

LISTED COMPANIES ISSUING SHARES UNDER A SHARE PLAN: CHANGES TO ANNOUNCEMENT AND PROCESS REQUIREMENTS

As a result of changes to FCA Rules made on 19 January 2026, companies need to adjust their processes for issuing shares under a share plan. This briefing highlights the key points.

The briefing reflects our understanding of the current position. However, as explained below, the FCA and/or LSE may clarify or change its requirements in the near future. We therefore recommend companies look out for developments in this area and, if in doubt, get in touch with us.

Seeking admission to listing on FCA's Official List

An application to admit to listing shares in a particular class (such as ordinary shares) is now taken to cover all the shares of that class that are issued from time to time. As a result, where a company issues additional shares of the same class - whether pursuant to a share plan, placing or otherwise - it is no longer necessary to make an application to the FCA to list the new shares.

There is therefore no need to apply to the FCA in advance to list shares that a company expects to issue in the future under a share plan (a block listing application). It also follows that block listings obtained before 19 January 2026 have become redundant: any shares of the same class issued after that date are automatically treated as listed on issue (not by virtue of the block listing). By the same token, the previous requirement to publish block listing returns every six months has been removed from the UK Listing Rules (UKLR).

Seeking admission to trading on the Main Market of the London Stock Exchange (LSE)

It remains necessary to apply to the LSE to admit additional shares of the same class to trading, and to pay any relevant fees.

However, the UKLR no longer require a company to ensure that all the shares in a class are admitted to trading as soon as they are allotted. Instead, an issuer has up to 60 days from the date of allotment to get the

new shares admitted to trading (PRM 1.6.2R). That said, in practice, where share plan participants want to sell some of the shares they receive in satisfaction of their awards - for example, to meet any tax liabilities that arise - companies may want to ensure that the new shares are admitted to trading promptly following allotment.

As before, a company can apply to the LSE in advance to admit to trading shares that the company expects to issue in the future under a share plan (a block admission to trading application). Block admission to trading is dealt with principally in Rule 3.12 of the [LSE Admission and Disclosure Standards](#). Any block admission to trading obtained before 19 January 2026 therefore continues to be relevant: where after that date a company issues shares of the same class, these will be treated as admitted to trading on issue by virtue of the block admission to trading.

If a company issues further shares of the same class that are not covered by an existing block admission to trading (for example, in a placing), it must make a specific application to the LSE to admit the new shares to trading. Under the UKLR, a company must ensure the application is submitted and approved by the LSE within 60 days of the shares being allotted; but if the company has promised subscribers it will get the shares admitted to trading sooner, it will need to submit the application more quickly.

Announcements

FCA Rules

When additional shares are admitted to trading by the LSE, the issuer must make an announcement of that fact within 60 days (PRM 1.6.4), giving the information set out in PRM 1.6.5. (Companies with equity shares listed in the *International Commercial Companies Secondary Listing* category, and issuers of depositary receipts representing shares, have up to 365 days to make such an announcement.) The announcement must include, among

other things: (i) the number of shares that have been issued and admitted to trading; (ii) the date or dates when this occurred; and (iii) the resulting total number of shares that have been admitted to trading.

If the shares are covered by a block admission to trading, they will automatically be admitted to trading upon issue, so the 60 days will start to run from that point. If the shares are not covered by a block admission to trading, they will be admitted to trading when the LSE approves the issuer's specific application, and the 60 days will start to run from that point.

The FCA decided to allow issuers up to 60 days to make such an announcement precisely in order to avoid them having to make an announcement every time they issue additional shares. Instead, an issuer can make a single announcement that covers all the shares issued over the previous 60 days - i.e. it can bundle together various allotments into a single announcement.

Is an announcement required as soon as possible under UKLR 6.4.4?

UKLR 6.4.4 says:

"A listed company must notify a RIS as soon as possible (unless otherwise indicated in this rule) of the following information relating to its capital:

- (1) any proposed change in its capital structure, including the structure of its listed debt securities, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;*
- (2) any redemption of listed shares, including details of the number of shares redeemed and the number of shares of that class outstanding following the redemption;*
- (3) any extension of time granted for the currency of temporary documents of title; and*
- (4) the results of any new issue of equity securities or a public offering of existing equity securities."*

Limb (4) used to say "(except in relation to a block listing of securities)", but this carve-out for an issue of shares covered by a block listing has been removed.

Where further shares are allotted pursuant to a placing or other marketed equity offering, it is clear that UKLR 6.4.4 requires an announcement to be made as soon as the further shares are allotted (or, if sooner, when the results of the issue are known).

But where further shares are issued pursuant to a share plan - where usually (although not always) the shares will be covered by a block admission to trading - in our view UKLR 6.4.4 does not apply. This is on the basis that such an issue is not a "change in capital structure" within limb (1), and nor is it caught by limb (4), which is aimed at circumstances where the company invites selected investors or the public to subscribe for shares, and not where shares are issued to directors or employees under a share plan. It also seems clear from the FCA Policy Statement that introduced the 19 January changes (PS 25/9) that the FCA did not intend to require companies to make an announcement as soon as possible - although the Policy Statement does not refer specifically to UKLR 6.4.4.

However, we are aware that, since 19 January, the FCA Helpdesk has told some companies that, where shares are issued pursuant to a share plan (whether or not covered by an existing block admission), UKLR 6.4.4 does apply and the company must make an announcement as soon as possible. This makes it slightly risky to take the view that an announcement is not needed. If UKLR 6.4.4 does apply, a company must make an announcement as soon as possible every time it issues further shares - which could result in numerous announcements being made about the issue of (often) small numbers of shares.

The FCA has been made aware of the burden this would create. We hope that soon the FCA will either amend UKLR 6.4.4, or publish formal guidance, to make clear that it does not apply where shares are issued pursuant to a share plan (or at least that it does not apply where the shares are covered by an existing block admission). But, until this happens, the safest approach is for a company to make an announcement as soon as any shares are issued pursuant to a share plan.

LSE Rules

Notwithstanding the changes to the FCA Rules, the LSE has not changed its rules and procedures around the admission to trading of further shares. Although the LSE Admission and Disclosure Standards do not set out clear requirements, we understand that, in practice, where a company makes an application to admit further shares to trading, the LSE continues to require:

- (where the application is for a block admission) an announcement when the block admission is granted;
- an announcement when shares are issued (whether or not they are covered by a block admission); and

- (where a company has an outstanding block admission) an announcement of a six monthly return relating to the block admission.

The LSE requirements therefore also mean that a company must make an announcement every time it issues shares that are admitted to trading (whether or not they are covered by an existing block admission).

We expect the LSE to receive requests from companies and their advisers to drop the requirement for an announcement to be made when further shares are issued that are covered by a block admission. However, the LSE has not given any indication it intends to do so.

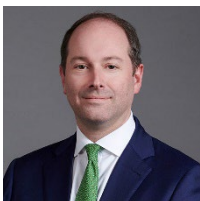
Article 19 of the UK Market Abuse Regulation (MAR): dealings by PDMRs

As a reminder, article 19 of MAR requires a PDMR to notify their company and the FCA of every transaction conducted on their own account relating to, among other things, shares in the company. In turn, the company must announce details to the market. If the further shares are issued to a PDMR, an announcement is likely to be required under article 19 MAR. Such an announcement is also likely to be required if a PDMR sells shares they have received. (Article 19 also applies to dealings by persons closely associated with PDMRs, but this is less likely to be relevant in the context of share plans.)

Current position and what companies need to do

On the next page is a summary of the practical implications for companies that issue shares under a share plan. It is based on our understanding of the current FCA and LSE Rules and requirements. However, please get in touch with us to check the latest position, which is likely to evolve.

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PRACTICAL IMPLICATIONS FOR COMPANIES ISSUING SHARES UNDER A SHARE PLAN

Announcements

If the shares are covered by an existing block admission to trading

- **UKLR 6.4.4:** until this rule is amended or the FCA publishes guidance confirming it does not apply, the safest approach is for a company to make an announcement as soon as the shares are issued.
- **LSE requirements:** similarly, unless and until the LSE changes its requirements, a company must make an announcement as soon as the shares are issued.
- **PRM 1.6.4:** The company must make an announcement of the fact that the shares have been issued (and automatically admitted to trading by virtue of the block admission) within 60 days, giving the information set out in PRM 1.6.5. If there are multiple issues over several days or weeks, details of each issue can be included in a single announcement. However, there will be no need to make an announcement under PRM 1.6.4 if the company makes an announcement as soon as the shares are issued and includes in it the details required by PRM 1.6.5.
- **DTR 5.6:** As under the previous rules, a company should ensure that the issue of shares is reflected in its next month-end total voting rights (TVR) announcement. (If in aggregate the number of shares issued under share plans during a month increases the number of voting rights to a “material” extent - which the FCA takes to mean by 1% or more - the company will need to make a TVR announcement as soon as possible. However, usually this will not be the case.)

If the shares are not covered by an existing block admission to trading

The company must apply to the LSE to admit the shares to trading (make a specific application) and, as above:

- Make an announcement as soon as the shares are admitted (to comply with UKLR 6.4.4).
- Make an announcement as soon as the shares are admitted (to comply with LSE requirements).
- (Unless the relevant information was included in the announcement made on admission) make an announcement within 60 days (to comply with PRM 1.6.4).
- Reflect the issue in its next TVR announcement.

Dealings by PDMRs

If shares are acquired or disposed of by a PDMR, an announcement is also likely to be required under article 19 MAR.

Block admissions

As under the previous rules, a company should keep under review whether the “headroom” under its block admissions is large enough to cover the number of shares the company expects to issue under share plans. If the headroom is not large enough, the company should make a fresh block admission application to the LSE.

Block listing returns

As noted above, although a company is no longer required by the Listing Rules to publish block listing returns every six months, it continues to be required to do so by the LSE.

Shares issued before 19 January 2026

If before 19 January 2026 a company issued shares pursuant to a share plan and the shares were covered by an existing block admission to trading, the FCA has confirmed it is not necessary for the company to make an announcement about such an issue.