

THE CITY OF LONDON LAW SOCIETY  
COMPANY LAW COMMITTEE

Minutes

for the 334<sup>th</sup> meeting  
at 9:00 a.m. on 16<sup>th</sup> July 2025

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**1. Welcome and apologies**

*In attendance:* Adam Bogdanor (*Bryan Cave Leighton Paisner LLP*); Tom Brassington (*Hogan Lovells International LLP*); Richard Burrows (*Macfarlanes LLP*); Jamie Corner (*Simmons & Simmons LLP*); Andrew Edge (*Taylor Wessing LLP*); Lucy Fergusson (*Linklaters LLP*); Nicholas Holmes (*Ashurst LLP*); James Innes (*Latham & Watkins LLP*); Vanessa Knapp (*Independent*); Makayla Knott (alternate for Ziyad Nassif, *Freshfields Bruckhaus Deringer LLP*); Kathy MacDonald (alternate for Jon Perry, *Norton Rose Fulbright LLP*); Beliz MacKenzie (alternate for Adrian West, *Travers Smith LLP*); Stephen Mathews (*A&O Shearman LLP*); Juliet McKean (Secretary, *Clifford Chance LLP*); James Parkes (*CMS Cameron McKenna Nabarro Olswang LLP*); David Pudge (Chair, *Clifford Chance LLP*); Caroline Rae (*Herbert Smith Freehills Kramer*); Lucy Reeve (*Chair of the Law Society Company Law Committee*); Matthew Triggs (alternate for Ben Perry, *Sullivan & Cromwell LLP*); Simon Tysoe (*Slaughter and May*); Liz Wall (*A&O Shearman LLP*); Peter Williamson (alternate for Adrian West, *Travers Smith LLP*); Peter Wilson (alternate for Allan Taylor, *White and Case LLP*); Simon Witty (*Davis Polk & Wardwell London LLP*); and Victoria Younghusband (*Charles Russell Speechlys LLP*).

*Apologies:* Chrissy Findlay (*Pinsent Masons LLP*); Kevin Hart (*City of London Law Society*); Ziyad Nassif (*Freshfields Bruckhaus Deringer LLP*); Ben Perry (*Sullivan & Cromwell LLP*); Jon Perry (*Norton Rose Fulbright LLP*); Matthew Rous (*City of London Law Society*); Allan Taylor (*White and Case LLP*); Simon Toms (*Skadden Arps Slate Meagher & Flom (UK) LLP*); Adrian West (*Travers Smith LLP*); and Simon Wood (*Addleshaw Goddard LLP*).

**2. Approval of minutes**

The Chair noted that a draft version of the minutes of the meeting held on 28 May 2025 was circulated to members on 9 July 2025. No comments had been received and the Chair noted that the minutes were therefore considered settled.

**3. Matters arising**

- 3.1 *PISCES*. The Chair reported that on 10 June 2025 the FCA announced that *PISCES* will be launching later in 2025 and that the final rules for *PISCES* have been published. It was noted that the FCA also published its policy statement on Private Intermittent Securities and Capital Exchange System: Sandbox Arrangements (PS25/6). It was also noted that two FCA Handbook instruments in respect of *PISCES* came into force on 10 June 2025: (i) the Private Intermittent Securities and Capital Exchange System (*PISCES*) Instrument 2025, which creates the *PISCES* sourcebook (PS); and (ii) the Private Intermittent Securities and Capital Exchange System (*PISCES*) (Consequential Amendments) Instrument 2025, which makes consequential amendments to the FCA Handbook. It was further noted that: (i) the Private Intermittent Securities and Capital Exchange System (Exemption from Stamp Duties)

Regulations 2025 were made on 10 June 2025 and came into force on 3 July 2025, a draft of which was noted at the meeting of the Committee held in May 2025; and (ii) the LSE published a Market Notice (N05/25) on 26 June 2025 which provides member firms with further information regarding the LSE's intended changes to the Rules of the London Stock Exchange and the trading system to accommodate PISCES.

- 3.2 *Paper on City of London: Assets, Opportunities, Risks and Asks.* The Chair noted that on 23 June 2025 the Committee submitted its paper on 'City of London: Assets, Opportunities, Risks and Asks' to the CLLS so that the points raised could be considered and shared with the Lord Mayor of the City of London to assist engagement with stakeholders with a view to promoting and enhancing the benefits of English law and the City of London as a place to do business.
- 3.3 *Practice Statement (Companies: Schemes of Arrangement under Part 26 and Part 26A of the Companies Act 2006).* The Chair reported that on 11 June 2025 the Joint CLLS/Law Society Takeovers Working Group submitted a response to the Chancellor of the High Court's consultation on the Practice Statement for schemes of arrangement under Part 26 and restructuring plans under Part 26A of the Companies Act 2006. Kathy MacDonald (**KM**) noted that the JWG's response is focused on the proposal for a claim form to be issued on a named basis before the date of any court hearing is arranged and advocates that the current practice, which allows companies to informally reserve a hearing date under a code name prior to issuing of the claim form, should be preserved. KM noted that the CLLS Insolvency Law Committee also raised this as a key concern.
- 3.4 *Discussion paper on shaping the future of AIM.* The Chair reported that on 13 June 2025 the Joint Prospectus and Listing Rules Working Group, led by Nicholas Holmes (**NH**), submitted a response to the LSE's discussion paper on shaping the future of AIM.

NH noted that the discussion paper contained some simple suggestions as to how the requirements for listing on AIM could be streamlined, such as removing duplication of rules found in both the AIM rules and UK MAR. NH noted that the JWG's response contained the following suggestions:

- AIM should explore way for NOMADs to gain sufficient comfort in respect of legal due diligence without needing to seek an expensive and lengthy legal due diligence report. There is a perceived requirement, due to the obligations on NOMADs in the AIM Rules, that the NOMAD must seek a legal due diligence report on an AIM admission, however, on a Main Market IPO neither the sponsor nor the FCA typically requires a full legal due diligence report.
- The possibility that an AIM company should not be required to have a NOMAD permanently engaged once the company has met certain conditions or reached a certain size but is instead only required to have a NOMAD for certain circumstances. This would make the role of a NOMAD more akin to the role of a sponsor on the Main Market.

3.5 *Digitisation Taskforce final report.* Lucy Fergusson (**LF**) reported that yesterday the Digitisation Taskforce published its final report. LF noted that the final report recommends a three-step process to move to a fully intermediated system as follows:

- Step 1 – Publicly traded companies would be prohibited from issuing paper share certificates and would be required to keep the register of members required under section 113 CA 2006 in digitised form. It is proposed that these steps should be implemented by the end of 2027. It is also proposed that the Government should act with speed to change relevant legislation so that shares in UK companies can be held on overseas branch registers in uncertificated form to enable UK incorporated companies that have shares listed in Hong Kong to participate in the dematerialisation of shares on the Hong Kong Stock Exchange in 2027.
- Step 2 – Steps should be taken to enhance the intermediated system for holding shares in order to improve communications up and down the chain of intermediaries. It is also proposed that, as the default position, company communications with shareholders should be electronic so that shareholders would need to "opt in" to receive hard copy communications from the company, and payments to shareholders should have to be made by electronic means. The report recommends extending certain provisions of the Shareholder Rights Directive II to UBOs to enhance the rights of UBOs and at the same time reviewing the processes under section 793 CA 2006 to determine whether they would then become redundant or whether any provisions should be retained. The report also recommends a waiver of KYC and AML checks to be granted to accepting nominees when shareholders are moved into a nominee arrangement as part of the dematerialisation process. The report further recommends liaising with Jersey, Guernsey and the Isle of Man to explore how a similar process could be implemented in those jurisdictions and recommends looking at ways to facilitate the digitisation of UK plcs with international listings. The report recommends that the Government should aim to implement these recommendations over the course of this Parliament and the Government has stated in its response to the paper that it aims to do so.
- Step 3 – All certificated shareholders would be moved into the intermediated system. There would be no further transfers onto the digitised register of members so these registers would become a 'one-way street' and shareholders who participate in corporate actions (except regular dividends) would be moved onto the intermediated system. The report also recommends options for dealing with untraced shareholders and recommends that companies are given the power to deal with untraced UBOs as part of the digitisation 'clean-up'.

LF noted that the report contains a comprehensive list of changes to the laws that would be needed to implement the recommendations and a 'Bill of Shareholder Rights' which sets out the general rights that should be provided to all shareholders, including UBOs, as part of the baseline service provided by intermediaries in the intermediated system. LF further

noted that the report recommends that a Technical Group, comprising operational experts from relevant market stakeholders, is established as soon as possible to make recommendations on the details.

Members of the Committee also noted that the paper recommends, as part of the Step 2 reforms, removing the headcount test from section 899 CA 2006 such that a court could sanction a scheme of arrangement where there had simply been approval by a number representing 75% in value of the members or creditors of the company – without requiring that the scheme also be approved by a majority in number of the members or creditors.

#### **4. Discussions**

- 4.1 *PMSS/CLLS CLC Liaison Committee meeting.* Jamie Corner updated members of the Committee on the meeting held with the FCA's PMSS team on 10 July 2025.
- 4.2 *FCA/CLLS CLC Liaison Committee meeting.* Victoria Younghusband updated members of the Committee on the meeting held on 15 July 2025.
- 4.3 *Takeover Panel consultation on dual class share structures, IPOs and share buybacks.* The Chair reported that on 3 July 2025 the Takeover Panel announced the publication of a consultation paper on dual class share structures, IPOs and share buybacks (PCP 2025/1) as well as the publication of a new Practice Statement 35 (Profit forecasts, quantified financial benefits statements and investment research) and a new Practice Statement 36 (Unlisted share alternatives). It was noted that the consultation closes on 26 September 2025. It was further noted that the Joint CLLS/Law Society Takeovers Working Group will be preparing a response to this consultation.
- 4.4 *Transition plans, UK SRS and assurance of sustainability reporting.* The Chair reported that on 25 June 2025 the Government announced the launch of three consultations on: (i) how to take forward the Government's commitment on transition planning; (ii) new UK Sustainability Reporting Standards (**UK SRS**) (i.e., the proposed UK versions of the International Sustainability Standards Board's standards on general sustainability and climate (IFRS S1 and IFRS S2)); and (iii) the development of a voluntary registration regime for the providers of assurance of sustainability-related financial disclosures, to be operated by ARGA. It was noted that all three consultations close on 17 September 2025. It was also noted that the Government expects to publish finalised versions of UK SRS S1 and UK SRS S2 for voluntary use later this year and then the Government will consider whether to introduce requirements for certain UK entities to report against these standards. It was further noted that the FCA is also expected to consult on its expectations for listed companies regarding UK SRS and transition plan disclosures in due course (see minute 4.2 above). The Chair reported that the CLLS Planning and Environmental Law Committee is preparing responses to these consultations and is happy for members of the Committee to also contribute to the responses. The Chair requested that if anyone is interested in joining this working group, they should let the Secretary know. See also minute 4.5 and item 5.3(a) below.

- 4.5 *Opinion on the potential liability for climate-related transition plan disclosures.* The Chair reported that on 24 June 2025 ClientEarth published an opinion which it had commissioned on the potential liability for climate-related transition plan disclosures. It was noted that ClientEarth had asked specialist company law barristers at Erskine Chambers to advise on the potential liabilities of companies and directors that might arise under the law of England & Wales if a requirement that companies disclose a climate-related transition plan were to be introduced following a Government consultation on that subject. It was noted that this consultation has now been published (see minute 4.4 above). The opinion concludes that: (i) a regulatory requirement for companies to disclose a transition plan is not likely to result in materially heightened liability risk for companies or their directors; (ii) there are likely to be legal advantages for directors and companies from disclosing a well-prepared transition plan; (iii) from a liability perspective, there is no need to introduce new legal 'safe-harbours' for transition plan disclosures; and (iv) there are clear steps directors and companies can take to minimise the risk of liability in respect of transition plan disclosures.
- 4.6 *Expansion of identification doctrine to all offences.* The Chair provided an update on discussions regarding the expansion of the identification doctrine to all offences.
- 4.7 *Impact of sanctions on schemes.* The Chair led discussions on the impact of sanctions on schemes of arrangement.

## **5. Recent developments**

The Committee noted the following additional items in sections 5.1 to 5.9 which time did not allow them to consider in the meeting, other than the Chair briefly commented on the cases at item 5.9.

### **5.1 Company law**

- (a) *Updated Companies House guidance on preparing and filing Companies House accounts.* On 1 July 2025, Companies House updated its guidance on preparing and filing Companies House accounts to include commentary on changes to the accounts regime in the CA 2006 introduced by ECCTA 2023. The commentary states that the changes will come into force on 1 April 2027.
- (b) *The Companies Authorised to Register, Unregistered Companies and Overseas Companies (Application of Company Law) Regulations 2025.* The Companies Authorised to Register, Unregistered Companies and Overseas Companies (Application of Company Law) Regulations 2025 were made on 24 June 2025 and laid before Parliament on 30 June 2025 (see also the explanatory memorandum). These regulations amend certain secondary legislation made under the CA 2006 to extend the identity verification requirements in ECCTA 2023, as well as other reforms to company law made by ECCTA 2023, to overseas companies, companies authorised to register and unregistered companies. Most of the provisions come

into force when section 167M CA 2006 (prohibition on director acting unless ID verified) comes into force.

- (c) *Draft of the Register of People with Significant Control (Amendment) Regulations 2025.* On 30 June 2025, a draft of the Register of People with Significant Control (Amendment) Regulations 2025 was laid before Parliament (see also the draft explanatory memorandum). These regulations make some amendments to new requirements relating to 'People with Significant Control' of companies that were introduced by ECCTA 2023. The amendments are needed to ensure that certain information that was previously reported to Companies House is still reported when the ECCTA 2023 requirements take effect. These regulations come into force immediately after section 790LA CA 2006 (duty to notify registrar of confirmed persons with significant control) comes fully into force.
- (d) *Draft of the Economic Crime and Corporate Transparency Act 2023 (Consequential, Incidental and Miscellaneous Provisions) Regulations 2025.* On 30 June 2025, a draft of the Economic Crime and Corporate Transparency Act 2023 (Consequential, Incidental and Miscellaneous Provisions) Regulations 2025 was laid before Parliament (see also the draft explanatory memorandum). These regulations make changes to various pieces of primary and secondary legislation which are consequential on changes made to company law by ECCTA 2023. These regulations come into force at the same time as section 43 ECCTA (prohibition on director acting unless ID verified) comes into force.
- (e) *Company Directors (Duties) Bill.* On 27 June 2025, the Company Directors (Duties) Bill was published. The Bill was introduced by Liberal Democrat MP Martin Wrigley as a Private Member's Bill. The Bill proposes to amend section 172 CA 2006 to require company directors to balance their duty to promote the success of the company with duties in respect of the environment and the company's employees. The Bill had its second reading on 4 July 2025.
- (f) *Companies House business plan.* On 17 June 2025, Companies House published its business plan for 2025 to 2026.
- (g) *Second progress report on the implementation of ECCTA 2023.* On 16 June 2025, the Government published a second progress report on the implementation and operation of Parts 1 to 3 of ECCTA 2023.

## **5.2 Corporate governance**

- (a) *QCA launches new series of boardroom guides.* The QCA announced the launch of three new boardroom guides, being an updated version of the QCA Remuneration Committee Guide, an updated version of the QCA Audit Committee Guide and a new QCA Nomination Committee Guide. Each guide acts as a companion guide to the QCA Corporate Governance Code and works alongside the QCA Environmental

and Social Guide. QCA members can access the guides for free and non-QCA members can buy the guides at a cost of £280 each.

- (b) *The UK Stewardship Code 2026.* On 3 June 2025, the FRC announced the publication of an updated version of its Stewardship Code. The Stewardship Code 2026 takes effect from 1 January 2026 and aims to support long-term sustainable value creation while significantly reducing the reporting burden for signatories. The FRC has also published a feedback statement to its consultation on the revised Stewardship Code and a short summary document on the Code. The FRC has also published draft guidance to assist applicants with reporting to the UK Stewardship Code 2026. Comments on the draft guidance should be sent to the FRC by 31 August 2025.

### **5.3 Reporting and disclosure**

- (a) *IFRS Foundation guidance on disclosures about transition plans.* On 23 June 2025, the IFRS Foundation announced the publication of a new guidance document on disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2, as part of its commitment to supporting the implementation of IFRS Sustainability Disclosure Standards.
- (b) *CSRD and CSDDD.* On 23 June 2025, the Council of the EU announced that it has agreed its negotiating position on the Commission's proposal for an Omnibus Directive simplifying the CSRD and CSDDD by reducing the reporting burden and limiting the trickle-down effect of obligations on smaller companies.
- (c) *Updated GC100 and Investor Group Directors' Remuneration Reporting Guidance.* On 5 June 2025, the GC100 and Investor Group published a revised version of its Directors' Remuneration Reporting Guidance. The updates to the guidance stem from evolving best practice and the changes introduced by the Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025. The updates also provide clarification on the overlapping requirements of the UK Corporate Governance Code on significant votes against any resolution, employee consultations and workforce pay and conditions.

### **5.4 Equity capital markets**

- (a) *New FCA Handbook website.* On 4 July 2025, the FCA announced that it has launched a new and improved Handbook website. This is a beta version and so the FCA welcomes feedback. The FCA expects to fully roll out the new Handbook website later in the year. The FCA has also published how-to guides and FAQs.
- (b) *Minor amendments to UKLRs.* On 25 June 2025, the FCA made UK Listing Rules (Amendment) Instrument 2025. This instrument amends UKLR 11.5.5R (relevant related party transactions) to include a requirement from the old Listing Rules (LR 11.1.7R(4)) which, in summary, had the effect of requiring the company to exclude

the related party and their associates from voting on the shareholder resolution on the related party transaction. This amendment to UKLR 11.5.5R corrects an unintended omission. The instrument also makes a related minor amendment to remove wording that is no longer relevant in UKLR 11.6.6R. The instrument came into force on 27 June 2025.

- (c) *EU prospectus regime.* On 12 June 2025, ESMA announced the publication of final reports on the EU Prospectus Regulation and on civil prospectus liability. These reports provide recommendations meant to facilitate capital market activity by reducing regulatory burden and also include the results of ESMA's call for evidence on civil prospectus liability.
- (d) *Updated FCA Enforcement Guide.* On 3 June 2025, the FCA announced the publication of an updated version of its Enforcement Guide. The FCA also published its policy statement on its Enforcement Guide and greater transparency on its enforcement investigations (PS25/5) (see also PS25/5 webpage). To distinguish the archived previous version of the Enforcement Guide (EG) with the updated version, the FCA is abbreviating the new version as ENFG. The Enforcement Guide Instrument 2025 (FCA 2025/9), which creates the new ENFG and revokes the old EG, came into force on 3 June 2025. The Enforcement Guide (Consequential Amendments) Instrument 2025 (FCA 2025/18), which makes consequential amendments to the FCA Handbook, including the UKLRs and the DTRs, also came into force on 3 June 2025.

## **5.5 MAR**

- (a) See item 5.9(c).

## **5.6 Auditing and accounting**

- (a) No items to consider.

## **5.7 Takeovers**

- (a) See minutes 3.3, 4.3 and 4.7.

## **5.8 Miscellaneous**

- (a) *Draft of the Limited Liability Partnerships (Application and Modification of Company Law) Regulations 2025.* On 30 June 2025, a draft of the Limited Liability Partnerships (Application and Modification of Company Law) Regulations 2025 was laid before Parliament. These regulations apply company law provisions concerning identity verification, prohibitions on the appointment of disqualified directors and the removal of the requirement to keep certain 'local' registers of information relating to directors and PSCs, as reformed by ECCTA 2023, to LLPs. Most of the provisions come into force when section 167M CA 2006 (prohibition on director acting unless ID verified) comes into force.



- (b) *IoD paper on AI Governance in the Boardroom*. On 26 June 2025, the IoD published a paper on AI Governance in the Boardroom.
- (c) *DBT industrial strategy*. On 23 June 2025, DBT published a policy paper entitled 'The UK's Modern Industrial Strategy' which sets out the Government's approach to industrial strategy, being a 10-year plan to significantly increase business investment in eight growth-driving sectors by making it quicker and easier for businesses to invest and providing them with the certainty and stability needed for long-term investment decision. The eight sectors are advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, financial services, life sciences and professional and business services. The policy paper states that: (i) there will be a consultation on updating the definitions of the 17 sensitive sectors subject to mandatory notification under the NSI Act 2021; (ii) DBT will shortly announce specific new exemptions to the mandatory notification regime; (iii) DBT will consult on streamlining non-financial reporting requirements under the CA 2006; and (iv) DBT will consult on how to design and implement a UK corporate re-domiciliation regime.
- (d) *CMA consultation on changes to its mergers guidance and mergers notice template to reflect '4Ps' framework*. On 20 June 2025, the CMA announced the publication of a consultation on proposed changes to its mergers guidance on jurisdiction and procedure (CMA2) and to the mergers notice template. The proposed changes are designed to embed the CMA's new '4Ps' (pace, predictability, process and proportionality) framework into the mergers processes. The consultation closes on 1 August 2025.
- (e) *The Register of Overseas Entities (Annotation) Regulations 2025*. The Register of Overseas Entities (Annotation) Regulations 2025 were made on 2 June 2025 and laid before Parliament on 6 June 2025 (see also the explanatory memorandum). Previously, the Registrar's authority to annotate the Register of Overseas Entities (**ROE**) was limited to correcting misleading or confusing information. These regulations extend the Registrar's discretionary power to annotate the ROE in additional circumstances. They came into force on 30 June 2025.

## 5.9 Cases

- (a) *Inspired Education Online Ltd v Crombie [2025] EWHC 1236 (Ch)*. In almost direct contrast to another High Court judgment (*Hughes v CSC Computer Sciences Ltd [2025] EWHC 302 (Comm)*), which was considered at the meeting of the Committee held in March 2025), the High Court has found that a requirement for the Seller to "notify the Buyer in writing" whether it agreed with the Buyer's draft of completion accounts was not subject to the formal notice provisions in the SPA governing "any notice given to a party under or in connection with this Agreement". In this case, the Seller had emailed (permitted by the formal notice provisions) his objections to the draft completion accounts to the person at the Buyer who was in fact dealing with

the completion accounts, rather than the contact named in the formal notice provisions. The judge distinguished between the use of the term "*notice*" in the formal notice provisions and the formulation "*notify the Buyer in writing*" in the completion accounts provisions, remarking that the latter implied a less formal process than would be the case where "*a notice*" must be given. The judge also pointed to the use of the additional term "***any*** written notification" in the completion accounts provisions, which "*plainly*" signalled an intention that there could be a number of ways in which the notification could be given, and referred to the commercial purpose of the clause and what businessmen in the position of the parties would treat as reasonable, finding that they would not expect formal notice to be provided to the identified individual in the formal notice provisions as long as the Seller's position was made clear to the Buyer in some form of written notification. Separately the High Court also found that the duties of directors under the CA 2006 "*plainly*" fell within the scope of a 'compliance with laws' warranty that "*the Company and all of its directors...have at all times complied...with all applicable laws...in the UK*".

- (b) *Saxon Woods Investments Limited v Francesco Costa* [2025] EWCA Civ 708. This Court of Appeal decision in respect of a petition for unfair prejudice under section 994 CA 2006 concerned a company chairman who was found to have caused the company to breach its obligations in a shareholders' agreement to work in good faith towards an exit no later than 31 December 2019. The judgment contains an interesting analysis of the scope and content of the directors' duty in section 172 CA 2006 in relation to the meaning of the "*good faith*" requirement in section 172 and whether the duty is purely subjective or includes an objective element. The Court of Appeal held that "*...section 172 requires a director, in all he does, to act in good faith towards the company, in the way he considers would be most likely to promote the success of the company for the benefit of its members as a whole; and the requirement that the director acts in good faith includes, as a core fiduciary duty, a requirement that the director acts honestly towards the company*". The Court of Appeal observed that "*the test as to whether a person has acted honestly or dishonestly requires an objective assessment of the conduct of the relevant person, in the light of the facts as they knew or believed them to be when they embarked on their course of conduct*". The test for honesty or dishonesty in this context involves first ascertaining the actual state of the individual's knowledge or belief as to the facts and then applying the objective standards of ordinary decent people to determine the question of whether the individual's conduct was honest or dishonest (as summarised in paragraph 74 of *Ivey v Genting Casinos (UK) Ltd* [2017] UKSC 67). In the Court of Appeal's view, the High Court judge's finding that the chairman had misled, and concealed matters from, the board could only have led to a finding that he was behaving dishonestly and, therefore, in breach of his fiduciary duty under section 172. The chairman was ordered to buy the minority

shareholder's shares, as it would be unjust to leave it with a continuing investment in a company controlled and managed by a person willing to act in such manner.

- (c) *Craig Francis Donaldson and David Thomas Arden v The Financial Conduct Authority [2025] UKUT 00185 (TCC)*. The UK Upper Tribunal (Tax and Chancery Chamber) has upheld the FCA's decision to sanction two former executive directors of a listed company (Metro Bank) for being 'knowingly concerned' in the company's breach of LR 1.3.3R. The breach arose as the company's Q3 trading update contained statements about its capital ratios and risk-weighted assets that were known to be materially incorrect and were unqualified. The Tribunal confirmed the test to be applied to the executives' conduct in making such a determination. The Tribunal directed the penalties set by the FCA to be reduced by 25%. This was to reflect the individuals' co-operation with the FCA and steps they took to remediate the company's breach.

2 September 2025