

THE CITY OF LONDON LAW SOCIETY
COMPANY LAW COMMITTEE

Minutes

for the 337th meeting
at 9:00 a.m. on 28th January 2026

1. **Welcome and apologies**

In attendance: Paul Arathoon (*Charles Russell Speechlys LLP*); Adam Bogdanor (*Bryan Cave Leighton Paisner LLP*); Richard Burrows (*Macfarlanes LLP*); Caroline Chambers (*Simmons & Simmons LLP*); Jamie Corner (*Simmons & Simmons LLP*); Andrew Edge (*Taylor Wessing LLP*); Lucy Fergusson (*Linklaters LLP*); Kevin Hart (*City of London Law Society*); Sarah Hawes (alternate, *Herbert Smith Freehills Kramer LLP*); John Holme (alternate, *Hogan Lovells International LLP*); Nicholas Holmes (*Pinsent Masons LLP*); James Innes (*Latham & Watkins LLP*); Marianna Kennedy (*Ashurst LLP*); Vanessa Knapp (*Independent*); Stephen Mathews (*A&O Shearman LLP*); Juliet McKean (Secretary, *Clifford Chance LLP*); James Parkes (*CMS Cameron McKenna Nabarro Olswang LLP*); Ben Perry (*Sullivan & Cromwell LLP*); Jon Perry (*Norton Rose Fulbright LLP*); David Pudge (Chair, *Clifford Chance LLP*); Lucy Reeve (*Chair of the Law Society Company Law Committee*); Allan Taylor (*White and Case LLP*); Simon Tysoe (*Slaughter and May*); Adrian West (*Travers Smith LLP*); Simon Witty (*Davis Polk & Wardwell London LLP*); and Victoria Younghusband (*M.B. Kemp LLP*).

Apologies: Tom Brassington (*Hogan Lovells International LLP*); Ziyad Nassif (*Freshfields LLP*); Caroline Rae (*Herbert Smith Freehills Kramer LLP*); Simon Toms (*Skadden Arps Slate Meagher & Flom (UK) LLP*); Liz Wall (*A&O Shearman LLP*); and Simon Wood (*Addleshaw Goddard LLP*).

2. **Approval of minutes**

A draft version of the minutes of the meeting held on 26 November 2025 was circulated to members on 15 December 2025. The Chair asked members to send any comments on the minutes to the Secretary by the end of this week, otherwise the minutes would be considered settled.

3. **Matters arising**

- 3.1 *Audit reform legislation.* The Chair reported that, on 7 January 2026, DBT confirmed in a written answer to a Parliamentary question that it no longer intends to publish a draft Audit and Corporate Governance Reform Bill in the current session of Parliament. It was noted that the answer states that the Government is prioritising measures to reduce administrative costs for businesses, including DBT's work on modernising corporate reporting. The Chair also reported that, on 20 January 2026, DBT further confirmed that the Government will not be consulting on audit reform legislation and published a letter from the Minister for Small Business and Economic Transformation to the Chair of the Business and Trade Committee setting out the reasons for this. The Chair noted that the letter states that the Government '*will still look to put the Financial Reporting Council on a proper statutory footing, as soon as parliamentary time allows*'.

- 3.2 *Joint CLLS/Law Society Takeovers Working Group*. The Chair noted that, on 14 January 2026, the Joint CLLS/Law Society Takeovers Working Group provided to the Takeover Panel revised versions of the following specimen documents: (i) set of offer conditions; (ii) further terms of the offer; and (iii) admission condition on takeovers. The Chair also noted that Kathy MacDonald had circulated final versions of these specimen documents, which reflect comments from the Panel, and that these documents would be uploaded to the Committee's webpage.
- 3.3 *FCA PMB 58*. The Chair noted that, on 4 December 2025, the Joint CLLS/Law Society Takeovers Working Group submitted a response to the FCA's consultation in PMB 58 on proposed new Technical Note 608 (Content of the prospectus exemption document for takeovers, mergers and divisions). It was noted that FCA PMB 61 (see item 5.4(c) below) contains the final version of new Technical Note 608. The Chair noted that the JWG's response strongly supported the FCA's approach in the guidance in TN 608.1 because, on a contractual offer or scheme which is subject to the UK Takeover Code, it allows the offer document or scheme document to act as the prospectus exemption document for the purposes of admission to trading, provided that the requirements of the admission prospectus exemption in PRM 1.4.9R(2) are met. The Chair noted that this means a separate admission prospectus is not required provided the equity securities offered as consideration are fungible with those already admitted to trading and the transaction is not a reverse acquisition for the purposes of the UK Listing Rules.
- 3.4 *GC100 Guidance for Virtual Meetings of Shareholders – December 2025*. The Chair noted that, on 8 December 2025, the GC100 published its guidance for virtual meetings of shareholders. The published version reflects a limited number of changes from the version previously considered by the Committee.
- 3.5 *CLLS Financial Law Committee note on 'face value' requirement in section 1(2)(a) LP(MP)A 1989*. The Chair reported that the CLLS Financial Law Committee has published its note on the 'face value' requirement for deeds in s.1(2)(a) of the Law of Property (Miscellaneous Provisions) Act 1989 (**LP(MP)A 1989**), in light of *obiter* comments made in *Macdonald Hotels Ltd v Bank of Scotland PLC*. The Chair noted that this follows the Committee's endorsement of the note at the meeting of the Committee held in November 2025. It was noted that the LMA has subsequently confirmed, in a guidance note published on 4 December 2025, that it does not intend to make a change to the testimonium provision in its intercreditor documentation as a result of the *Macdonald* judgment.

4. **Discussions**

- 4.1 *PMSS/CLLS CLC Liaison Committee meeting*. Jamie Corner provided an update on the meeting held on 23 January 2026.
- 4.2 *FCA/CLLS CLC Liaison Committee*. James Inness provided an update on a call with the FCA to explore the 'capital markets' stream of the Transatlantic Taskforce for Markets of the Future held on 16 January 2026.
- 4.3 *Protected forward-looking statements in prospectuses*. Nicholas Holmes provided an update on further discussions both within the Joint Working Group and with the FCA on how to incorporate disclaimers for PFLSs into a prospectus without interrupting the flow of the text. It was noted that FCA PMB 61 (see item 5.4(c) below) contains the final version of new Technical Note 639 (Preparation and presentation of protected forward-looking statements).

- 4.4 *Application of IDV to corporate entities.* Stephen Mathews and the Secretary provided an update on discussions with DBT in respect of how the mandatory identity verification regime should apply to corporate general partners of LPs, corporate members of LLPs and registrable relevant legal entities.
- 4.5 *LP reforms.* Stephen Mathews provided an update on a call with DBT in respect of the implementation of the LP reforms in ECCTA.
- 4.6 *Dematerialisation Market Action Taskforce.* Lucy Fergusson provided an update on the progress made in respect of dematerialisation.

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 item 5.5(a) and the cases in section 5.9.

5.1 **Company law**

- (a) *Updated ECCTA transition plan for Companies House.* On 19 January 2026, Companies House published an updated version of its ECCTA transition plan. The implementation date for the restrictions on who can file documents at Companies House has been postponed until no earlier than November 2026 (from spring 2026). Companies House states that this postponement has been made in order to prioritise the completion of the identity verification transition period for directors and PSCs and to give Companies House more time to address stakeholder feedback.
- (b) *Draft updated statutory guidance for the PSC regime.* On 5 January 2026, DBT laid before Parliament and published a draft updated version of its statutory guidance on the meaning of "significant influence or control" over companies in the context of the PSC regime and its statutory guidance on the meaning of "significant influence or control" over LLPs in the context of the PSC regime. Broadly, the changes reflect the abolition of the requirement for companies and LLPs to maintain a PSC register, as well as minor changes to clarify language used in the current versions of the statutory guidance. Before updating the statutory guidance, drafts must be laid before Parliament for 40 days. If, after 40 days, neither House of Parliament has resolved that the draft statutory guidance should not be approved, then the guidance will be issued and published. Until that time the current versions of the statutory guidance remain in force.

5.2 **Corporate governance**

- (a) *Pensions UK Stewardship and Voting Guidelines 2026.* On 11 December 2025, Pensions UK (formerly PLSA) announced the publication of its Stewardship and Voting Guidelines 2026 (see also the Stewardship Fundamentals and a summary document).
- (b) *QCA report on its Corporate Governance Code.* On 9 December 2025, the QCA announced the publication of a report titled 'Supporting Growth Flexibly', which sets out findings from a review of levels of adoption of the QCA Corporate Governance Code and how it is being applied by the companies that adopt it.

- (c) *Glass Lewis 2026 proxy voting policy guidelines.* On 4 December 2025, Glass Lewis published its 2026 proxy voting policy guidelines for the United Kingdom. The 2026 voting policy guidelines will apply to shareholder meetings held after 1 January 2026.
- (d) *FRC insights on companies' Wates Principles reporting.* On 3 December 2025, the FRC announced the publication of its first reporting insights of the Wates Corporate Governance Principles for Large Private Companies since the Wates Principles were brought in-house at the FRC in 2025. The FRC also published a factsheet that illustrates the Wates Principles 'Apply and Explain' approach, covering how and why it differs from the UK Corporate Governance Code.
- (e) *ISS Proxy Voting Guidelines 2026 updates.* On 25 November 2025, ISS Governance announced the publication of updates to its 2026 benchmark proxy voting policies, including for EMEA, along with an executive summary of the key updates and policy development process. The updated policies will generally be applied for shareholder meetings taking place on or after 1 February 2026. ISS Governance has implemented the changes it proposed in its consultation for UK and Ireland, to address its concerns about 'digitally-enabled' shareholder meetings, so that the new policy clarifies that a 'hybrid shareholder meeting' includes an 'in-person shareholder meeting', which is defined as a meeting in which participating shareholders and board members meet in a specified physical location together and, at such meeting, both shareholders and board members are physically present, enabling direct, in-person interaction.

5.3 Reporting and disclosure

- (a) *UK Sustainability Reporting Standards.* On 8 January 2026, DBT published a letter to the FCA, dated 5 January 2026, which provides an update on the Government's process to finalise the UK SRS. The letter states that DBT anticipates publishing the final version of UK SRS S2 early this year.
- (b) *DBT guidance to reporting on payment data in directors' reports.* On 30 December 2025, DBT published guidance on the statutory requirement for companies to include payment data in their directors' reports.
- (c) *Targeted amendments to IFRS S2.* On 11 December 2025, ISSB announced that it has issued targeted amendments to greenhouse gas emissions disclosure requirements in IFRS S2. The amendments follow feedback from the ISSB's consultation in 2025 and provide relief and clarification to support companies in applying the standard. The amendments are effective for reporting periods beginning on or after 1 January 2027, with early application permitted.
- (d) *PERG's 18th annual report.* On 10 December 2025, the Private Equity Reporting Group announced the publication of its 18th annual report on the private equity industry's conformity with the Walker Guidelines, together with EY's report on the performance of portfolio companies and PwC's guide on good practice reporting by portfolio companies.
- (e) *CSRD and CSDDD simplification proposals.* On 9 December 2025, the Council of the EU announced that the Council's presidency and European Parliament's negotiators had reached a provisional agreement to simplify sustainability reporting and due diligence requirements introduced by the CSRD and CSDDD. On 16 December

2025, the European Parliament announced that it had approved the provisional agreement. The final text must also be formally approved by the Council of the EU and then the directive will enter into force twenty days after its publication in the Official Journal.

- (f) *EFRAG's technical advice on draft simplified ESRS.* On 3 December 2025, EFRAG announced that it has submitted its technical advice to the European Commission on the draft simplified European Sustainability Reporting Standards (**ESRS**), which will be used as the basis for adopting a delegated act to simplify and clarify the ESRS.

5.4 **Equity capital markets**

- (a) *LSE AIM Notice 61.* On 16 January 2026, the LSE published AIM Notice 61, which confirms the amendments to the LSE's AIM Rules for Companies to reflect the implementation of the POATRs regime (see also the published blackline of the changes). The amendments took effect on 19 January 2026.
- (b) *LSE Market Notice N01/26.* On 16 January 2026, the LSE published Market Notice N01/26, which confirms the amendments to the LSE's Admission and Disclosure Standards to reflect the implementation of the POATRs regime (see also the published blackline of the changes). The amendments took effect on 19 January 2026.
- (c) *FCA PMB 61.* On 12 January 2026, the FCA published Primary Market Bulletin 61. In this edition, amongst other things, the FCA: (i) confirmed that on 19 January 2026 it would finalise seven procedural notes and 39 technical notes and delete seven guidance notes in its Knowledge Base to update its guidance for the POATRs regime, following its consultation in PMB 58 (see FG26/1). This includes four new technical notes, including new Technical Note 608 (Content of the prospectus exemption document for takeovers, mergers and divisions) and new Technical Note 639 (Preparation and presentation of protected forward-looking statements) (see minutes 3.3 and 4.3 above); and (ii) advised that it is consulting on proposed changes for the POATRs regime to existing TN 717.2 (Sponsors: Record Keeping Requirements – Primary Market/TN/717.2) (see GC26/1 and the consultation draft).
- (d) *Pre-Emption Group's Annual Monitoring Report.* On 9 December 2025, the Pre-Emption Group announced the publication of its Annual Monitoring Report on the use of its Statement of Principles in disapplying shareholder pre-emption rights by FTSE 350 companies for meetings held between 1 August 2024 and 31 July 2025.
- (e) *FCA Quarterly Consultation Paper No. 50.* On 5 December 2025, the FCA announced the publication of Quarterly Consultation Paper No. 50 (CP25/35) which contains, amongst other things, proposed changes to: (i) simplify its processes and procedures for listing new securities under UKLR 20 and make a small number of minor changes to other UKLR requirements in response to stakeholder feedback; and (ii) amend the rules for the POATRs regime, including corrections to address drafting errors, stylistic changes to achieve consistency and clarifications to explain the scope of certain obligations.
- (f) *PRM forms and checklists.* On 26 November 2025, the FCA published new forms and checklists that should accompany submissions of draft documents prepared under the POATRs regime for issuers seeking approval on or after 19 January 2026,

along with the answers to practical queries that issuers and advisers may have on implementing the new regime.

- (g) *PISCES: HMRC policy papers.* On 26 November 2025, HMRC published an updated version of its technical note on the tax implications for companies and employees in relation to employees trading their shares on PISCES and a policy paper on allowing existing Company Share Option Plan and Enterprise Management Incentives options to become exercisable at a PISCES trading event without losing the tax advantages the schemes offer. See clause 16 of the Finance (No.2) Bill.
- (h) *Stamp Duty Reserve Tax relief for newly listed companies.* On 26 November 2025, HMRC announced a measure that provides a relief from the 0.5% Stamp Duty Reserve Tax charge on agreements to transfer securities of a company whose shares are newly listed on a UK regulated market. The relief will apply to the company's securities for a three year period from the listing of the company's shares. This measure will have effect for agreements to transfer made on or after 27 November 2025 and will apply where the shares of the relevant company are newly listed on or after that date. See clause 82 of the Finance (No.2) Bill.
- (i) *Feedback statement on shaping the future of AIM.* On 21 November 2025, the LSE published AIM Notice 60 which announces the publication of its feedback statement to its discussion paper on 'Shaping the Future of AIM'. In AIM Notice 60, the LSE states that it '*appreciates the level of engagement from stakeholders from across the market which has demonstrated the significant level of support for AIM within the UK's capital markets*'.
- (j) *T+1 settlement in the UK.* On 20 November 2025, HMT published a policy note on mandating T+1 settlement in the UK, together with a draft of the Central Securities Depositories (Amendment) (Intended Settlement Date) Regulations 2026. The regulations are drafted to come into force on 11 October 2027. The UK and the EU are both committed to moving to T+1 on 11 October 2027.

5.5 **MAR**

- (a) *FCA fines former finance directors of Carillion plc (in liquidation) for breaches of MAR and the UKLRs.* On 7 January 2026, the FCA announced that it has fined two former finance directors of Carillion plc for their part in misleading statements being issued by Carillion plc. The press release states that Richard Adam and Zafar Khan were both aware of serious financial troubles in Carillion's UK construction business but failed to reflect this in company announcements or alert the board and audit committee, leading to poor oversight. See the FCA's final notices for Richard Adam and Zafar Khan.

5.6 **Auditing and accounting**

- (a) See item 3.1 (*Audit reform legislation*).

5.7 **Takeovers**

- (a) *Minor amendments to the Takeover Code.* On 15 December 2025, the Takeover Panel published Panel Statement 2025/20 which announces the publication of Instrument 2025/2, which makes minor amendments to the Takeover Code. The amendments will take effect on 4 February 2026.

- (b) *Response statement on dual class share structures, IPOs and share buybacks.* On 2 December 2025, the Takeover Panel published Panel Statement 2025/18 which announces the publication of the Code Committee's response statement to its consultation on dual class share structures, IPOs and share buybacks (RS 2025/1), the individual responses received from the respondents to PCP 2025/1 and Instrument 2025/1, which makes the amendments to the Takeover Code set out in RS 2025/1. The amendments are substantially in the form set out in PCP 2025/1. The amendments will take effect on 4 February 2026 and will apply to all companies and transactions subject to the Code, including ongoing transactions which straddle that date, except where that would give the amendments retroactive effect.

5.8 Miscellaneous

- (a) *UK competition regime consultation.* On 20 January 2026, DBT announced the launch of a consultation on refining the UK competition regime. The aim of the consultation is to ensure that the competition framework continues to promote effective competition, support economic growth and deliver benefits for consumers and businesses, while maintaining the independence of the CMA.
- (b) *Employment Rights Bill receives Royal Assent.* On 18 December 2025, the Employment Rights Bill received Royal Assent becoming the Employment Rights Act 2025.
- (c) *Updated CMA guidance.* On 19 December 2025, the CMA published an updated version of its guidance on jurisdiction and procedure (CMA2) and its guidance on merger remedies (CMA87) to reflect procedural changes to merger remedies.
- (d) *Mergers Involving Newspaper Enterprises and Foreign Powers.* The Enterprise Act 2002 (Mergers Involving Newspaper Enterprises and Foreign Powers) (No.2) Regulations 2025 were made on 15 December 2025 (see also the explanatory memorandum).
- (e) *Property (Digital Assets etc) Bill receives Royal Assent.* On 2 December 2025, the Property Digital Assets (etc) Bill received Royal Assent and came into force as the Property (Digital Assets etc) Act 2025. See also the Law Commission's press release.
- (f) *Modernisation of the Stamp Taxes on Shares Framework.* On 26 November 2025, HMRC announced a measure to introduce a power allowing it to make regulations to enable the testing of a new digital service for the new 'securities transfer charge' (**STC**), which will replace stamp duty and SDRT as part of its plans to modernise the stamp taxes on shares framework. The new digital service will allow taxpayers to self-assess and pay the STC on the off-market transfer of securities, with the aim of digitising and simplifying reporting and payment processes. See clause 274 of the Finance (No.2) Bill.

5.9 Cases

- (a) *Aviva Plc v Litani LLC [2025] EWHC 3134 (Ch).* The High Court has refused an application by a UK plc for a court order to the effect that a request for a copy of its register of members under section 116 CA 2006 was not being made for a 'proper purpose'. The maker of the request (**Requester**) was a Delaware arbitrage business that makes offers to small shareholders of demutualised companies to

buy their shares at a discount to market value, which it then aggregates and sells on. The UK plc argued (amongst other things) that: (i) shareholders who accepted the offer would be economically disadvantaged by virtue of the price discount, given that they could just as easily obtain full value for their shares on the open market (including through the company's own small shareholder dealing service); (ii) for the vast majority of its shareholders who would not receive any offer, allowing the Requester access to the register would serve no good purpose, but would subject them to the risks inherent in the disclosure and processing of their private data by a third party; and (iii) of those shareholders who did receive an offer, it would be an *'unwelcome inconvenience'* for the many who would not accept it. In his reasoning, the judge cited precedent case law from the Court of Appeal that the test for propriety does not depend on whether the proposed use is in the interest of shareholders, and found that whilst the purpose of this request was *'avowedly'* the Requester's commercial profit, such purpose requires *'a flavour of the genuinely exploitative or unscrupulous'* to be improper, and that this is not a context in which the court would seek to regulate merely *'undesirable'* commercial activity. In addition, the propriety of the purpose should be assessed as at the date of the hearing, rather than as at the date of the request (contrary to *obiter* comments in *Sir Henry Royce Memorial Foundation v Hardy* [2021] BCC 705).

- (b) *Webster v ESMS Global Limited* [2025] EWHC 3107 (Ch). The High Court held that the courts have jurisdiction (outside the ambit of an unfair prejudice claim under section 994 CA 2006) to grant injunctive relief to a member of a company where the company has declined or failed to circulate written resolutions proposed at the member's request in accordance with sections 292 and 293 CA 2006. The High Court held *'that on the true construction of this statute, the members of the company were intended to have a private remedy, notwithstanding the imposition of a criminal penalty'* on every officer of the company who is in default for non-compliance with section 293 CA 2006. The High Court granted an injunction requiring the company to circulate the written resolutions, noting that it was *'necessary and appropriate to give effect to the rights of the claimants and their interest in having those rights upheld by the performance by the company of its obligations'* and also granted an ancillary order enabling one of the claimant shareholders, who was a director of the company, to circulate the proposed written resolutions if the company failed to do so.
- (c) *Zvi Dekel v RE Capital Administrators Ltd and others* [2025] EWHC 2976 (Ch). The High Court held that an investor (Mr Dekel) in a company was barred from bringing a personal claim against the defendants in respect of any loss suffered by him as a consequence of alleged breaches by the defendants of a management agreement entered into between the company and the defendants, because such loss would be reflective of the loss suffered by the company in respect of the alleged breaches of the management agreement. The High Court held that, on the facts of the case, the loss alleged to have been suffered by Mr Dekel was suffered by him as a shareholder rather than, as argued by Mr Dekel, as a creditor; the documentation clearly showed that Mr Dekel had subscribed for shares in the company. The case contains a useful reminder of the basis of the rule against reflective loss. Mr Dekel also argued that he had a separate and distinct cause of action to that of the company, and other than as a shareholder of the company, to enforce the terms of the management agreement against the defendants pursuant to s.1(1) of the

Contracts (Rights of Third Parties) Act 1999 (**CRTPA**) in reliance of a third party rights clause in the management agreement. The High Court held that there were no provisions in the CRTPA that could assist Mr Dekel in avoiding the rule against reflective loss.

- (d) *URE Energy Limited v Notting Hill Genesis [2025] EWCA Civ 1407*. The Court of Appeal has dismissed the existence of any rule that as a matter of law a party is deemed to be aware of the contractual terms to which it has expressly agreed. In this case, an energy supply contract entitled the claimant (an energy supplier) to terminate the contract in the event of the passing of a resolution by the customer (a housing association) for its amalgamation without prior approval. The counterparty did ultimately pass a resolution to merge with another housing association (becoming the defendant in this case), having given the claimant notice of the proposed merger, to which the claimant did not respond. Following the subsequent breakdown of their commercial relationship, on new advice from its solicitors the claimant gave notice of termination of the contract on the basis that its approval had not been obtained for the amalgamation. The High Court ruled in favour of the claimant, finding that whilst the claimant had been aware of the amalgamation at the time, it was unaware that this gave it a right to terminate until the subsequent advice from its solicitors and therefore could not have elected to affirm the contract. The defendant sought permission to appeal, including on the grounds that a contracting party must be deemed to have knowledge of the express terms of a contract to which it has agreed. The Court of Appeal dismissed the appeal, finding on the facts that the claimant did not know that it had the right to terminate the contract until the advice from its solicitors.
- (e) *Strand Hanson Ltd v Conduit Pharmaceuticals Ltd [2025] EWHC 3287 (Ch)*. The High Court held that an investment boutique (acting in the capacity of financial adviser) was entitled to recover its fees under its engagement letter with the company, arising from the operation of a so-called 'tail-gunner' clause. The decision is likely to be of interest to banks acting on corporate finance mandates as this type of clause is still permitted in bank engagement letters, as noted in the FCA's policy statement PS 17/13, despite the prohibition on restrictive contractual clauses in COBS 11.A.2.

10 February 2026