the transferable securities;
- the regulated market on which the securities will be admitted to trading and the admission date;
- the number of transferable securities newly admitted to trading and the revised total number of transferable securities (in relation to a fungible issue);
- whether the issuer has published an FCA-approved prospectus (and any supplementary prospectus) and the date of the prospectus (and any supplementary prospectus) with a hyperlink to where it has been published; and
- in the case of further issuance, confirmation that the further transferable securities are fungible with the existing transferable securities.

Document retention

Deletion of the document retention requirements under UKLR 20.5.7R to 20.5.9R and UKLR 20.5.19R as these are typically in the public domain although the FCA can request these if required.

Practical Implications

- Relatively limited for debt issuances as in practice only fungible issues fall within the 'further issuances' category but there are some changes (see the following bullets).
- Issuers will need to refer to any securities that may be issued in the future in their listing applications (UKLR 3.2.1AR and 20.2.2AG).
- All debt issuers (of both new and fungible issuances, whether or not exempt from the need to produce a prospectus under the PRM) will be required to prepare the new notification (PRM 1.5 and 1.6).
- The FCA will only need to be advised of the final terms for the first issuance of notes in a series under an MTN programme and not any subsequent tap issues of the same series (UKLR 20.5.10R). However, issuers will still need to file their final terms for such fungible issuances with the FCA under PRM 2.3.9R(2) (UKLR 20.5.10G).
- Changes to UKLR 20.5.7R unlikely to impact issuers' current practices.
- The FCA confirmed that the removal of the ability to specify an "up to" number of securities to be listed does not impact on the ability of an issuer to set a programme size on an MTN base prospectus.

FURTHER POINTS OF INTEREST

Exempt securities and other exemptions	<p>Key changes to the existing regime:</p> <ul style="list-style-type: none"> • Fungible securities threshold increased to 75%. • Non-profit organisations brought within scope of the PRM. • Removal of the €8 million threshold exemption. • Otherwise, the PRM exemptions align with the current UK regime – a ‘lift and shift’ approach. • Sukuks: The FCA has added exemptions into PRM 1.3.1 R for instruments of Islamic finance, focusing on structures where the backing or credit support has the same economic effect as though the relevant government or central bank were the issuer, or is equivalent in economic effect to a guarantee.
Voluntary prospectuses	<ul style="list-style-type: none"> • Voluntary prospectuses are only permitted in relation to securities which are exempt from prospectus requirements under PRM 1.4 (i.e., further issuances, fungible securities) but full rules apply to such prospectuses. • Exempt issuers such as sovereigns cannot voluntarily prepare a prospectus. This is a change from CP24/12. • Note the EU prospectus regime has a specific disclosure annex for third country sovereign disclosure.
Public international bodies exemption	<ul style="list-style-type: none"> • <i>Public international bodies</i> are exempt from the application of the PRM Rules. • Definition of public international bodies will be expanded to cover legal entities of “public nature” established by an international treaty between sovereign states of which one or more states are members. The scope of “public nature” is currently not clear.
Fungibility	<ul style="list-style-type: none"> • The FCA have not included guidance in the PRM on when a security should be considered fungible with an existing security as it had proposed in CP25/2 but instead will consult on Technical Note guidance in due course.
Advertisement regime	<ul style="list-style-type: none"> • The advertisement requirements remain the same as the current regime but are expanded to include MTFs.
Derivative securities (POATRs and PRM 4.5.7UK)	<ul style="list-style-type: none"> • Regulations 23(4) and (5) of the POATR and PRM 4.5.7UK require non-equity securities with payment or delivery obligations linked to assets to include the necessary information which is material to an investor for making an informed assessment of the underlying assets, including (i) the creditworthiness of the obligor of the underlying assets, or (ii) for shares/shares-equivalents as underlying assets, the prospects of the issuer of the underlying assets.
Equivalence for non-UK approved prospectuses	<ul style="list-style-type: none"> • There are no conclusions on this (sometimes referred to as “regulatory deference”) and it remains subject to further work by HMT.
Closure of the PSM and removal of Listing Particulars	<ul style="list-style-type: none"> • The London Stock Exchange’s PSM will be closed for new admissions from 19 January 2026 and ‘Listing Particulars’ will no longer be available as an admissions document. • Transitional provisions will apply to permit admission to the PSM of issuances of securities that are intended to be fungible with existing issues of securities already admitted to the PSM prior to 19 January 2026. Such securities will remain listed and admitted to the PSM for as long as the London Stock Exchange continues to maintain it.
Admission within 60 days of further issuance	<ul style="list-style-type: none"> • A new requirement added to the PRM Rules that any further issuance of securities fungible with existing securities already admitted to trading must be admitted within 60 days of the issue date of the fungible securities (PRM 1.6.2R).

APPENDIX 1

BLACKLINES OF PRM DEBT ANNEXES 6 AND 11 AGAINST CURRENT ANNEXES 6, 7,
14 AND 15

BLACKLINES OF PRM DEBT ANNEXES

Blacklines of PRM Debt Annexes

The following blacklines relating to the PRM Debt Annexes are available as described below:

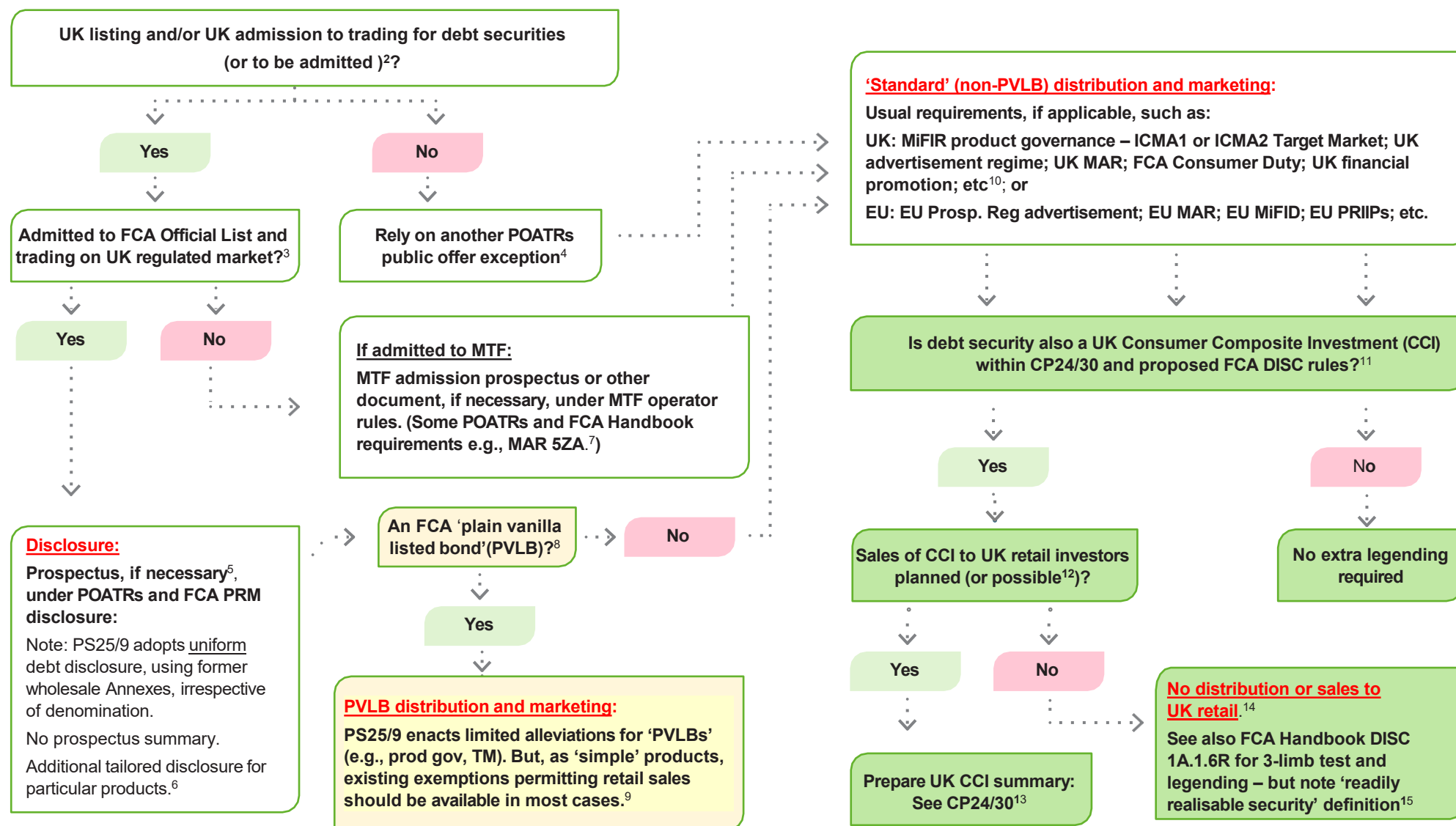
- compare of (i) the **current ‘retail’ Annex 6 Registration Document** requirements (for non-equity securities with a denomination of less than EUR 100,000) in “onshored” Delegated (EU) Regulation 2019/980 and (ii) the **new, uniform Annex 6 Registration Document** requirements for non-equity securities as contained in the PRM Rules (available at: [\[insert hyperlink\]](#));
- compare of (i) the **current ‘wholesale’ Annex 7 Registration Document** requirements (for non-equity securities with a denomination of EUR 100,000 or above) in “onshored” Delegated (EU) Regulation 2019/980 and (ii) the **new, uniform Annex 6 Registration Document** requirements for non-equity securities as contained in the PRM Rules (available at: [\[insert hyperlink\]](#));
- compare of (i) the **current ‘retail’ Annex 14 Securities Note requirements** (for non-equity securities with a denomination of less than EUR 100,000) in “onshored” Delegated (EU) Regulation 2019/980 and (ii) the **new, uniform Annex 11 Securities Note** requirements for non-equity securities as contained in the PRM Rules (available at: [\[insert hyperlink\]](#)); and
- compare of (i) the **current ‘wholesale’ Annex 15 Securities Note** requirements (for non-equity securities with a denomination of EUR 100,000 or above) in “onshored” Delegated (EU) Regulation 2019/980 and (ii) the **new, uniform Annex 11 Securities Note** requirements for non-equity securities as contained in the PRM Rules (available at: [\[insert hyperlink\]](#)).

APPENDIX 2

THE RETAIL LANDSCAPE: ACCESSING UK INVESTORS UNDER THE NEW UK PROSPECTUS AND UK CCI REGIMES

THE RETAIL LANDSCAPE: ACCESSING UK INVESTORS UNDER THE NEW UK PROSPECTUS AND UK CCI REGIMES

High-level overview of new UK prospectus regime ([POATRs](#) and FCA [PS25/9](#)) and UK CCI regime (UK [CCI Regs](#) and FCA CCI consultation [CP24/30](#))¹



ENDNOTES

- 1 **High-level flowchart:** This one-page flowchart is intended to help you to navigate through the POATRs and prospective UK CCI regime. The flowchart ‘synthesises’ the elements relating to debt securities and offers to UK investors (including UK retail investors).

Brief refresher on context:

- As part of the overhaul of the UK financial markets, changes are proposed to the UK prospectus regime and the current UK PRIIPs regime. In both cases, the existing regime will be repealed in full and replaced by a new UK-specific regime. The legislative framework will be created through a UK SI, but with power to create the detailed regime rules and guidance delegated to the regulator (the UK FCA).

POATR regime:

- **Level 1 – UK SI:** For the UK prospectus regime, the UK SI is [The Public Offers and Admissions to Trading Regulations 2024](#) (or POATRs), made in January 2024.
- **Level 2 – FCA Handbook rules:** On 15 July 2025, in [PS25/9](#), the UK FCA published new ‘POATR’ rules for its FCA Handbook, due to take effect for 19 January 2026.

For the avoidance of doubt, this flowchart and endnotes do not address the UK FCA consultations on the proposed new public offer platform or ‘POP’ (PS25/10).

CCI regime:

- **Level 1 – UK SI:** For the regime to replace UK PRIIPs, the UK SI is [The Consumer Composite Investments \(Designated Activities\) Regulations 2024](#) (or CCI Regs), made in November 2024.
- **Level 2 – FCA Handbook rules:** In the December 2024 CP24/30 (A new product information framework for Consumer Composite Investments (CCIs)), the FCA set out proposed new rules for the CCI regime.

- 2 **Public offer exceptions – admission to trading:** An offer of transferable securities admitted or to be admitted to trading (conditional on admission) on a UK regulated market or a primary MTF is an exception from the [POATRs](#) prohibition on offers. It is set out in paragraph 6(a) of Schedule 1 of the POATRs – [see our 24 April 2024 Client briefing](#) for more detail.

PRM Rules in PS25/9 require at PRM 9.5.1R that, where relying on Paragraph 6(a) in Schedule 1 of the POATRs a prospectus is published before the end of the offer period. For a base prospectus and final terms, PRM 9.5.1R(2) clarifies that only the base prospectus must be published before the end of the offer period.

- 3 **Official List and admission to trading on a UK regulated market:** UKLR 3.2.3 (at page 412 of PS25/9): “*for securities to be admitted to listing, the relevant securities must be admitted to trading on a regulated market for listed securities.*” (Securities admitted to trading on a UK MTF will not be on the Official List.)
- 4 **Public offer exceptions:** Other exceptions in the [UK POATRs](#) include (amongst others): an offer of ‘*relevant securities*’ made solely to qualified investors, to fewer than 150 persons in the United Kingdom (other than qualified investors), or where the denomination is equivalent to at least £50,000 (or equivalent). [See our 24 April 2024 Client briefing](#) for a fuller description.
- 5 **A prospectus, “if necessary”:** That is, unless relying on an exception from the need for a prospectus or base prospectus – e.g., exempt issuers or ‘fungibles’ exemptions. A new feature in the PRM Rules is a higher exemption threshold of 75% for fungible issues, including debt securities, under PRM 1.4.3R(3): “(3) *Transferable securities fungible with transferable securities already admitted to trading on the same regulated market are exempt from PRM 1.4.1R, provided they represent, over a 12-month period, less than 75% of the number of those transferable securities already admitted to trading on the same regulated market where the transferable securities are issued by an issuer other than a closed-ended investment fund.*” This will be less relevant for those who have an MTN debt programme and base prospectus.
- 6 **Prospectus content requirements:** Briefly, key amendments in PS25/9 compared with the current regime which are relevant for the flowchart are:
- **Uniform disclosure:** For prospectus disclosure, PS25/9 mandates **uniform** disclosure for debt securities, irrespective of whether the denomination is above or below £50,000. Disclosure will be under under FCA Handbook Annexes 7 and 15 (that is, former wholesale disclosure), which are now relevant for both retail and wholesale denominations. No prospectus summary will be required.
 - **Annexes – Clifford Chance blacklines: Appendix 1 in this briefing links to revised blacklines** to show PRM changes to (formerly ‘wholesale’) disclosure Annexes 7 and 15 in the new uniform non-equity Annexes for non-equity securities in PS25/9 (Annex 6 and Annex 11).
 - For wholesale, this is, essentially, the same disclosure as currently would apply for wholesale denominations but with the heading adjusted to indicate that disclosure applies to all non-equity. For retail, certain items historically in retail Annexes will fall away (as well as a summary requirement).

PVLBS: For the avoidance of doubt: The same uniform disclosure requirements also apply to bonds meeting the new FCA Handbook definition of ‘plain vanilla listed bonds’ (**PVLBS**).

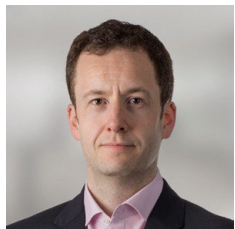
- 7 **UK MTFs:** MTF operators are granted significant autonomy under the UK POATR regime, including as to any documentary requirements – especially where it is a QI-only MTF (accessible only to professional investors). It is anticipated that the London ISM will be a QI-only MTF. Rules which potentially apply where transferable securities are admitted to trading on a Primary MTF are contained in the proposed “MAR 5ZA (*Multilateral trading facilities operating as a primary MTF*)” new segment for the UK FCA Handbook – although many rules may not necessarily apply to a QI-only MTF, given the discretion granted to the operator.

ENDNOTES

(CONTINUED)

- 8 PVLBs – ‘plain vanilla listed bond’:** This derives from an idea of a *non-complex listed corporate bond* in CP25/2 and has now been renamed. The idea is that due to its ‘simple’ nature a bond be suitable for sales to ‘mass retail’ in the UK, as well as to professional investors. Significantly, no special disclosure requirements are proposed for a ‘PVLB’: it will be a bond admitted to the UK official list maintained by the FCA (and, therefore, admitted to trading on the UK regulated market) and subject to the same disclosure requirements. Instead, alleviations are dealt with via distribution and marketing alleviations. A detailed definition of a PVLB appears in the FCA Handbook Glossary. For ease of reference, it is set out below: “...a debt security that: (1) is admitted to the official list; (2) (where the issuer is an ESCC subsidiary) is unconditionally and irrevocably guaranteed by the issuer’s parent undertaking that is an ESCC issuer; (3) bears: (a) a fixed coupon rate, including where: (i) a set coupon rate (including a nil or zero rate) applies until maturity; or (ii) the coupon rate is a stepped coupon, being subject to pre-defined changes at fixed times prior to maturity; or (b) a floating or variable coupon, provided that: (i) the interest payable is determined by reference to: (A) the Bank of England official Bank Rate or any equivalent rate set by another central bank; (B) a benchmark or index that tracks the rate of UK inflation; (C) the Sterling Overnight Index Average (SONIA), or any other equivalent risk-free reference rate in any currency; or (D) the Euro Interbank Offered Rate (EURIBOR), with or without a spread reflecting the credit risk of the issuer; and (ii) the interest payable is not subject to any additional modification or structuring such as a cap or a floor other than zero; (4) is unsubordinated, ranking equally with all other present and future unsubordinated indebtedness of the issuer in the form of bonds, notes, debentures, loan stock or other transferable securities; (5) is unsecured; (6) is not subject to a potential write-down or conversion as a result of a resolution authority exercising its powers; and, (7) is not a convertible security, asset backed security or security giving rise to a payment or delivery obligation linked to an underlying asset or index (except those in (3)(b)(i))....”
- 9 PVLBs – Distribution and marketing:** A ‘simple’, ‘non-complex’ and ‘plain vanilla’ product is likely to fall within existing exemptions (e.g., current UK FCA Consumer Duty exemptions or a ‘readily realisable security’ for FCA Handbook UK financial promotion rules). The FCA has also introduced in PS25/9 product governance and Target Market alleviations, only, including removing the need for an annual Target Market review. For the avoidance of doubt, the FCA has confirmed that:
- a make-whole is permissible in a PVLB; and
 - in the definition of a PVLB, “unsubordinated” refers to contractual subordination, as opposed to structural subordination.
- 10 Distribution and marketing:** PS25/9 does not propose general amendments to distribution and marketing, other than for bonds which are PVLBs. The FCA is, however, proposing to apply the current UK advertisement regime additionally to bonds admitting to trading on MTFs – see the definition of ‘advertisement’ in PS25/9. (For a broader overview of UK and EU financial regulation legislative proposals, see our 28 January 2025 Clifford Chance [Sell Side Horizon Scanner Q1 2025](#).)
- 11 UK CCI – Debt securities and UK CCI proposals in CP24/30:**
- The [UK CCI Regulations](#) exclude some debt securities from the scope of the CCI regime by excluding them from the definition of CCI in Regulation 4(2). But a lot of discretion was left to the FCA under Reg 4(2)(j) of the UK SI (“(j) *debt securities specified by the FCA in designated activity rules made by virtue of regulation 6;*”) – hence, the interest in CP24/30, which sets out scope as regards debt securities.
- The rules for debt securities proposed in CP24/30 are significantly based on UK FCA Handbook DISC content. They carry over, for example, the concept of a definition of which debt securities will constitute a CCI (DISC 1A.2.2R), combined with ‘neutral features’ (DISC 1A.2.4R) which will not cause a debt security to be a CCI.
- A helpful change in the ‘neutral features’ means that typical bond make-whole conditions will not be caught. This also tallies with the FCA’s clarification in PS25/9 that a make-whole is compatible with a PVLB.
- There is, however, a point for discussion with the FCA on the drafting of the ‘neutral feature’ for FRNs: a narrow reading of the drafting in CP24/30 would appear to restrict the FRN rate to risk-free rates (RFRs) – see our March 2025 client briefing on UK CCIs (UK retail investors and ‘vanilla’ debt securities: Traps for the unwary in the UK CCI regime proposals in CP24/30).
- 12 UK CCIs – UK retail sales of CCI planned or possible?** Proposed rule DISC 1A.1.3R in CP24/30: “*This sourcebook applies to an authorised person and to an unauthorised person in relation to activities carried on in relation to a consumer composite investment that is or may be distributed to a retail investor in the United Kingdom*”. [Note, “retail investor” in DISC 1A.1.4R cross-references “retail client” used in COBS 3.]
- 13 UK CCIs – CCI summaries:** Very briefly, CP24/30 outlines proposals to replace a PRIIPs KID with a new summary document. There are also proposed changes to distribution and responsibilities, with more involvement from distributors (as well as manufacturers), further down the distribution chain.
- 14 UK CCIs – No distribution or sales to UK retail:** Guidance proposed at DISC 1A.1.5G states: “*The rules in DISC do not apply in relation to a consumer composite investment insofar as it is distributed to an investor who is not a retail investor, or who is not in the United Kingdom*”.
- 15 UK CCIs – 3-step requirement (‘readily realisable securities’):** FCA Handbook DISC 1A.1.7G disapplies DISC where the 3 steps in DISC 1A.1.6R are followed (largely: disclosure, ‘reasonable steps’ to direct only to professionals, and £50,000 denomination). Such steps would be prudent to follow whenever issuers wish to avoid sales to UK retail investors. But, as drafted in [CP24/30](#), the DISC 1A.1.6R and 1A.1.7G carve-outs would only apply, technically, to ‘readily realisable securities’ – a narrow FCA Handbook definition, largely restricted to securities listed in the UK or traded on limited exchanges. [Contrast this with the broader DISC 1A.1.5G disapplication, mentioned above, provided that a CCI is not distributed to a UK retail investor.]

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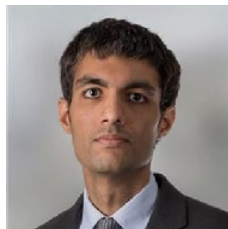
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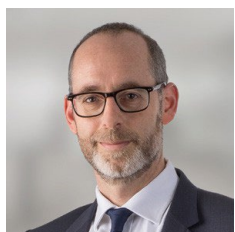
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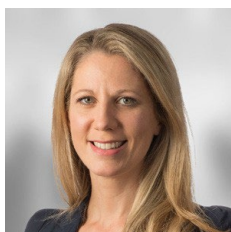
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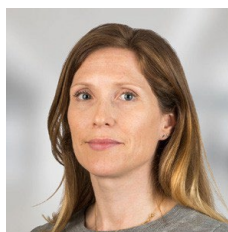
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