

SECURING THE FUTURE OF AIM: LONDON STOCK EXCHANGE PUBLISHES INTENDED CHANGES TO AIM RULES

On 21 November 2025 the London Stock Exchange published *Feedback Statement: Shaping the Future of AIM*, summarising the feedback received on its April Discussion Paper and setting out a roadmap for the future development of AIM. In particular, the [Feedback Statement](#) specifies a number of deregulatory changes to the AIM Rules that will be made: details of the exact changes will be consulted on in H1 of 2026, but in the meantime AIM Regulation will be receptive to requests to waive or modify existing rules in these areas. This briefing highlights the key changes.

AIM RULE CHANGES EFFECTIVE IMMEDIATELY

Dual class share structures

A company with a DCSS that meets the current Main Market requirements will be eligible for AIM. This is designed to encourage founder-led companies to list on AIM and hence increase the “supply” of AIM companies looking for public investment.

Reverse takeovers: categorisation and disclosure

Currently, under AIM Rule 14 an acquisition is classified as a reverse takeover if: (i) there is a fundamental change of business, board or voting control; or (ii) any of the class tests exceeds 100%. However, it is arguable that the reverse takeover requirements - which include publishing an admission document and obtaining shareholder approval - are disproportionately onerous where a company makes an acquisition that is larger than itself but is in line with the company’s existing operations or strategic direction.

In light of this, Rule 14 will be re-drafted broadly as proposed in the April Discussion Paper. In the meantime, effective immediately, if a company’s Nomad can demonstrate to AIM Regulation that an acquisition will not result in a fundamental change of business, AIM Regulation may allow the acquisition to be treated as a substantial transaction (under AIM Rule 12), rather than a reverse takeover (under AIM Rule 14). This would mean that no admission document is required. Depending on

FEEDBACK STATEMENT: KEY POINTS

- Support for AIM among market participants remains strong. However, AIM needs to be repositioned to clearly distinguish it from the Main Market and to attract companies that might otherwise seek equity investment from PE funds or secondary market liquidity via a PISCES platform. This will be achieved partly by recalibrating the AIM Rules and partly by refreshing the way AIM is marketed.
- To make the rules applicable to AIM companies more proportionate, targeted changes to the AIM Rules will be made, broadly as proposed in the LSE’s April Discussion Paper. Until the changes are formally introduced after consultation next year, AIM Regulation will be receptive to requests for derogations in the relevant areas (so that in effect they take effect immediately). The Feedback Statement also details other areas in which changes may be introduced.
- Nominated advisers will be retained, but they will be expected to focus more on providing expert corporate finance advice and less on ensuring company compliance with market rules. To support this, new Guidance for Nomads will be published next year. The LSE may also consult on proposals to streamline the role of a Nomad, especially on IPO and when a company joins AIM from another market.
- AIM continues to face various challenges. In particular, lack of liquidity, which can also make it difficult for fund managers to hold AIM shares; shortage of institutional capital; regulatory obstacles to retail investment; reduced tax incentives to invest in AIM companies; lack of good quality investment research; manipulative rumours on bulletin boards; and high compliance costs, including rising audit fees and financial and non-financial reporting obligations. Many of these issues are outside the control of the LSE, but it will continue working with Government, regulators and industry bodies to seek improvements.

the circumstances, AIM Regulation may also waive the requirement to obtain shareholder approval.

Where a transaction is a reverse takeover, the company's shares will not need to be suspended from trading when the transaction is announced if it can satisfy AIM Regulation that shareholders will be given sufficient information about the transaction through an announcement or other form of disclosure.

Significant transactions: class tests

AIM Regulation will consider derogation requests to disapply the profits test (which no longer applies to Main Market companies) and/or the gross capital test, or to modify them. Changes to these tests will be consulted on next year.

Executive remuneration

To support AIM companies seeking to attract talent by offering competitive remuneration, with immediate effect AIM Regulation will accept requests to waive the requirement in AIM Rule 13 (Related party transactions) for a Nomad to provide a fair and reasonable opinion on certain non-standard elements of director remuneration, provided the contractual terms include reasonable commercial protections for the company, such as good/bad leaver provisions.

Admission documents: historical financial information

AIM Regulation will accept requests for historical financial information (HFI) in an admission document published by an issuer incorporated in the UK to be presented under UK GAAP (FRS 102), instead of having to be re-stated under IFRS. On a case by case basis, AIM Regulation may also allow HFI in an admission document published by an issuer incorporated elsewhere to be presented under a local GAAP that is not specified in the AIM Rules but that can be considered equivalent to IFRS.

AIM Regulation will also consider derogation requests from Nomads for HFI to be incorporated by reference, provided the information is readily available to investors and will remain so on an ongoing basis. In any event, the company and its Nomad will need to ensure that such HFI is sufficiently up to date and robust.

Secondary issues

Where an existing AIM company issues a new class of securities that will also be traded on AIM, no admission document will be required.

The Exchange has also confirmed that, when the new public offers and admissions to trading regime comes into force on 19 January 2026 (see our [briefing](#)), no admission document will be required where an existing AIM company issues further shares of the same class - such as in a placing or open offer - whatever percentage of the existing share capital the new shares represent. This will continue the current position.

POTENTIAL FUTURE CHANGES TO THE AIM RULES

Admission documents

- **Design:** AIM admission documents will be redesigned to make them more less burdensome for companies and more useful for investors. This may include allowing certain information (in addition to HFI) to be incorporated by reference.
- **Working capital statements:** As part of its wider review of the admission document, the LSE will consider possible changes to the rules around working capital statements. These could reflect the fairly modest changes recently proposed by the FCA for Main Market prospectuses - which broadly will allow companies more flexibility to disclose the basis on which the statement is given and the sensitivity analysis that has been performed - or, more radically, modifying or dropping the requirement for a working capital statement entirely in some circumstances - for example, where the company's financial statements for three consecutive years have included "clean" audit reports (with no emphasis of matter) and were prepared on a going concern basis.

Admission criteria for founder-led companies

Changes may be made to the eligibility requirements and governance expectations for founder-led companies.

Significant transactions: threshold

As proposed in the April Discussion Paper, the threshold in AIM Rule 12 for a transaction to be treated as "significant" will be raised from 10% to 25%. This is designed to facilitate quicker and more efficient M&A activity and will bring AIM into line with Main Market rules. A transaction below the 25% threshold may nevertheless need to be announced if it is price-sensitive.

Reverse takeovers: shareholder approval

The LSE will consider whether to drop the requirement for a reverse takeover to be approved by shareholders.

Corporate governance

The LSE will continue to work closely with the Quoted Companies Alliance (QCA) to provide a corporate governance code that is suitable for AIM companies to report against (as an alternative to the UK Corporate Governance Code or another recognised code). It will also work with the Issuer & Investor Forum and others to correct the perception of “comply or else”, and to improve engagement between proxy advisers and AIM companies.

Remuneration

The Exchange accepts that non-executive directors holding equity and being awarded share options aligns directors to the interests of investors, and that AIM companies need to be able to remunerate directors in line with peer markets and private equity. It welcomes the recently updated guidance published by the FRC on

NED remuneration, which allows companies to pay NEDs a portion of their fees in shares, provided they maintain transparency about their rationale and approach. (For further details see our [briefing](#).)

Next year, the Exchange may consult on other proposals mentioned in its April Discussion Paper, such as whether certain types of share plan-related transactions, and permitted indemnities for directors, should be exempted from the related party transaction rules; and whether directors' remuneration should be carved out of the RPT rules and left to the AIM company's RemCom and board to determine.

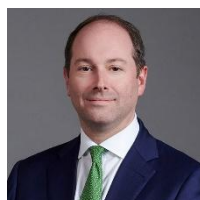
Price-sensitive information

The LSE will consider further whether AIM Rule 11, which generally requires an AIM company to disclose price-sensitive information without delay, should be removed on the basis that it duplicates the requirement under article 17 of the UK Market Abuse Regulation to announce inside information as soon as possible.

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