

At a glance: FCA sets out changes the UK equity IPO process

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What's new?



- The FCA published [CP17/5: Reforming the availability of information in the UK equity IPO process](#) on 1 March 2017.
- The CP builds on the FCA's Corporate and Investment Banking Market Study ([MS15/1](#)), its Discussion Paper on the availability of information in the IPO process ([DP16/3](#)) and its CP on the effectiveness of primary markets ([CP17/4](#)).
- The FCA proposes changes that would mean information about the IPO would be made available earlier in the process, and to a wider range of investors and analysts.

What does this mean?



- The FCA's concerned that practices in the UK equity IPO process create conflicts of interest and prevent the wider investment community from obtaining research.
- The FCA suggests that a prospectus should be published and unconnected analysts have access to issuers, before connected research is released. It also plans to change its Handbook guidance on the interaction between analysts, advisers and issuers.
- It hopes these changes will bring more balanced investor education and price discovery.

Next steps



- The FCA welcomes comments on its proposals from interested stakeholders by **1 June 2017**.
- The FCA will consider responses received to the CP and depending on the nature of the responses it receives, expects to publish a Policy Statement outlining changes to its Handbook later in 2017.

What do firms need to do?



- Investment banks providing underwriting and placing, and research services should carefully consider the FCA's proposals in the context of their current practices.
- Affected firms should consider engaging with the FCA and responding to the questions posed in the CP.

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