

Dentons DCM Quick Guide to the FCA's Final PRM Rules

July 2025

On 15 July 2025, the FCA published its [final policy statement](#) on the new rules that the FCA will introduce into its Handbook to implement the public offers and admissions to trading regime (also known as the POATRs). The new regime will effectively replace the UK Prospectus Regulation, which was onshored following Brexit, with effect from 19 January 2026. The bulk of the new rules will be contained in a new section of the FCA Handbook, the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the **PRM**), with the existing Prospectus Regulation Rules sourcebook being deleted. Although the new regime will largely replicate the current regime, there are some changes of which debt capital markets practitioners should be aware.

As the policy statement document is more than 450 pages long, we have focused in this Dentons DCM Quick Guide on the “Top 12” key points that struck us as most relevant in practice to the debt capital markets.

Topic	What is changing?	What do we think will be the impact of this change on DCM practice?
<p>1 Approach to the requirement to produce a prospectus and exemptions</p>	<p>Admission of bonds to the LSE's Main Market will require an FCA-approved prospectus (as per the current regime).</p> <p>However, the architecture of the regime is different. Offers to the public are prohibited unless there is an available exemption.</p> <p>The exemptions include customary DCM exemptions:</p> <ul style="list-style-type: none"> • of offers solely to qualified investors; • of offers made to fewer than 150 persons in the UK; • relating to securities with a minimum denomination of £50,000; and <p>two new exemptions:</p> <ul style="list-style-type: none"> • admission on a UK regulated market; and • admission on a UK MTF. 	<p>Minimal. While there will be some redrafting of references and legal opinions, the position remains broadly the same as the current regime in practical terms.</p> <p>The exemptions will continue to work well with the EU prospectus regime. In particular, the setting of the minimum denomination exemption in sterling at £50,000 will mean that any offering based on the EU Prospectus Regulation €100,000 minimum denomination exemption will also satisfy the UK £50,000 exemption. There should be no unnecessary frictions introduced into the UK and pan-European wholesale offering process i.e. there will be no need for a wholesale offering prospectus to be approved by both the FCA and also an EU competent authority.</p>



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<p>2 Substantial increase to the “fungible securities” prospectus exemption</p>	<p>The exemption from the requirement to produce a prospectus for the issue of fungible securities already admitted to trading on a regulated market is being increased from 20% to 75% (of the existing listed securities).</p> <p>In respect of MTF admissions of fungible securities, the FCA provides that the MTF itself has discretion whether to require an MTF admission prospectus for the issue of further securities. Note that the LSE’s International Securities Market (the ISM) is scheduled to amend its rules in relation to fungible securities in the second half of 2025, to introduce a fungible securities exemption.</p> <p>The FCA notes that the clarification it had included in its draft version of the PRM, as to which securities are to be considered “fungible” (i.e. when there is an initial period of non-fungibility, common on debt capital markets transactions), will be covered by a future Technical Note and not in the final PRM rules.</p> <p>The option for an issuer to voluntarily produce a prospectus to be approved by the FCA has been retained.</p>	<p>While the increase in the fungibility exemption is mainly aimed at the equity market and will not be particularly relevant for debt issuers with current MTN programmes, it could be a useful additional source of flexibility for issuers of standalone bonds.</p> <p>Standalone bond issuers may be able to use the exemption and more easily tap into additional pockets of demand (which may be quite substantial – up to 75% of the existing securities) after a bond is issued. Depending on how much time has passed since the standalone bond prospectus, how much has changed in relation to the issuer and how widely marketed the tap issue is going to be, such standalone taps (or taps off an expired base prospectus) may become more common.</p> <p>Where transaction participants consider that a marketing and liability document is still required, they could choose to voluntarily submit a prospectus for FCA approval or produce a non-FCA-approved disclosure document.</p>

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<p>3 Abolishing the distinction between retail and wholesale disclosure requirements for debt securities and removing obstacles to retail participation in the bond market</p>	<p>There will only be one disclosure standard for debt securities (regardless of denomination).</p> <p>The FCA proposes to publish guidance in the PROD sourcebook clarifying the type of bonds that the FCA considers suitable for the mass market (i.e. suitable to be made available to “real” retail in low denominations).</p> <p>The FCA uses the defined term “plain vanilla listed bonds” – vanilla bonds, admitted to the official list, bearing interest at a fixed or floating rate (subject to some limitations), unsecured, unsubordinated and not a liability that may be bailed-in under bank resolution or recovery proceedings. The issuer (or a guarantor of a wholly-owned and consolidated issuer subsidiary) must have its equity listed in the LSE’s commercial companies category. Make-whole calls will be permitted in such plain vanilla listed bonds.</p> <p>The current DTR 4.4.2 exemption from annual and half-yearly financial reporting requirements for issuers of only wholesale debt will be extended to a subsidiary issuer (with a listed parent) where the subsidiary issuer only issues wholesale debt or plain vanilla listed bonds.</p>	<p>Removal of a separate retail disclosure standard will reduce one of the existing obstacles to the involvement of retail investors in bond issues.</p> <p>For a limited number of issuers who may issue “plain vanilla listed bonds”, the alleviation in the product governance rules also reduces a further hurdle to the involvement of retail investors in bond issues.</p> <p>Whether this is sufficient to motivate issuers to consider offering their bonds to retail alongside wholesale investors remains to be seen. However, these are necessary first steps towards greater retail involvement.</p>

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4 Recommendations for disclosure for “use of proceeds” and “sustainability-linked” ESG-labelled bonds	<p>While not a mandatory annex (the approach currently being considered in Europe in relation to the EU Prospectus Regulation), the FCA has presented specific lists of information that it will expect to see in relation to frameworks, standards, external reviews and separate lists of expected disclosure items for (i) use of proceeds bonds and (ii) sustainability-linked bonds.</p> <p>The full list of recommended items can be seen at PRM 4.7.</p>	<p>Although not mandatory, the recommended disclosures are highly likely to be followed in practice as the FCA expects this information to be required to comply with the “necessary information” test.</p> <p>While most of the recommended disclosures are relatively consistent with current market practice, there are certain additional points of detail that are not universally included at present, which will therefore start to be included from 19 January 2026 in ESG-labelled bonds to which this aspect of the PRM applies.</p>
5 Amendments to the Listing Rules definition of “public international body”	<p>Tweaks have been made to the UK Listing Rules, including to clarify the definition of “public international body” (relevant to the exemption from the requirement to publish a prospectus for an issue by a public international body).</p> <p>The change is to address the problem that the current definition in the UK Listing Rules is inconsistent with how the term is understood in relation to the UK Prospectus Regulation (i.e. the former Prospectus Directive definition).</p>	<p>This is a wholly positive change, as the current UK Listing Rules definition that only names specific public international bodies has been the source of significant friction in public international bodies being able to rely on the current exemption from the UK Prospectus Regulation in practice.</p>
6 Forward incorporation by reference of financials	<p>Issuers may voluntarily provide for forward incorporation by reference of certain future financial information. This applies to annual and interim financials, as well as audit reports and financial statements. The incorporation will take effect when such information is published on a regulatory information service.</p> <p>An FCA Technical Note on the consequential drafting impact on prospectus statements (e.g. the “no material adverse change statement”) in “evergreen” fashion is intended to follow.</p>	<p>This change will bring the UK prospectus regime in line with the EU Prospectus Regulation and many MTFs.</p>

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7 Protected forward-looking statements regime with a different liability standard	A new concept of “protected forward-looking statements” will be introduced, with a liability standard (knowledge/recklessness) distinct from the general prospectus liability standard (negligence).	This will be far more relevant to equity deals than debt deals where disclosure outlines the “equity story” of the issuer and the case for investment in the equity (i.e. its “prospects” rather than its “creditworthiness”). We anticipate that debt disclosure will, as is currently the case, generally avoid making statements about future events or circumstances.
8 Islamic finance instruments backed by a sovereign or central bank prospectus exemption	Non-equity Islamic finance instruments issued by an SPV established by a sovereign or central bank, and where the securities are backed by the relevant government or central bank in a manner economically equivalent to the government or central bank being the issuer, will be exempt from the prospectus requirement.	This is also a welcome change and reflects the treatment of sovereign or central bank backing for Islamic finance instruments as being akin to a guarantee (but at present not benefiting from the prospectus exemption for issues or guarantees by sovereigns or central banks).
9 Clarification on withdrawal rights following the publication of a supplement	The FCA makes clear that withdrawal rights do not apply for supplements to prospectuses prepared only for the admission to trading of securities – that is, where there is an offer of transferable securities which benefits from one of the general exceptions from the prohibition on offers to the public (i.e. qualified investors only, fewer than 150 persons or £50,000 denominations).	This is helpful and clear confirmation of a long-held market understanding based on previous ESMA guidance.
10 Flexibility to make terms and conditions changes via a supplement	<p>The FCA will be allowing prospectus supplements to amend the information in the securities note section of a prospectus (i.e. the terms and conditions and/or final terms) without the need for there to be a significant new factor, material mistake or material inaccuracy.</p> <p>There are conditions on this flexibility, set out in full in PRM 10.1.7 and 10.1.9.</p>	This is helpful flexibility and will, for example, allow a new class of securities to be added by supplement. It will also remove any doubt that the ability to issue ESG-labelled securities can be added to an FCA-approved base prospectus by means of a supplement.

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11	A wording tweak to the “necessary information test”	<p>The new regime makes a small change to the definition of “necessary information” for a debt securities prospectus. The prospectus must now include:</p> <ul style="list-style-type: none"> the assets and liabilities, profits and losses, financial position and prospects <i>creditworthiness</i> of the issuer and of any guarantor; the rights attaching to the transferable securities; and the reasons for the issuance and its impact on the issuer. 	<p>Minimal.</p> <p>Disclosure for debt securities under the UK Prospectus Regulation has viewed “prospects” as those related to the likelihood of the issuer/guarantor being able to make future interest and principal payments, so the wording change is unlikely to have any material impact on the approach to drafting prospectus disclosure for debt securities.</p>
12	The formal end of the Professional Securities Market (PSM) for new issues	As well as closing the PSM to new issues, various redundant provisions relating to the PSM will be removed from the UK Listing Rules.	Minimal. The PSM has been superseded as a venue for new issues by the ISM for several years.

With the above changes coming into force on 19 January 2026, the FCA has also clarified that any prospectuses (including a base prospectus with a 12-month validity period) approved prior to 19 January 2026 will remain valid until the end of its validity period. Accordingly, there will be no need to produce supplements in relation to the change in the UK regime while a prospectus remains valid. Issuers with MTN programmes can accordingly plan to update their programmes in line with their customary timetables.

We hope you found the above “Top 12” summary of the FCA policy statement helpful (and time-saving!).

Please reach out to any of the following contacts if you would like to discuss the issues raised in this Quick Guide further.

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