SLAUGHTER AND MAY

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London Stock Exchange updates AIM Rules

The London Stock Exchange has published changes to its *AIM Rules for Companies* (AIM Rules) and *AIM Rules for Nominated Advisers* (Nomad Rules). The changes took effect on 5 August 2026.

Broadly the LSE has decided to implement all the changes proposed in its June 2026 consultation, with minor refinements and clarifications in some areas. This briefing summarises the key changes for companies.

The changes 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* 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.

New rulebooks

Companies should now apply the August 2026 version of the AIM Rules. Commentary on the changes made is set out in AIM Notice 64.

Nomads should now apply the August 2026 version of the Nomad Rules and the new Technical Note (first published in June). 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 changes to the AIM Rules. Commentary on the changes made to the Nomad Rules is set out in AIM Notice 65.

Existing guidance given by the LSE in editions of *Inside AIM* has been incorporated into the AIM Rules, Nomad Rules and the new Technical Note for Nomads. Such guidance has therefore been retired.

The LSE has also published a new version of the AIM Disciplinary Procedures and Appeals Handbook.

Summary

- AIM admission documents 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 can now 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 have been relaxed.
- The threshold for a substantial transaction has been raised from 10% to 25%.
- Non-standard director remuneration is now considered a related party transaction, but the company's nominated adviser (Nomad) no longer needs to provide a fair and reasonable opinion provided certain conditions are met.
- AIM companies 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.

Joining AIM

Working capital reports on admission

The LSE has removed 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 must 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 doubtful whether the new rule 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 are now permitted to incorporate by reference into an AIM admission document any information that is easily available elsewhere, such as historical financial information. Companies and their Nomads will need to assess whether a particular document is appropriate to incorporate by reference.

Accounting standards

AIM companies that are UK-incorporated are now 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 are now permitted to use their local GAAP, instead of IFRS.

As before, the LSE will consider on a case-by-case basis requests to use another local accounting standard.

Dual class share structures (DCSS)

It has been 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 cannot 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. The AIM Rules do not impose a time limit on the duration of a DCSS.

After admission, no new high vote shares can be issued, and the rights of any existing high vote shares cannot be extended. However, subject to prior consultation with the LSE, rights attached to existing high vote shares can be reduced or withdrawn.

Fast-track admission to AIM

The LSE has significantly broadened 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 replaces the AIM Designated Market route). Main Market companies stepping down to AIM are now also eligible for a simplified admission process. In each case, the company must satisfy certain conditions.

Being on AIM

Capital Access Windows to facilitate fundraisings

An AIM company seeking to undertake an equity fundraising or corporate transaction involving the issue of further shares is now able to ask the LSE to suspend trading in its shares while the issue is being marketed or the transaction is being negotiated (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 is no fixed time limit on a Capital Access Window, but it is expected to be kept short. The LSE will consider requests on a case-by-case basis.

An announcement must be made when a Capital Access Window begins and trading is suspended. When the Window ends and trading re-commences, the company must make a further announcement confirming that the fundraising or transaction has completed or that it has aborted. (See further the box on the next page.)

Reverse takeovers

An acquisition that exceeds 100% in a class test is no longer 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 is now classified as a substantial transaction under AIM Rule 12. Depending on the circumstances, shareholder approval may be required: the LSE will consider this on a case-by-case basis in light of discussions with the company's Nomad about the nature of the transaction.

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 UK Listing Rules, the threshold for determining whether a transaction constitutes a substantial transaction under Rule 12 has been raised from 10% to 25%, meaning fewer transactions will be caught.

A few changes have been made to the class tests: in particular, the profits test now applies only to a related party transaction.

Director remuneration

Non-standard director remuneration is now considered a related party transaction, but the company's Nomad no longer needs 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 continue to apply, including the requirement for the company to make an announcement containing a statement that its independent directors consider the terms of the transaction to be fair and reasonable insofar as shareholders are concerned.

Governance

AIM companies are no longer 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 must disclose its approach to five key matters: board composition; the role and responsibilities of each director; the structure of directors' remuneration; its risk and controls framework, including any board committees; and its approach to shareholder engagement.

This change has been made 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 relaxation in the AIM Rules, we expect many AIM companies will continue to report against a recognised code.

Proxy adviser engagement

AIM companies are now 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.

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 (see this 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.

Disclosure of price-sensitive information

The requirement in AIM Rule 11 to announce price-sensitive developments has been 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 puts AIM companies into the same position as Main Market companies.

A new Rule 11 requires 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.

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