

LSE consults on changes to the AIM Rules

The London Stock Exchange (LSE) has published a consultation on proposed changes to the AIM Rules for Companies (AIM Rules). The changes will make permanent various relaxations that were introduced on a temporary basis following the publication in November 2025 of the LSE's Feedback Statement on the future of AIM (covered in this [briefing](#)) and make certain other changes. Overall, the LSE hopes to differentiate AIM from the Main Market, attract more founder-led, innovative and growing companies and international companies to join AIM and make it easier for AIM companies to do M&A transactions and raise further capital.

The changes are described in [AIM Notice 62](#) and shown in a [mark-up of the AIM Rules](#). The consultation closes on 2 July 2026 and the LSE is expected to publish final rule amendments later this year. Key proposed changes are highlighted below. (For convenience, this briefing refers to changes that "will" happen, but some proposals may be dropped or refined in light of responses to the consultation.)

Joining AIM

Working capital reports on admission

The LSE will remove the requirement for an AIM admission document to include a statement that the directors believe the working capital available to the company will be sufficient for at least 12 months from admission (a working capital statement). Instead, a company will have to disclose in the admission document, in whatever format it considers appropriate, details of its capital resources, financial commitments, how it intends to use the proceeds of any fundraising conducted on IPO and whether the directors believe the company will need to do a fundraising during the next 12 months (and any risk factors that may affect the directors' assessment).

This change is designed to avoid companies having to compile a detailed working capital report and obtain external assurance on it from a firm of reporting accountants, and it will bring AIM into line with a number of major markets, such as in the US and Australia, that do not require a working capital statement. However, it is

Summary

- AIM admission documents will no longer have to include a working capital statement.
- A company can join AIM with a dual class share structure, where a separate class of "high vote" shares is held by a director, founder or pre-IPO investor.
- An AIM company seeking to undertake an equity fundraising or corporate transaction involving the issue of further shares will be able to ask the LSE to suspend trading in its shares while the issue is being marketed or the transaction is being negotiated.
- Some of the requirements around reverse takeovers will be relaxed.
- The threshold for a substantial transaction will be raised from 10% to 25%.
- Non-standard director remuneration will be considered a related party transaction, but the company's nominated adviser (Nomad) will no longer need to provide a fair and reasonable opinion provided certain conditions are met.
- AIM companies will no longer have to specify a recognised corporate governance code (such as the FRC's UK Corporate Governance Code or the QCA's Corporate Governance Code) and comply or explain against it.
- In due course the LSE plans to consult on reducing the amount of information to be included in an AIM admission document.

doubtful whether the proposed new rule, as currently framed, will result in a significant reduction in the amount of work and assurance that boards and nominated advisers (Nomads) are likely to require.

Admission documents to be streamlined

Market participants have told the LSE that AIM admission documents are too complex, resource-intensive to produce and act as a barrier for companies seeking to join AIM. The LSE therefore plans to consult separately in due course on reducing the information that must be included.

Incorporation by reference

AIM companies will be permitted to incorporate by reference into an AIM admission document any information that is easily available elsewhere, such as historical financial information.

Accounting standards

AIM companies that are UK-incorporated will be permitted to use UK GAAP (FRS 102), instead of IFRS, for the financial statements they include in an AIM admission document and those they publish on an ongoing basis. Similarly, companies incorporated in an EEA state will be permitted to use their local GAAP, instead of IFRS.

Dual class share structures

It will be made clear that on admission a company can have a separate class of shares held by a director, founder or pre-IPO investor that carry multiple votes on all or some resolutions, and which therefore allow the holder to exercise control of the company. However, the “high vote” shares will not be able to vote on resolutions relating to director remuneration, a related party transaction that involves the holder of the shares or the cancellation of the company’s admission to AIM.

Fast-track admission to AIM

The LSE will significantly broaden the range of other markets on which a company can be listed in order to qualify for fast-track admission to AIM via a new Express Market route (which will replace the AIM Designated Market route). Main Market companies stepping down to AIM will also be eligible for a simplified admission process. In each case, the company will have to satisfy certain conditions.

Being on AIM

Fundraisings

An AIM company seeking to undertake an equity fundraising or corporate transaction involving the issue of further shares will be able to ask the LSE to suspend trading in its shares while the issue is being marketed or the transaction is being negotiated (to be known as a “Capital Access Window”). This is designed to make it easier for a company to market the issue to a wider range of investors, including retail investors, by effectively “freezing” the market price for a short period. There would

be no fixed time limit on a Capital Access Window, but it would be expected to be short. The LSE will consider requests on a case-by-case basis.

An announcement will be required when a Capital Access Window begins and trading is suspended. When the Window ends and trading re-commences, the company will have to make a further announcement confirming that the fundraising or transaction has completed or that it has aborted. (See further the box below.)

Capital Access Windows

AIM companies are not required to publish an admission document or prospectus for a secondary fundraising. Under the new public offers regime introduced on 19 January 2026 (covered in our [briefing](#)), the general prohibition on making an offer to the public does not apply where the offer relates to shares that will be admitted to trading on AIM. As a result, it is now easier for an AIM company to invite a wide range of investors, including an unlimited number of retail investors, to participate in an equity fundraising.

However, conducting a fundraising against a “live” market price can be challenging and increases execution risk. By allowing trading in a company’s shares to be temporarily suspended, the LSE hopes to make it easier for AIM companies to execute fundraisings without needing to worry about the share price being affected by rumours, leaks or speculative trading. This should enable companies to broaden the range of investors who are approached and/or extend the marketing period.

A similar concept of “trading halts” is used on secondary fundraisings in some other international markets. However, there is no parallel on the UK Main Market, and they are controversial. The final report of the Secondary Capital-Raising Review, published in July 2022, set out the main pros and cons and ultimately concluded that regulators should not require a trading halt purely for the purposes of a fundraising, noting that there was insufficient evidence of the benefits this would bring to counteract the corresponding drawbacks of a loss of liquidity for investors.

AIM companies will therefore need to consider carefully with their corporate finance advisers whether to seek a suspension while carrying out a fundraising.

Reverse takeovers

An acquisition that exceeds 100% in a class test will not be considered a reverse takeover under AIM Rule 14 unless it also results in a fundamental change to the AIM company’s business, board or voting control. Instead, such an acquisition will be classified as a substantial transaction

under AIM Rule 12. Depending on the circumstances, shareholder approval may be required.

Provided investors are given sufficient information about a proposed reverse takeover and how it will affect the AIM company, the LSE may agree to a request that trading in the AIM company's shares should not be suspended when the proposed transaction is announced.

Substantial transactions

To bring the AIM Rules into line with the Listing Rules, the threshold for determining whether a transaction constitutes a substantial transaction under Rule 12 will rise from 10% to 25%, meaning fewer transactions will be caught.

A few changes will be made to the class tests: in particular, the profits test will apply only to a related party transaction.

Director remuneration

Non-standard director remuneration will be considered a related party transaction, but the company's Nomad will no longer need to provide a fair and reasonable opinion if it is satisfied that the contractual terms provide reasonable commercial protections for the company - such as good leaver / bad leaver terms, provisions for clawback, and conditions / deferral / performance measures - and those terms are disclosed. If in doubt, the company should seek shareholder approval. All other requirements of AIM Rule 13 will continue to apply.

Governance

AIM companies will no longer be required to specify a recognised corporate governance code (such as the FRC's UK Corporate Governance Code or the QCA's Corporate Governance Code) and comply or explain against it. Instead, a company will have to disclose its approach to five key matters: board composition; the role and responsibilities of each director; the structure and terms of directors' remuneration; its risk and controls framework, including any board committees; and its approach to shareholder engagement.

This change has been proposed in response to market feedback that, although the current AIM Rules make clear that companies are free to depart from their chosen corporate governance code - and instead to explain why they don't comply - in practice many companies feel obliged simply to comply ("comply or else"). However, recognised codes do provide a benchmark or model for good governance that can be useful to both companies and investors so, notwithstanding the proposed relaxation

in the AIM Rules, we expect many AIM companies will continue to report against a recognised code.

Proxy adviser engagement

AIM companies will be permitted - but not required - to disclose details of their engagement with proxy advisers by means of an announcement or on the company's website. Companies might want to disclose, for example, which matters they discussed with a proxy adviser, how and when; any factual inaccuracies in a proxy adviser's report; or why the company believes a proxy adviser's voting recommendation is inappropriate in the circumstances.

Disclosure of price-sensitive information

The requirement in AIM Rule 11 to announce price-sensitive developments will be removed, leaving AIM companies to comply solely with article 17 of the UK Market Abuse Regulation. Article 17 requires a company to announce inside information as soon as possible, except in certain narrow circumstances when an announcement can be delayed. It is therefore very similar to AIM Rule 11. The change will put AIM companies into the same position as Main Market companies.

A new Rule 11 will require an AIM company to:

- have sufficient systems, procedures, resources and controls in place to allow it to monitor and identify developments that may have a material impact on its business or prospects; and
- keep its Nomad updated on such developments and take into account the Nomad's views on whether an announcement should be made.

Responsibilities of nomads

AIM Notice 63, published at the same time, sets out proposed changes to the AIM Rules for Nominated Advisers and a new Technical Note for Nomads. Together, these are designed to clarify the due diligence and other work the LSE expects Nomads to perform at Admission and on an ongoing basis and to reflect the proposed changes to the AIM Rules.

Guidance in inside AIM

Existing guidance given by the LSE in editions of Inside AIM will be incorporated into the updated AIM Rules for Companies, AIM Rules for Nominated Advisers and the new Technical Note for Nomads. Such guidance will then be retired.

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