

Consultation Paper **CP25/3***

Consultation on further proposals
for firms operating public offer
platforms

January 2025

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How to respond

We are asking for comments on this Consultation Paper (CP) by **14 March 2025**.

You can send them to us using the form on our [website](#).

Or in writing to:

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Chapter 1

Summary

Why we are consulting

- 1.1** This consultation paper (CP) sets out further proposals to support the implementation and operation of the new public offer platform (POP) regime. This regime is designed to facilitate companies making public offers of securities to a broad range of investors outside public markets when raising more than £5m.
- 1.2** The proposed regime for POPs is part of the new Public Offers and Admissions to Trading Regulations 2024 (POATRs), which were made in January 2024. The POATRs will replace the current UK Prospectus Regulation (UK PR).
- 1.3** This CP supplements our broader proposals set out in CP24/13 for POPs and for the wider regime under the POATRs in CP24/12, which we published on 26 July 2024.
- 1.4** In CP24/13, we set out proposals for how our rules would apply to firms operating a POP. In particular, we proposed detailed conduct requirements for firms which will operate POPs, given their important role in facilitating public offers of securities outside of public markets when issuers are raising more than £5m.
- 1.5** In this CP we set out further proposals to amend our Handbook to fully implement the new regime for operators of POPs. This includes certain redress-related proposals, proposed fees and reporting requirements for firms operating a POP, as well as amendments to the Perimeter Guidance manual (PERG).
- 1.6** We are also using this CP to set out our proposed approach to authorising and supervising firms carrying on the new regulated activity of operating a POP.
- 1.7** We seek views and will consider alternative approaches or more targeted changes in all areas described below.
- 1.8** Alongside this consultation, we have also published CP25/2 today. This sets out further proposals for admissions to regulated markets to address non-equity disclosures and proposals to change aspects of the listing rules to supplement CP24/12.

What we want to change

- 1.9** This CP focuses on our approach to, and further proposals to enable, the implementation of the new POP regime. It includes our initial views on how we plan to operate the authorisation gateway for firms wishing to operate POPs and how we intend to supervise these firms. We also cross-refer to CP25/2 with respect to certain enforcement powers that may be relevant in the context of POPs.

- 1.10** At present, a company offering transferable securities to the public can raise capital of up to EUR 8m without having to publish a prospectus. This leaves a gap in regulation which can allow potentially higher risk investments to be offered to the public with limited regulatory touch points (such as the financial promotion regime).
- 1.11** The POATRs and POP regime follow the recommendations of the UK Listing Review in March 2021 and the findings of the Gloster Report into the failure of London Capital & Finance (LCF), with both subject to further consultations by His Majesty's Treasury (the Treasury). The new regime seeks to generally allow more targeted regulation of offers of securities by companies where they are not being admitted to a public market. In this context, it will also ensure robust regulation of offers of securities such as 'mini-bonds' given the higher risks and past losses experienced by investors.
- 1.12** Companies seeking to make public offers of securities outside a public market, to a broad investor base, and where the value of the offer is more than £5m, will need to do so via a POP. The FCA has powers to make rules applying to firms operating a POP, such as those proposed in this consultation.
- 1.13** In CP 24/13 we set out our initial proposals on whether investors and issuers should have access to the Financial Ombudsman Service (Financial Ombudsman) and Financial Services Compensation Scheme (FSCS) in relation to the activities of firms operating POPs. We are now consulting on specific changes to the Handbook, including:
- The extension of the compulsory jurisdiction of the Financial Ombudsman to the new regulated activity of operating a POP.
 - The fees we propose to charge POP operators, including the Financial Ombudsman- and FSCS-related levies.
- 1.14** We also intend to adapt our regulatory framework to accommodate the new regulated activity of operating a POP more broadly. Following our proposals in CP24/13, where we explained that firms operating a POP will need to comply with more general rules in the Handbook alongside POP-specific requirements, we propose additional consequential amendments to ensure wider rules, such as reporting requirements, are applied as we intend to the new regulated activity.
- 1.15** Finally, we propose to make some amendments to PERG to provide guidance on the POP regime, in particular to help firms identify the permissions they are likely to require when they are involved in facilitating offers of securities to the public.
- 1.16** We are also taking the opportunity to consult on additional guidance on the recently implemented regime for firms approving the financial promotions of unauthorised persons.
- 1.17** Specifically, we propose new guidance on interpreting the legislative exemptions, which set out the circumstances in which firms do not require permission to approve financial promotions. We expect this to be particularly relevant when firms operating POPs take responsibility for approving issuers' financial promotions. This guidance should be helpful to firms proposing to operate POPs in determining whether they also require permission to approve financial promotions.

Outcome we are seeking

- 1.18** This CP aims to ensure that we have in place a comprehensive set of regulatory requirements for firms operating POPs when the regime comes into force. It is also intended to ensure that firms understand our proposed approach to authorising and supervising firms carrying on this new regulated activity.
- 1.19** Specifically, these proposals aim to clarify how firms can submit their applications at the authorisation gateway point and how a transitional regime could operate. In setting out our preferred approach to authorisation and supervision we aim to ensure the smooth implementation of the POP regime.
- 1.20** In all the other areas where the main purpose is to adapt the POP regime to existing regulatory provisions in the Handbook, we expect these to assist the consistent implementation of the new regime for POPs across various relevant areas.
- 1.21** The overall outcomes we are seeking remain as set out in CP24/13 for the new POP regime.
- 1.22** We have carefully considered how the framework can strike an appropriate balance between encouraging issuer capital raising, and ensuring an appropriate degree of protection for consumers and market integrity.

Who needs to read this document

- 1.23** This document should be read by:
- companies who are considering making a public offer
 - firms considering becoming POP operators (eg, crowdfunding operators, corporate finance firms, etc)
 - investors
 - investment advisors
 - law firms advising on public offers
 - accountancy firms
 - other firms or professional bodies involved in public offers
 - relevant trade associations and representative groups
 - academics and other stakeholders interested in capital markets

Measuring success

- 1.24** Given the nature of these further, minor proposals, the success measures remain those we set for the broader regime as detailed in CP24/13. We consider this CP contributes to those, particularly in how we expect to implement the regulatory regime for firms carrying on the new regulated activity of operating a POP.

- 1.25** Even though, in most cases, capital raising depends on factors other than regulation, we expect our proposals to support future capital raises both in terms of number and amount raised per public offer. In this context, our proposals require POPs to make certain supervisory reports to us will also provide relevant data to assess how effectively the regime has been adopted and implemented.

Next steps

- 1.26** We welcome responses to this further consultation by 14 March 2025.
- 1.27** We are still analysing the feedback received to CP24/13 and intend to follow a similar process for the feedback to this CP.
- 1.28** As stated in CP24/13, we plan to publish final rules for the POATR framework as a whole, including rules for firms operating a POP, in summer 2025. After the publication of our final rules, and subject to agreement with the Treasury, we anticipate bringing the new regime for POPs into force in January 2026 alongside the broader POATR framework.
- 1.29** As detailed in Chapter 3, this final step is also linked to a potential transitional regime for certain prospective POP applicants. We welcome any comments on the proposed implementation timeline, particularly in terms of adequacy and feasibility for firms considering applying for the permission to operate a POP.

Chapter 2

The wider context

- 2.1** As noted above and detailed further in CP24/12 and CP24/13, our proposals follow the new legislative framework established by the Government through the POATRs, which were made in January 2024. This new regime introduced a regulatory architecture for public offers and admissions to regulated markets and primary Multilateral Trading Facilities (MTF) different from that inherited from EU legislation and reflected in the current UK PR. The legislative approach to treat public offers and admissions to trading separately underlies the basis for the creation of the new regulated activity of operating a POP.
- 2.2** Under the POATRs, firms will need to hold the appropriate permission for operating a POP to facilitate public offers above £5m of a wide range of securities. Public offers of relevant securities not made by means of a regulated platform and not otherwise exempt under Schedule 1 to the POATRs, will breach the prohibition of public offers under Regulation 12 (prohibition of public offers of relevant securities) of the POATRs. The securities within the scope of the POATRs include certain transferable and non-transferable securities.
- 2.3** Firms operating a POP will need to comply with specific requirements in our rules. We set out detailed proposals as part of CP24/13 published in July 2024, and we are continuing to analyse responses to it. This CP supplements those provisions by setting out further proposals in areas such as redress, supervisory reporting, other consequential changes, and explaining our proposed approach to authorising firms as the new regime comes into force.

How it links to our objectives

Consumer protection

- 2.4** Given the largely consequential nature of this consultation paper, our primary consideration of achieving an appropriate degree of protection for consumers is addressed in the context of our initial proposals made in CP24/13.
- 2.5** Nonetheless, we consider that our approach to authorisations and supervision in this CP are key to ensuring we have the tools to gather information on firms and assess them properly, both at entry point and on an ongoing basis (as applicable).
- 2.6** We are also proposing that POP users will be able to bring complaints to the Financial Ombudsman. This will further support consumer protection by ensuring consumers can refer complaints to the Financial Ombudsman to seek to resolve any disputes involving them and operators of POPs in a fair, transparent and impartial way.

Market integrity

- 2.7** We will only grant firms permission to operate a POP where we are satisfied that they will satisfy, and continue to satisfy, the Threshold Conditions. As part of this assessment, we will expect firms to be able to demonstrate that they are ready, willing, and organised to comply with our requirements.
- 2.8** So, it is important we set out a clear and functional authorisation gateway that ensures only firms meeting our requirements can be authorised to carry out this new regulated activity. This could be supported by a transitional regime to enable a smooth and robust authorisation process.
- 2.9** Strengthening our capacity to receive information from firms is also aligned with our objective of fostering market integrity. Our proposals on reporting will provide a key source of information for us to monitor, and intervene if necessary, to ensure firms operating a POP are complying with our rules and expectations.

Competition

- 2.10** We considered our competition objective in CP24/13.
- 2.11** This CP builds on our approach to this objective by proposing to extend various requirements that generally apply to authorised firms in the context of operating a POP. In turn, we expect this to create a regulatory level-playing field in areas that tend to be applicable either to regulated activities in general, or to regulated activities closest to that of operating a POP (eg, other investment activities).
- 2.12** Our proposals aim to reduce any potential discriminatory effects (either positive or negative) by ensuring common rules apply where there is a similar risk and underlying rationale for firms operating POPs. This will allow firms to compete fairly and effectively in the interests of consumers.

Secondary international competitiveness and growth objective (SICGO)

- 2.13** We consider our proposals for POPs, specifically our proposed approach to authorisations set out below, can help to make the UK markets attractive from a business standpoint. Our proposed rules aim to support capital raising activity and encourage investment by consumers based on robust but proportionate standards. We aim to limit regulatory burdens on firms operating a POP by adopting a clear approach to authorisation (including the transitional regime), setting a consistent supervisory framework for similar activities, and having clear enforcement procedures.
- 2.14** For more details on how we consider that the new regime for POPs can be relevant to advancing our SICGO, please see CP24/13.

Wider effects of this consultation

- 2.15** This consultation and the regime for POPs should be considered in the context of our wider programme to strengthen the UK's position in global wholesale markets. This has been reflected, for instance, in the overhaul of our listing rules (published in [PS24/6](#)), the payment optionality reform for investment research set out in [PS24/9](#), and our proposals for the new public offers and admissions to trading regime.
- 2.16** Together, these reforms aim to create a more proportionate, disclosure-based regulatory framework, helping create the right regulatory conditions for firms to operate and raise capital in the UK markets. However, this cannot be achieved without recalibrating the risk appetite of investors in a way that supports business funding, and our economy needs to achieve growth. We know that the pursuit of higher, more meaningful economic growth may involve more risk to investors who choose to engage in certain investment opportunities.
- 2.17** We remain committed to setting the appropriate regulatory guardrails so investors can invest with confidence and trust UK markets. Our expectation is that the new regime for POPs balances these risk-taking and reward dynamics appropriately.

Environmental, social & governance considerations

- 2.18** In developing this consultation paper, we have considered the environmental, social and governance (ESG) implications of our proposals and our duty under sections 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net-zero emissions target under section 1 of the Climate Change Act 2008 and environmental targets under section 5 of the Environment Act 2021. Overall, we do not consider that the proposals are relevant to contributing to those targets. We will keep this issue under review during the course of the consultation period and when considering whether to make the final rules.
- 2.19** In the meantime, we welcome your input in response to the consultation on this.

Equality and diversity considerations

- 2.20** We have considered the equality and diversity issues that may arise from the proposals in this consultation paper.
- 2.21** Overall, we do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010 (in Northern Ireland, the Equality Act is not enacted but other antidiscrimination legislation applies). We will continue to consider the equality and diversity implications of the proposals during the consultation period and will revisit them when making the final rules.
- 2.22** We welcome any further views in response to this consultation to inform our initial assessment.

Chapter 3

Implementation aspects of the new public offer platform regime

- 3.1** This chapter sets out how we intend to authorise firms applying for permission to operate a POP. As part of this, we explain that we are exploring with the Treasury the possibility of having a transitional regime for existing authorised persons who apply for permission to carry on the new regulated activity and how that might operate.
- 3.2** This chapter also sets out our proposed approach to supervision and, on certain aspects, enforcement in relation to the new activity of operating a POP. The latter also cross-refers to CP25/2 also published today.

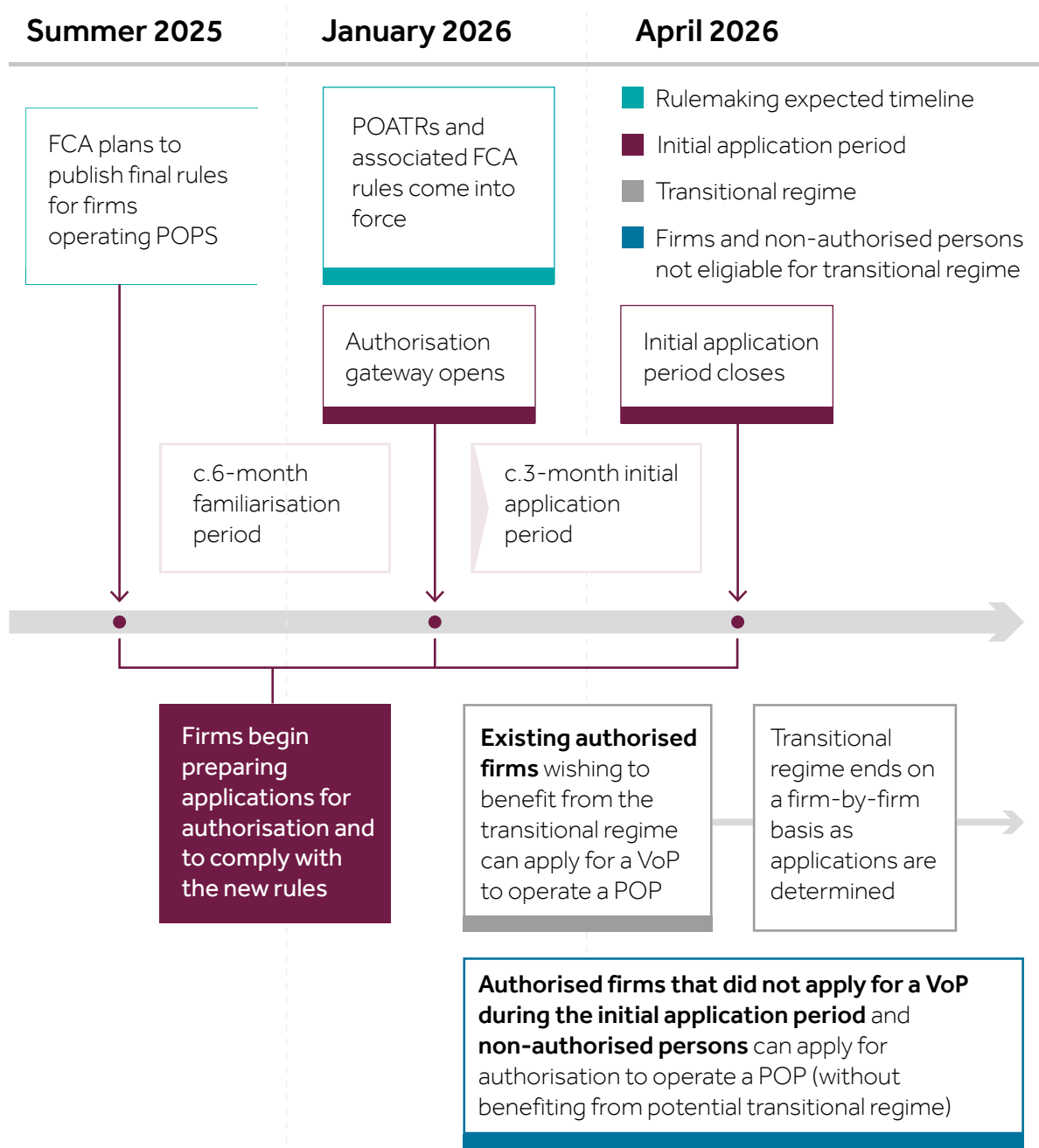
Our proposed approach to authorisations and a transitional regime

- 3.3** Firms applying for authorisation to operate a POP should familiarise themselves with our authorisation process.
- 3.4** Further to this, we set out below our proposed approach to granting firms permission to carry out the new regulated activity of operating a POP. It is important to note that the approach below is contingent on possible legislative changes, so we are also engaging with the Treasury on this.
- 3.5** As noted, we intend to publish final rules on the new regime for POPs in summer 2025. To allow firms sufficient time to prepare for the new regime, we are proposing that these new rules would apply from January 2026 alongside the full POATRs coming into force. This would give firms interested in operating a POP a c.6-month period to familiarise themselves with our final rules and start preparing their application to us to request a Variation of Permission (VoP) or for new entrants to consider applying for authorisation. We particularly encourage existing firms considering applying for a VoP during the potential initial application period described below to use this familiarisation period to engage with the FCA through, for example, the FCA's Pre-Application Support Service.
- 3.6** The new prohibition on making public offers will apply as soon as the POATRs fully enter into force, which would specifically affect any offers above £5m intended for a wide investor base that could not otherwise benefit from other exceptions in Schedule 1 to the POATRs.
- 3.7** Given this, we are exploring with Treasury the option of a transitional regime that would allow existing authorised firms to be treated as holding a Part 4A permission for operating a POP during the period in which we are assessing their application for carrying on the new regulated activity, provided that they have submitted a VoP application to us within a specified time period following the opening of the gateway. Considering the c.6-month familiarisation period before the authorisation gateway

opens, which firms can use to prepare applications and future compliance with our rules, our provisional view is that this initial VoP submission period enabling firms to benefit from a 'temporary' permission could last for 3 months.

- 3.8** After this initial period, firms could still apply for the new permission at any time, but would not benefit from being able to conduct POP activity on a temporary permission basis while we review their application. Instead, firms would have to wait for us to determine their application to carry out this activity under our usual process and timelines.
- 3.9** Subject to legislation, we anticipate a transitional regime on the basis that it:
- applies from the point at which a firm has submitted its VoP application (during the limited initial application window) for permission to carry on the new regulated activity, and
 - ceases, on a firm-by-firm basis, when we determine the application or if and when the applicant withdraws its application
- 3.10** The approach described above is broadly diagrammed in Figure 1.

Figure 1: Timeline for authorisation and potential transitional regime



3.11 It is important to note that the time limits for us to determine a complete or incomplete VoP under S.55V of FSMA are 6 and 12 months, respectively.

3.12 For a firm in the transitional regime:

- If the application is successful, the authorised firm could continue to carry on the regulated activity of operating a POP uninterrupted; if we refuse the application, the authorised firm would need to cease this regulated activity immediately.
- In the case of a VoP refusal or withdrawal, our provisional view is that public offers facilitated by an authorised firm should remain unaffected because the offer would still have been lawfully made under the transitional regime. For the avoidance of

doubt, we consider that this should only apply to public offers facilitated before the refusal or withdrawal dates (as applicable). We will consider with the Treasury how any legislation might address this scenario.

- 3.13** In this interim period, firms temporarily allowed to operate as POPs would need to comply with all aspects of the new regime for POPs. This includes not only the requirements specific to the POP regime we propose in this CP and in CP24/13, but also other existing Handbook requirements that would apply to POP operators, such as the Threshold Conditions and the Principles for Businesses.
- 3.14** Although we are of the provisional view that public offers should not be affected where they are facilitated by POP operators with temporary permission whose applications are subsequently refused or withdrawn, we consider that such firms should remain subject to any requirements in respect of such offers. For example, we have proposed in CP24/13 that POP operators be required to take certain steps on becoming aware of significant new information, material mistakes or inaccuracies during the period in which a public offer is open. We consider that, in the interests of consumer protection and market integrity, a firm would still need to comply with these requirements in respect of live offers even if its application was refused or withdrawn during the offer period.
- 3.15** We acknowledge that this approach may create a slight mismatch between potential demand from companies to issue securities for capital raises above £5m via a POP (if immediate upon the rules going live) and when firms are deemed to hold the relevant Part 4A permission to facilitate such offers, which could be contingent on the submission of a VoP application by the latter.
- 3.16** However, we think the risk described above should not represent a significant practical disruption to the market, given that:
- firms interested in operating a POP are likely to have had a familiarisation period of around 6 months (ie, between the point at which we publish final rules and they enter into force), which should give them a reasonable amount of time to prepare – and thus submit – their VoP very shortly after the authorisation gateway opens, and
 - the familiarisation period would give these firms enough time to build a pipeline for public offers above £5m, thus gauging initial demand and incentivising an early submission of a VoP application to the FCA
- 3.17** We also expect firms benefiting from this transitional regime to be involved in approving financial promotions in the context of the offers they facilitate. So, subject to the Treasury's agreement, we propose that firms which benefit from the transitional regime are also deemed as holding the relevant permission to approve financial promotions, to the extent that they are not otherwise already lawfully able to provide such approvals.
- 3.18** Were it not possible to have a temporary transitional regime as envisaged above, there would be two likely alternative scenarios:

- a. Our rules and the new POATRs take effect as of January 2026 with VoP or new authorisation applications being possible from the same point in time, however without a transitional regime no activity could occur until an application was determined and permission granted by the FCA. As mentioned above, applications for authorisation or VoP would be subject to the statutory deadlines for determination set by legislation; namely 6 months for us to consider a completed application and up to 12 months where an application is not initially complete.
- b. The overall commencement date of the new regime could be deferred to later into 2026 to enable applications for the new permission to be made ahead of the regime coming fully into force – however this would seem undesirable as it would delay the overall POATR changes and still not necessarily guarantee firms seeking authorisation or a VoP would be granted the necessary permission before the regime came into full effect if that pre-commencement authorisation window was shorter than 12 months.

3.19 We would therefore welcome views on the possibility of a transitional regime as described above to help further inform our engagement with the Treasury, and in particular any evidence of possible capital raising activity that may be prevented in certain scenarios.

3.20 In terms of our application process, we plan to have an annex specific to the regulated activity of operating a POP that would supplement our authorisation common form. This annex would address specific requirements applicable to firms operating a POP as ultimately determined following our proposals in CP24/13 and the feedback to it including, by way of example, processes/personnel in place to enable compliance with the POP specific conduct rules.

Question 1: Do you have any comments on the proposals that we are discussing with the Treasury for a transitional regime that would enable authorised persons to carry on the new regulated activity of operating a POP while their application for the new permission is being determined? Y/N. If not, please specify why.

Question 2: Do you agree that any such transitional regime should be based on authorised persons having submitted an application for a VoP during an initial application window, and that the proposed initial period would be 3 months? Y/N. If not, please specify why.

Question 3: Do you have any other comments on our proposed approach to granting permission to carry on the new regulated activity of operating a POP set out in this section?

Our proposed approach to supervision

- 3.21** In CP24/13 we said we intended to consult further on our supervisory approach as part of a follow-on CP. However, we have already consulted on some elements such as the list of data reporting items described in Annex 3 of CP24/13, which we intend to use as part of our routine supervisory work.
- 3.22** Integrating the new regulated activity of operating a POP into our broad supervisory framework will allow us to oversee its conduct in line with the way we generally supervise firms, including considering what data we need to obtain from POP operators. One important step towards that is to add the new activity to our Integrated Regulatory Reporting (IRR) framework set out in SUP 16.12. Our IRR is based on 13 Regulated Activity Groups (RAGs).
- 3.23** Requiring a firm operating a POP to report based on one of the existing RAGs will allow us, on a periodic basis, to receive returns on, among others, financial information on firms operating a POP. Other reports may also apply, for instance, depending on the prudential requirements applicable to a specific firm operating a POP. These requirements are generally described in the Prudential Requirements section in Chapter 5 of CP24/13.
- 3.24** Taking into account our supervisory needs, as well as the aim to be broadly consistent across regulated activities similar to operating a POP, we propose to include the new regulated activity of operating a POP as part of RAG 3.
- 3.25** In CP24/13, we also discussed extending our complaints reporting rules to this new regulated activity. If we confirm such proposal, we do not propose to amend the form in DISP 1 Annex 1. Instead, we would expect firms operating a POP to report complaints data under the existing entries that refer to 'platforms'.
- 3.26** In addition, and in line with the scope of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs), we also consider POP operators will need to submit the Financial Crime Report if they have a total revenue of £5m or more as at their previous accounting reference date (if they are not required to submit for other reasons). So, we are proposing to include the regulated activity of operating a POP in the table at SUP 16.23. Firms operating a POP will also need to familiarise themselves with the process and associated return to pay the Economic Crime Levy (ECL).
- 3.27** The above reports are not intended to represent a comprehensive list of all the supervisory returns POP operators may need to submit to us. As mentioned elsewhere, firms operating POPs will need to comply with baseline requirements in the Handbook. Such requirements may, depending on the specific circumstances of each firm, entail the submission of additional data elements to those specifically addressed in this section.

Question 4: Do you agree with our proposal to include the new regulated activity of operating a POP as part of RAG 3? Y/N. If not, please specify why.

Question 5: Do you agree with our proposal to extend complaints reporting to firms operating POPs via the existing entries for 'platforms' in DISP 1 Annex 1? Y/N. If not, please specify why.

Question 6: Do you agree with our proposal to require firms operating POPs with at least £5m of total reported revenues at their previous accounting reference date to be required to submit the Financial Crime Report? Y/N. If not, please specify why.

Our proposed approach to specific enforcement powers

3.28 Given the overarching nature of the enforcement powers in the POATRs, these are also relevant in the context of public offers facilitated via a POP operator. We have set out detail on how we intend to use such powers in Chapter 6 of CP25/2 also published today.

Chapter 4

Redress and fee changes relating to public offer platforms

- 4.1** This chapter covers our proposals to extend the compulsory jurisdiction (CJ) of the Financial Ombudsman to the new regulated activity of operating a POP, and also the relevant fees and redress-related levies (FCA, Financial Ombudsman and FSCS) that we propose should be charged to POP operators.
- 4.2** This chapter also covers the Financial Ombudsman's proposal not to extend its voluntary jurisdiction (VJ) to cover complaints about this activity. As such, this part of the consultation is issued jointly by the FCA and the Financial Ombudsman.

Compulsory Jurisdiction of the Financial Ombudsman Service

- 4.3** The Financial Ombudsman is an independent body set up by Parliament to resolve certain complaints between eligible complainants and businesses that provide financial services. Its role is to resolve these disputes quickly and with minimum formality, on the basis of what is fair and reasonable in all the circumstances of the case.
- 4.4** We are responsible for making the rules for the complaints that can be considered under the CJ of the Financial Ombudsman. Rules in our *Dispute Resolution: Complaints sourcebook (DISP)* cover, among other things, what kinds of eligible complaints the Financial Ombudsman can consider under the compulsory jurisdiction and who is eligible to complain. Having the Financial Ombudsman consider complaints helps to build eligible complainants' trust that they will get a fair outcome when they complain, whether that is to the POP operator initially, or the Financial Ombudsman (if the complainant is dissatisfied with the POP operator's response).
- 4.5** To encourage investor confidence in POP operators, we want to maintain a consistent approach to Financial Ombudsman CJ coverage for operating a POP as for other similar regulated activities (such as investment-based crowdfunding).
- 4.6** We propose that investors who are eligible complainants under DISP can refer complaints made about a POP operator to the Financial Ombudsman when they are not satisfied with how the operator has handled their complaint. Issuers of securities seeking to raise capital through a POP operator could in principle also complain about a POP operator's activities if they meet the eligibility criteria set out in [DISP 2.7](#).
- 4.7** Access to the CJ of the Financial Ombudsman does not prevent companies who are raising capital via a POP, or investors, from taking action through the courts if they believe a POP operator had breached contractual terms or other legal obligations.

Question 7: Do you agree with the proposed extension of the Financial Ombudsman’s compulsory jurisdiction to the new regulated activity of operating a POP? Y/N. If not, please specify why.

Question 8: Do you agree with our decision not to make changes to the existing categories of eligible complainant? Y/N. If not, please specify why.

Voluntary Jurisdiction of the Financial Ombudsman Service

4.8 The Financial Ombudsman also oversees its own VJ that covers some types of complaints not covered by the CJ and in which financial services firms may choose to participate. The Financial Ombudsman does not plan to mirror the FCA’s proposed extension to the CJ in the VJ. Given the nature of the regulated activities in question, the fact that complaints about them will already be covered by the CJ, and the limited additional scope that any extension of the VJ could in theory cover, the Financial Ombudsman considers it is unnecessary to mirror the changes in the VJ.

4.9 As a result, the Financial Ombudsman proposes to make certain amendments to the VJ rules, guidance and standard terms, to make clear that the changes the FCA is making to the scope of the CJ for POPs will not be replicated in the VJ.

Question 9: Do you agree with the Financial Ombudsman’s proposal not to mirror the changes that the FCA is making to the CJ for POPs in the VJ? Y/N. If not, please specify why.

Fees (including Financial Ombudsman Service and FSCS levies)

FCA periodic fees

4.10 This section sets out our proposed approach to setting periodic fees for firms operating a POP. These are the annual fees that authorised firms pay to us. To determine how much to collect from firms with different permissions, we group fee-payers undertaking similar activities into fee-blocks. This allows us to broadly allocate the costs of regulating those activities to the relevant fee-block. We then calculate the annual fee that needs to be collected for us to recover our costs.

4.11 As we set out in CP24/13, the activity of operating a POP will be similar to the activities currently undertaken by investment-based crowdfunding firms. Investment-based crowdfunding firms fall into fee-block A.13 (‘Advisors, arrangers, dealers or brokers’), with the permissions of ‘arranging (bringing about) deals in investments’ and/or ‘making arrangements with a view to transactions in investments’.

- 4.12** Given the similarities between the new activity of operating a POP and the activities undertaken by investment-based crowdfunding firms in the A.13 fee-block, we propose to add firms operating POPs to the A.13 fee-block.

FCA application fees

- 4.13** Our rules require firms to pay a fee to submit their application for authorisation to us. To keep the structure of application fees simple, we allocate our charges into 10 standard pricing categories, currently ranging from £270 to £217,500. We uprate our application fees annually to account for inflation, and avoid a disproportionate balance being passed across to existing fee-payers.
- 4.14** The application fee for fee-block A.13 is currently in category 4 (£2,720). We propose to apply a category 4 application fee to firms that apply to operate a POP.
- 4.15** As explained in Chapter 3, firms that are already authorised and wish to carry out this new regulated activity may do so by submitting a VoP application.

Financial Ombudsman Service levies and case fees

- 4.16** As we propose to extend the Financial Ombudsman's compulsory jurisdiction to the new regulated activity of operating a POP, we need to consider which industry fee block should apply for setting the relevant levy.
- 4.17** For the broad reasons we set out above (for example, ensuring consistency with similar regulated activities), we propose to add the new regulated activity to industry block 9 in FEES 5 (Advisors, arrangers, dealers or brokers not holding and controlling client money and/or assets).
- 4.18** Firms operating a POP that hold or control client money by virtue of other regulated activities are likely to fall within the scope of a different industry block. By way of example, a firm that operates a POP but that also carries out activities under article 25 of the Regulated Activities Order (RAO) and holds or controls client money would fall into industry block 8 under FEES 5. We explain this in more detail in paragraphs 5.46 and 5.47 of CP24/13.
- 4.19** POP operators who are respondents to a complaint that is referred to the Financial Ombudsman will also be subject to the requirement under FEES Chapter 5.5B to pay a case fee to the Financial Ombudsman. The Financial Ombudsman makes rules on the payment of case fees by respondents, which are consulted upon each financial year. The current fee for each complaint is £650 (although the first three cases in each financial year do not attract a case fee).

FSCS levies

- 4.20** In line with our original proposal in CP24/13 to extend FSCS coverage to the new regulated activity of operating a POP, we are now consulting on the respective FSCS levy class that would apply.
- 4.21** For consistency and clarity as set out above for our proposals on the periodic fees and Financial Ombudsman levies that would apply, we propose to add the new regulated activity of operating a POP to FSCS Class 2, Category 2.1 in FEES 6. We estimate only a small number of already authorised firms in the short term will apply to operate a POP after the new regime comes into force in early 2026. This means the associated impact on the FSCS compensation costs levy is likely to be low.
- 4.22** Our April 2025 fee rate proposals consultation paper will indicate the FCA, Financial Ombudsman and FSCS fee block levy rates that we propose to apply to the new regulated activity of operating a POP. Firms can use our [fee calculator](#) to estimate the new annual regulatory fees and levies they may need to pay.

Question 10: Do you agree that the regulated activity of operating a POP should fall into the A.13 fee-block? Y/N. If not, please specify why.

Question 11: Do you agree with the addition of the regulated activity of operating a POP to industry block 9 in FEES 5? Y/N. If not, please specify why.

Question 12: Do you agree with the addition of the regulated activity of operating a POP to Class 2, Category 2.1 in FEES 6? Y/N. If not, please specify why.

Chapter 5

Wider amendments and Handbook guidance

Other consequential amendments to the Handbook

- 5.1** The new regulated activity means we need to make some consequential adjustments to our Handbook and non-Handbook guides, so that they continue to apply seamlessly across different areas.
- 5.2** These changes include amendments to the Decision Procedure and Penalties Manual (DEPP) and Professional Firms sourcebook (PROF) in the Handbook, as well as to the Enforcement Guide (EG) and Perimeter Guidance Manual (PERG).
- 5.3** For further details, see the draft Handbook instrument in Appendix 1 to this CP. In the case of cross-cutting consequential amendments relevant in the context of the broader POATR, including for the new POP regime, please see CP25/2 also published today.

Question 13: Do you agree with the consequential amendments we are proposing to the Handbook? Are there any other consequential amendments you would like us to consider? Y/N. If not, please specify why.

Perimeter guidance - financial promotions

- 5.4** As we explained in CP24/13, the making of a public offer by means of a POP will likely involve unauthorised persons (issuers) communicating, or causing the communication of, financial promotions relating to the offer. Such promotions will likely require approval by an appropriate authorised person.
- 5.5** In February 2024, the financial promotion approval gateway entered into force. Since 7 February 2024, authorised persons have only been able to approve financial promotions if they have specific permission from the FCA (approver permission) to do so, or if an exemption from the need for 'approver permission' applies. Firms which applied for the new approver permission during an initial application window have been able to continue approving financial promotions while their applications are determined. Guidance on applying for approver permission can be found in chapter 6A of the Supervision Manual (SUP).
- 5.6** The exemptions from the need for approver permission are set out in the Financial Services and Markets Act 2000 (Exemptions from Financial Promotion General Requirement) Regulations 2023 (the Exemption Regulations). The Exemption Regulations were made in September 2023, after the FCA had consulted on proposed changes to its rules and guidance to support the introduction of the gateway (in

CP22/27). For this reason, the FCA was not able to consult on guidance on the detail of the exemptions as part of its implementation of the gateway.

- 5.7** More specifically, the guidance proposed is intended to clarify the FCA's understanding of reference in the Exemption Regulations to the person who has 'prepared' the content of a communication. We anticipate that this guidance should assist prospective POP operators in determining whether they will require permission to approve financial promotions in addition to Part 4A permission to carry on the new regulated activity of operating a POP. As we explained in CP24/13, we anticipate that financial promotions relating to offers will, in many cases, be prepared by the issuers rather than the POP operators such that the exemptions will not apply, and specific approval permission will be required if the POP operator is approving those promotions.
- 5.8** This being said, as PERG 1.3 explains, guidance in PERG represents the FCA's views on the perimeter and does not bind the courts.
- 5.9** In response to CP24/13, some stakeholders raised questions about the interaction of our proposed rules relating to the operation of a POP and those applying to firms approving financial promotions. We are considering this feedback and will respond to it when we publish our policy statement on the new regime.

Question 14: Do you have any comments on the proposed changes to our perimeter guidance on the exemptions from the need for approver permission?

Annex 1

Questions in this paper

- Question 1:** Do you have any comments on the proposals that we are discussing with the Treasury for a transitional regime that would enable authorised persons to carry on the new regulated activity of operating a POP while their application for the new permission is being determined? Y/N. If not, please specify why.
- Question 2:** Do you agree that any such transitional regime should be based on authorised persons having submitted an application for a VoP during an initial application window, and that the proposed initial period would be 3 months? Y/N. If not, please specify why.
- Question 3:** Do you have any other comments on our proposed approach to granting permission to carry on the new regulated activity of operating a POP set out in this section?
- Question 4:** Do you agree with our proposal to include the new regulated activity of operating a POP as part of RAG 3? Y/N. If not, please specify why.
- Question 5:** Do you agree with our proposal to extend complaints reporting to firms operating POPs via the existing entries for 'platforms' in DISP 1 Annex 1? Y/N. If not, please specify why.
- Question 6:** Do you agree with our proposal to require firms operating POPs with at least £5m of total reported revenues at their previous accounting reference date to be required to submit the Financial Crime Report? Y/N. If not, please specify why.
- Question 7:** Do you agree with the proposed extension of the Financial Ombudsman's compulsory jurisdiction to the new regulated activity of operating a POP? Y/N. If not, please specify why.
- Question 8:** Do you agree with our decision not to make changes to the existing categories of eligible complainant? Y/N. If not, please specify why.

- Question 9:** Do you agree with the Financial Ombudsman's proposal not to mirror the changes that the FCA is making to the CJ for POPs in the VJ? Y/N. If not, please specify why.
- Question 10:** Do you agree that the regulated activity of operating a POP should fall into the A.13 fee-block? Y/N. If not, please specify why.
- Question 11:** Do you agree with the addition of the regulated activity of operating a POP to the industry block 9 in FEES 5? Y/N. If not, please specify why.
- Question 12:** Do you agree with the addition of the regulated activity of operating a POP to the Class 2, Category 2.1 in FEES 6? Y/N. If not, please specify why.
- Question 13:** Do you agree with the consequential amendments we are proposing to the Handbook? Are there any other consequential amendments you would like us to consider? Y/N. If not, please specify why.
- Question 14:** Do you have any comments on the proposed changes to our perimeter guidance on the exemptions from the need for approver permission?

Annex 2

Cost benefit analysis

Our approach to the cost benefit analysis

1. The Financial Services and Markets Act (2000) requires us to publish a cost benefit analysis (CBA) of our proposed rules. Specifically, section 138I requires us to publish a CBA of proposed rules, defined as 'an analysis of the costs, together with an analysis of the benefits that will arise if the proposed rules are made'. FSMA does not require us to publish a CBA with our consultation papers (CP) proposing new rules when we believe these rules will involve either no cost increase or where the increase will be of 'minimal significance' (compared to a scenario of no FCA intervention).
2. In CP24/13, we set out the costs of the proposed rules for the new public offer platform (POP) regime. In this CP, we set out our implementation aspects of the new POP regime. These elements enable the regime but don't directly impose new costs that were not considered in CP24/13.
3. We are also proposing to extend the compulsory jurisdiction of the Financial Ombudsman Service to POPs and apply fees to POPs (including Financial Ombudsman Service (Financial Ombudsman) and Financial Services Compensation Scheme (FSCS) levies). In CP24/13, we said that 'we expect most firms, if not all firms, that become POP operators will already be regulated firms that are complying with many of these activities for their existing permission'. Consequently, we do not think firms would incur material new costs in creating systems and processes to deal with the Financial Ombudsman. We expect the additional ongoing costs of dealing with the Financial Ombudsman will be minimal for firms complying with our wider proposals for the regime.
4. The fees we are proposing for firms are transfers between POPs and the relevant institutions. These costs to firms are of minimal significance.
5. Given that we assess the costs of these new proposals are of minimal significance (ie, considered 'not material' under subsection (8A)(b) of section 138I FSMA), we are not required to undertake a cost benefit analysis. However, we welcome any views if stakeholders disagree with this assessment for the discrete proposals outlined in this CP.

Annex 3

Compatibility statement

Compliance with legal requirements

1. This Annex records the FCA's compliance with a number of legal requirements applicable to the proposals in this consultation, including an explanation of the FCA's reasons for concluding that our proposals in this consultation are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA).
2. When consulting on new rules, the FCA is required by section 138I(2)(d) FSMA to include an explanation of why it believes making the proposed rules (a) is compatible with its general duty, under section 1B(1) FSMA, so far as reasonably possible, to act in a way which is compatible with its strategic objective and advances one or more of its operational objectives, (b) so far as reasonably possible, advances the secondary international competitiveness and growth objective, under section 1B(4A) FSMA, and (c) complies with its general duty under section 1B(5)(a) FSMA to have regard to the regulatory principles in section 3B FSMA. The FCA is also required by section 138K(2) FSMA to state its opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.
3. This Annex also sets out the FCA's view of how the proposed rules are compatible with the duty on the FCA to discharge its general functions (which include rule-making) in a way which promotes effective competition in the interests of consumers (section 1B(4)). This duty applies in so far as promoting competition is compatible with advancing the FCA's consumer protection and/or integrity objectives.
4. In addition, this Annex explains how we have considered the recommendations made by the Treasury under s 1JA FSMA about aspects of the economic policy of His Majesty's Government to which we should have regard in connection with our general duties.
5. This Annex includes our assessment of the equality and diversity implications of these proposals.
6. Under the Legislative and Regulatory Reform Act 2006 (LRRRA) the FCA is subject to requirements to have regard to a number of high-level 'Principles' in the exercise of some of our regulatory functions and to have regard to a 'Regulators' Code' when determining general policies and principles and giving general guidance (but not when exercising other legislative functions like making rules). This Annex sets out how we have complied with requirements under the LRRRA.

The FCA's objectives and regulatory principles: Compatibility statement

7. The proposals set out in this consultation are primarily intended to advance the FCA's operational objective of protecting the integrity of the UK financial system.
8. Further, we consider these proposals are compatible with the FCA's strategic objective of ensuring that the relevant markets function well because they seek to ensure that the new regime for public offer platforms (POP) is implemented and operates seamlessly in the context of baseline Handbook requirements also applicable to this new regulated activity.
9. We consider these proposals comply with the FCA's secondary objective in advancing international competitiveness and growth because they are linked to a new regime where these objectives are already embedded, in particular when we compare to the regulatory burden that similar capital raises incurred under the UK Prospectus Regulation (UK PR). As noted in the main consultation paper, we consider our proposed rules will promote capital raising by companies and consumer participation in this market by setting robust but proportionate standards on POP operators who will intermediate offers of securities by companies to investors.
10. In preparing the proposals set out in this consultation, the FCA has had regard to the regulatory principles set out in section 3B FSMA. In particular:

The need to use our resources in the most efficient and economic way

11. Our proposals are consistent with, and foster, an efficient and economic use of our resources. This is particularly evident in how we are proposing an authorisation timeline, which seeks to allow enough time for firms and the FCA to prepare for the opening of the relevant authorisation gateway.
12. Further to this, by proposing to add the new regulated activity to our Integrated Regulatory Reporting (IRR) framework, in particular to one of the Regulated Activity Groups (RAGs), we are ensuring that we will be able to collect key information from firms in a clear and orderly way when supervising firms. This will also leverage our systems and data gathering capabilities already in place.

The principle that a burden or restriction should be proportionate to the benefits

13. We consider that our proposals in this CP broadly stem from either the need for firms to be authorised to carry out certain financial services or from specific proposals that aim at protecting consumers (eg, Financial Ombudsman compulsory jurisdiction coverage extension and the respective levies that become due). Therefore, we deem them proportionate to the role firms will play when facilitating large public offers (ie, above £5m).

The general principle that consumers should take responsibility for their decisions

14. Even though we are proposing to extend the Financial Ombudsman's compulsory jurisdiction to the new regulated activity of operating a POP, it is important to note that consumers will remain responsible for their decisions, as we referred to extensively in CP24/13.
15. While our approach to the new regime for POPs proposes specific requirements firms will need to comply with (eg, due diligence, communication of information, etc), consumers remain responsible for the choice and outcome of their investment decisions.

The principle that we should exercise of our functions as transparently as possible

16. In formulating these proposals, the FCA has had regard to the importance of taking action intended to minimise the extent to which it is possible for a business carried on (i) by an authorised person or a recognised investment exchange; or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by s 1B(5)(b) FSMA). Not only did we propose in CP24/13 that we expect POP operators to act in a way that is consistent with preventing financial crime, we are also proposing that, if certain revenue level conditions are met, firms operating a POP be required to submit the Financial Crime Report to the FCA.

Expected effect on mutual societies

17. The FCA does not expect the proposals in this paper to have a significantly different impact on mutual societies.

Compatibility with the duty to promote effective competition in the interests of consumers

18. In preparing the proposals as set out in this consultation, we have had regard to the FCA's duty to promote effective competition in the interests of consumers.
19. In this context, we propose that firms carrying out the regulated activity of operating a POP be subject to baseline requirements applicable to regulated activities of a similar nature, or that potentially supplement the former. This decision is also aimed at creating a level-playing field among different regulated activities and, therefore, fostering effective competition in the interests of consumers.

Equality and diversity

20. We are required under the Equality Act 2010 in exercising our functions to 'have due regard' to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Act, advance equality of opportunity between

persons who share a relevant protected characteristic and those who do not, to and foster good relations between people who share a protected characteristic and those who do not.

21. As part of this, we ensure the equality and diversity implications of any new policy proposals are considered. The outcome of our consideration in relation to these matters in this case is stated in paragraph [2.21](#) of this consultation paper.

Legislative and Regulatory Reform Act 2006 (LRRRA)

22. We have had regard to the principles in the LRRRA for the parts of the proposals that consist of general policies, principles or guidance and consider that, along with those made in CP24/13, our proposals will rebalance the regulatory burden around public offers to a level that is more proportionate than that of the previous regime.
23. This is expected to contribute to creating favourable conditions to reduce the costs of raising capital, and at the same time provide investors with more meaningful and material disclosures. In this sense, we consider our proposals to be relevant not only for the purpose of assisting investment decisions, but also for investors to assess their risk-appetite and decide whether they intend to engage in a specific investment opportunity in the first place.
24. Through the implementation process attached to the new regulated of operating a POP, as well as the extension of certain Handbook regimes, we are promoting the consistent application of our rules across the financial services landscape. This approach reflects our intention to only target or supplement the areas where we consider further action or adjustments are needed.
25. We have had regard to the Regulators' Code for the parts of the proposals that consist of general policies, principles or guidance and consider that they assist us in creating the conditions for issuers, in particular SMEs and businesses in an early-stage seeking growth capital, to benefit from a more proportionate and efficient regulatory framework.

Treasury recommendations about economic policy

26. In our view, our proposals are consistent with the aspects of the Government's economic policy to which we should have regard.
27. In the [remit letter](#) from the Chancellor of the Exchequer to the FCA on 14 November, 2024, the Chancellor recommended that the FCA should pursue our operational objectives, while also pursuing a growth agenda supported by informed and responsible risk-taking by both firms and customers.
28. We have had regard to the letter and the recommendations therein. We consider that our proposals in this consultation paper, alongside those included in CP24/13, reflect an appropriate balance of these objectives and a more proportionate regulatory burden.

We expect our proposals to put more meaningful, material information in the hands of investors, while assigning an important gatekeeping role to firms facilitating public offers above £5m.

- 29.** We consider therefore that the new regime for POPs is a key lever to unlock more investment opportunities and make them available to a broad investor base. This should create the conditions not only for a wider investment diversification, but also set the right regulatory environment for companies to finance their businesses and expand their operations – which will, in turn, benefit the UK capital markets and economy at large.

Annex 4

Abbreviations used in this paper

| Abbreviation | Description |
|----------------------------|---|
| CJ | Compulsory Jurisdiction |
| CP | Consultation Paper |
| DEPP | Decision Procedure and Penalties Manual |
| DISP | Dispute Resolution: Complaints sourcebook |
| ECL | Economic Crime Levy |
| EG | Enforcement Guide |
| Financial Ombudsman | Financial Ombudsman Service |
| FSMA | Financial Services and Markets Act 2000 |
| IRR | Integrated Regulatory Reporting |
| LCF | London Capital & Finance |
| MLRs | Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 |
| MTF | Multilateral Trading Facility |
| PERG | Perimeter Guidance manual |
| POATRs | Public Offers and Admissions to Trading Regulations 2024 |
| POP | Public Offer Platform |
| PROF | Professional Firms sourcebook |
| RAG | Regulated Activity Group |
| RAO | Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 |
| SUP | Supervision Manual |

| Abbreviation | Description |
|---------------------|--------------------------|
| the Treasury | His Majesty's Treasury |
| UK PR | UK Prospectus Regulation |
| VJ | Voluntary Jurisdiction |
| VoP | Variation of Permission |

Appendix 1

Draft Handbook text

PUBLIC OFFERS OF RELEVANT SECURITIES (OPERATING AN ELECTRONIC SYSTEM) SUPPLEMENTARY INSTRUMENT 2025

Powers exercised by the Financial Conduct Authority

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
 - (2) section 137H (General rules about remuneration);
 - (3) section 137SA (Rules to recover expenses relating to the Money and Pensions Service);
 - (4) section 137T (General supplementary powers);
 - (5) section 139A (Power of the FCA to give guidance);
 - (6) section 213 (The compensation scheme);
 - (7) section 214 (General);
 - (8) section 226 (Compulsory jurisdiction);
 - (9) section 234 (Industry funding); and
 - (10) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.
- C. As required by section 137SA(5) of the Act, the Secretary of State has consented to rules made under that section.
- D. The FCA approves the Voluntary Jurisdiction rules and guidance made and amended and the standard terms for Voluntary Jurisdiction participants fixed and varied by the Financial Ombudsman Service, as set out in paragraph F below.
- E. The FCA confirms and remakes in the Glossary of definitions the defined expressions “Financial Promotion Order” and “Regulated Activities Order”.

Powers exercised by the Financial Ombudsman Service Limited

- F. The Financial Ombudsman Service Limited (‘Financial Ombudsman’) makes and amends the rules and guidance for the Voluntary Jurisdiction and fixes and varies the standard terms for Voluntary Jurisdiction participants, as set out in Annex D to this instrument, in the exercise of the following powers and related provisions in the Act:
- (1) section 227 (Voluntary jurisdiction);
 - (2) paragraph 8 (Information, advice and guidance) of Schedule 17;
 - (3) paragraph 18 (Terms of reference to the scheme) of Schedule 17; and
 - (4) paragraph 20 (Voluntary jurisdiction rules: procedure) of Schedule 17.
- G. The making and amendment of the Voluntary Jurisdiction rules and guidance and the fixing and varying of the standard terms for Voluntary Jurisdiction participants by

the Financial Ombudsman, as set out in paragraph F, is subject to the approval of the FCA.

Commencement

H. This instrument comes into force on [date].

Amendments to the FCA Handbook

I. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

| (1) | (2) |
|--|---------|
| Glossary of definitions | Annex A |
| Fees manual (FEES) | Annex B |
| Supervision manual (SUP) | Annex C |
| Dispute Resolution: Complaints sourcebook (DISP) | Annex D |
| Professional Firms sourcebook (PROF) | Annex E |

Amendments to material outside the Handbook

J. The Perimeter Guidance manual (PERG) is amended in accordance with Annex F to this instrument.

Notes

K. In the Annexes to this instrument, the notes (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

L. This instrument may be cited as the Public Offers of Relevant Securities (Operating an Electronic System) Supplementary Instrument 2025.

By order of the Board of the FCA
[date]

By order of the Board of the Financial Ombudsman
[date]

[*Editor's note:* The following Annexes to this instrument take into account the proposals and legislative changes suggested in the consultation paper 'Consultation on the new public offer platform regime' (CP24/13) as if they were made final.]

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

POATRs *Public Offers and Admissions to Trading Regulations*

Amend the following definition as shown.

regulated ...
activity

(B) in the *FCA Handbook*: (in accordance with section 22 of the *Act* (Regulated activities)) the activities specified in Part II (Specified activities), Part 3A (Specified activities in relation to information) and Part 3B (Claims management activities in Great Britain) of the *Regulated Activities Order*, which are, in summary:

...

(gga) ...

(ggb) *operating an electronic system for public offers of relevant securities (article 25DB)*;

...

Annex B

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text.

[*Editor's note:* FEES 4 Annex 1AR takes into account the changes made by the Periodic Fees (2024/2025) and Other Fees Instrument 2024 (FCA 2024/8) which come into force on 1 April 2025.]

4 Periodic fees

...

**4 Annex FCA activity groups, tariff bases and valuation dates
1AR**

Part 1

...

| Activity group | Fee payer falls in the activity group if: |
|--|--|
| ... | |
| <p>A.13 Advisors, arrangers, dealers or brokers</p> | <p>(1) it is an <i>authorised professional firm</i> and ALL the <i>regulated activities</i> in its <i>permission</i> are limited to non-mainstream regulated activities (a firm falling within this category is a <i>class (1) firm</i>);</p> <p>OR</p> <p><u>(1A) it is a <i>POP operator</i>;</u></p> <p><u>OR</u></p> <p>(2) its <i>permission</i>:</p> <p>(a) includes one or more of the following:</p> <p>(i) in relation to one or more <i>designated investments</i>:</p> <p><i>dealing in investments as agent;</i></p> <p><i>arranging (bringing about) deals in investments;</i></p> <p><i>making arrangements with a view to transactions in investments;</i></p> <p><i>dealing as principal in investments</i> where the activity is carried on as an <i>oil market participant</i> or <i>energy market participant</i>;</p> <p><i>advising on investments (except P2P agreements)</i></p> |

| | |
|-----|---|
| | <p>(except <i>pension transfers</i> and <i>pension opt-outs</i>); giving <i>basic advice</i> on a <i>stakeholder product</i>; <i>advising on pension transfers</i> and <i>pension opt-outs</i>; <i>advising on syndicate participation at Lloyd's</i>; (ii) <i>advising on P2P agreements</i>; (iii) in relation to a <i>structured deposit</i>: <i>dealing in investments as agent</i>; or <i>arranging (bringing about deals) in investments</i>; or <i>making arrangements with a view to transactions in investments</i>; or <i>advising on investments (except P2P agreements)</i>; or <i>advising on investments (except pension transfers and pension opt-outs)</i>; (b) BUT NONE of the following: <i>effecting contracts of insurance</i>; or <i>carrying out contracts of insurance</i>; AND (c) PROVIDED the fee-payer is NOT any of the following: a <i>corporate finance advisory firm</i>; a <i>firm</i> for whom all of the applicable activities above are otherwise limited to carrying out <i>corporate finance business</i>; a <i>firm</i> for whom all the applicable activities above are limited to carrying out <i>venture capital business</i>; a <i>firm</i> for whom all the applicable activities above are limited to acting as a <i>residual CIS operator</i>; a <i>firm</i> for whom all the applicable activities above are limited to <i>acting as trustee or depositary of an AIF</i> and/or <i>acting as trustee or depositary of a UK UCITS</i>; a <i>service company</i>. A <i>firm</i> falling within (1A) or within (2)₂ and not (1), is a <i>class 2 firm</i>.</p> |
| ... | |

...

5 Financial Ombudsman Service Funding

...

5 Annex 1R Annual General Levy Payable in Relation to the Compulsory Jurisdiction for 2024/25

...

Compulsory jurisdiction - general levy

| Industry block | Tariff base | General levy payable by firm |
|--|-------------|------------------------------|
| ... | | |
| 8. Advisors, <i>arrangers</i> , dealers or brokers holding and controlling <i>client money</i> and/or assets | ... | ... |
| 9. Advisors, <i>arrangers</i> , dealers or brokers not holding and controlling <i>client money</i> and/or assets (<u>including POP operators that are not in industry block 8</u>) | ... | ... |
| ... | | |

...

...

6 Financial Services Compensation Scheme Funding

...

6 Financial Services Compensation Scheme - classes and categories

Annex 3A

R This table belongs to *FEES* 6.5.6AR

...

| Class 2 | Investment Intermediation Claims |
|-----------------------------------|--|
| Category 2.1 | Life distribution and investment intermediation |
| Firms with permission for: | <p>...</p> <p>any of the following in relation to <i>designated investment business</i> BUT excluding activities that relate to <i>long-term insurance contracts</i> or rights under a <i>stakeholder pension scheme</i> or a <i>personal pension scheme</i>:</p> <p>...</p> <p><i>operating a multilateral trading facility;</i></p> <p><u><i>operating an electronic system for public offers of relevant securities;</i></u></p> <p>...</p> |
| ... | |

...

Annex C

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

6A Permission to approve financial promotions

6A.1 Application and purpose

...

Purpose

6A.1.3 G Under sections 21(2A) and 55NA of the *Act* a *firm* is unable to *approve* a *financial promotion* for the purposes of section 21 of the *Act* unless:

...

(2) an *approver permission exemption* applies (see PERG 8.9.1BG).

...

16 Reporting requirements

...

16.12 Integrated Regulatory Reporting

...

Reporting requirement

...

16.12.4 R Table of applicable *rules* containing *data items*, frequency and submission periods

| (1) | | (2) | (3) | (4) |
|------------|-------------------------|------------------------|----------------------------|----------|
| RAG number | Regulated Activities | Provisions containing: | | |
| | | applicable data items | reporting frequency/period | due date |
| ... | | | | |
| RAG 3 | • dealing in investment | ... | ... | ... |

| | | | | |
|-----|---|--|--|--|
| | <u>investments as principal</u> ... • advising on P2P agreements (when carried on exclusively with or for professional clients) • <u>operating an electronic system for public offers of relevant securities</u> | | | |
| ... | | | | |

...

16.23 Annual Financial Crime Report

Application

...

16.23.2 R Table: Firms to which SUP 16.23.1R applies (subject to the exclusions in SUP 16.23.1R).

| |
|---|
| ... |
| a <i>firm</i> that has reported total revenue of £5 million or more as at its last <i>accounting reference date</i> and has permission to carry on one or more of the following activities: |
| ... |
| <i>advising on pension transfers and pension opt-outs;</i> and |
| <i>credit-related regulated activity;</i> <u>and</u> |
| <u><i>operating an electronic system for public offers of relevant securities.</i></u> |

Annex D

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

2 Jurisdiction of the Financial Ombudsman Service

...

2.5 To which activities does the Voluntary Jurisdiction apply?

2.5.1 R The *Ombudsman* can consider a *complaint* under the *Voluntary Jurisdiction* if:

...

(2) it relates to an act or omission by a *VJ participant* in carrying on one or more of the following activities:

...

(c) activities, other than *regulated claims management activities*, activities ancillary to *regulated claims management activities*, *meeting of repayment claims*, *managing dormant asset funds (including the investment of such funds)* ~~and~~, *regulated pensions dashboard activity* and operating an electronic system for public offers of relevant securities, which (at ~~30 November 2024~~ [Editor's note: insert the date on which this instrument comes into force]) would be covered by the *Compulsory Jurisdiction*, if they were carried on from an establishment in the *United Kingdom* (these activities are listed in *DISP 2 Annex 1G*);

...

...

...

2 Regulated Activities for the Voluntary Jurisdiction at ~~30 November 2024~~ Annex [Editor's note: insert the date on which this instrument comes into force] 1

This table belongs to *DISP 2.5.1R*

G The activities which were covered by the *Compulsory Jurisdiction* (at ~~30 November 2024~~ [Editor's note: insert the date on which this instrument comes into force]) were:

...

The activities which (at ~~30 November 2024~~ [*Editor's note: insert the date on which this instrument comes into force*]) were *regulated activities* were, in accordance with section 22 of the *Act* (Regulated Activities), any of the following activities specified in Part II and Parts 3A and 3B of the *Regulated Activities Order* (with the addition of *auction regulation bidding, administering a benchmark and dealing with unwanted asset money*):

...

(14A) *operating a multilateral trading facility* (article 25D);

(14A *operating an electronic system for public offers of relevant securities*
A) (article 25DB);

...

Annex E

Amendments to the Professional Firms sourcebook (PROF)

In this Annex, underlining indicates new text.

2 Status of exempt professional firm

2.1 Designated professional bodies and exempt regulated activities

...

Exempt regulated activities

...

2.1.9 G ...

2.1.9A G While the Treasury has not specified *operating an electronic system for public offers of relevant securities* as an activity that cannot be carried on as an exempt professional firm, that activity is relevant to *qualifying public offers*. These are *offers of relevant securities to the public* which necessarily involve a firm with *Part 4A permission* for the regulated activity of *operating a POP* carrying on that regulated activity. The activity therefore cannot be carried on as an exempt regulated activity.

...

5 Non-mainstream regulated activities

...

5.2 Nature of non-mainstream regulated activities

5.2.1 R ...

5.2.1A G *Operating an electronic system for public offers of relevant securities* is not an activity which can be carried on as a *non-mainstream regulated activity*. This is because the activity cannot practically be carried on by an *exempt professional firm*.

...

Annex F

Amendments to the Perimeter Guidance manual (PERG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

2 Authorisation and regulated activities

...

2.7 Activities: a broad outline

...

2.7.7DD G ...

Operating a public offer platform

- 2.7.7DE G (1) The activity of operating an electronic system for public offers of relevant securities (in article 25DB of the Regulated Activities Order) refers to operating an electronic system by means of which a qualifying public offer is made. This activity is relevant to a person providing a means by which an offer of relevant securities to the public in the United Kingdom of a kind specified in paragraph 13 of Schedule 1 to the POATRs may be made.
- (2) The activity of operating a POP is only relevant to the extent that an offer of relevant securities to the public is to be made in reliance on the exemption in paragraph 13 of Schedule 1 to the POATRs. If this exemption is not being relied upon then a person providing the means by which such an offer is made will not be carrying on the activity in article 25DB of the Regulated Activities Order (since the offer will not be a qualifying public offer). That person is likely to be carrying out another regulated activity, such as arranging (bringing about) deals in investments or making arrangements with a view to transactions in investments.
- (3) (a) This activity is concerned with the operation of a system by means of which a qualifying public offer is made. A qualifying public offer is an offer of relevant securities to the public in the United Kingdom that meets the conditions in article 25DB(3) to (5) of the Regulated Activities Order.
- (b) An ‘offer of relevant securities to the public’ refers to a communication to any person which presents sufficient information on the relevant securities to be offered and the terms on which they are to be offered, to enable an investor to decide to buy or subscribe for the relevant securities in question (regulation 7 of the POATRs).

- (c) In the FCA's opinion, this activity is therefore concerned with the communication of public offers rather than facilitating the entering into of transactions in response to such offers.
- (d) This means that firms which operate an electronic system by means of which a qualifying public offer may be made and which also facilitate the entering into of transactions, or dealing in securities, in response to such offers are also likely to require permission to carry on regulated activities other than operating a POP (such as for arranging).

- 2.7.7DF G (1) The activity of operating an electronic system for public offers of relevant securities does not come within the regulated activities of arranging (bringing about) deals in investments or making arrangements with a view to transactions in investments (article 25(3) of the Regulated Activities Order). Therefore, subject to PERG 2.7.7DE(3), a firm that is solely operating a POP will not also require arranging permission.
- (2) Operating a POP does not constitute a MIFID investment service. However, as described in PERG 2.7.7DEG(3)(d), firms operating a POP may carry out other regulated activities which do constitute MIFID investment services (such as the reception and transmission of orders or the execution of orders on behalf of clients).
- (3) Exclusions in the Regulated Activities Order do not generally apply to the activity of operating a POP. This is because:
- (a) the activity of operating a POP is concerned with operating an electronic system by means of which a qualifying public offer is made;
 - (b) a qualifying public offer is an offer of relevant securities to the public in the United Kingdom which, among other conditions, would be subject to the public offer prohibition if it were not made 'by means of a regulated platform';
 - (c) an offer of relevant securities to the public is made 'by means of a regulated platform' if it is made in the course of the carrying on of the activity of operating a POP by a person who has Part 4A permission for that activity; and
 - (d) a person who does not have Part 4A permission for operating a POP cannot therefore carry on that regulated activity because such a person cannot provide the means by which a qualifying public offer may be made.

...

2.8 Exclusions applicable to particular regulated activities

...

Arranging deals in investments and arranging a home finance transaction

...

2.8.6A G The exclusions in the *Regulated Activities Order* that relate to the various *arranging* activities are as follows.

...

(2) Under article 27, simply providing the means by which parties to a transaction (or possible transaction) are able to communicate with each other is excluded from arrangements made with a view to persons entering into certain transactions (see *PERG* 2.8.6G(2)) only. This will ensure that *persons* such as Internet service providers or telecommunications networks are excluded if all they do is provide communication facilities (and these would otherwise be considered to be arrangements made with a view to the participants entering into transactions). If a *person* makes arrangements that go beyond providing the means of communication, and add value to what is provided, ~~he~~ they will lose the benefit of this exclusion.

(2A) Similarly, a *person* does not carry out the activity of *operating a POP* merely by providing a means of communication, where the *person* is not holding out the means of communication as being provided for the making of *qualifying public offers*.

...

...

2 Annex 2G Regulated activities and the permission regime

...

| Table 1: Regulated Activities (excluding PRA-only activities) [See note 1 to Table 1] | |
|--|--|
| Regulated activity | Specified investment in relation to which the regulated activity (in the corresponding section of column one) may be carried on |
| ... | |
| Designated investment business [see notes 1A, 1B and 1C to Table 1] | |

| | |
|--|---|
| ... | |
| (gb) operating an <i>organised trading facility</i> (article 25DA) [see note 2A] | certain kinds of <i>securities</i> or <i>contractually based investments</i> which are <i>financial instruments</i> . PERG 2.7.7DDG lists the <i>securities</i> and <i>contractually based investments</i> covered. |
| (gc) <i>operating an electronic system for public offers of relevant securities</i> (article 25DB) | <i>relevant securities</i> [see note 2B]. |
| ... | |

| Notes to Table 1 | |
|------------------|---|
| ... | |
| Note 2A: | |
| ... | |
| Note 2B: | |
| | <u>The regulated activity of operating a POP applies in relation to relevant securities which are the subject of a qualifying public offer. For the purposes of specifying the regulated activity, an offer of relevant securities to the public will only be a qualifying public offer if the relevant securities are of a kind specified by Part III of the Regulated Activities Order (article 25DB(4) of the Regulated Activities Order).</u> |
| ... | |

...

8 Financial promotion and related activities

...

8.9 Circumstances where the restriction in section 21 does not apply

...

8.9.1A G ...

- (2) Exemptions in the *Financial Promotion Requirement Exemption Regulations* allow an *authorised person* (A) to approve the content of a *financial promotion* where the content has been prepared by:

- (a) A (for the purposes of communication by an *unauthorised person*) (see *PERG 8.9.3G*);

...

...

- 8.9.1B** **G** (1) The approver permission exemptions described in *PERG 8.9.1AG* refer to the *person* who has prepared the content of a *financial promotion*. The identity of the *person* who has prepared the content of a *financial promotion* will depend on the facts in the particular case. In the *FCA's* opinion, however, the *person* who has prepared the *financial promotion* is likely to be the *person* who is principally responsible for its substantive content.
- (2) A *person* preparing the content of a *financial promotion* (A) may receive input from others as part of that process. For example, another *person* (B) might assist with the presentation of the *financial promotion*. This is unlikely to be sufficient for B to be regarded as having prepared the content of the *financial promotion*.
- (3) The role of a *firm* approving a *financial promotion* will necessarily involve it ensuring that the *financial promotion* complies with the relevant *financial promotion rules*. This role will not, of itself, render the *firm* the *person* who has prepared the content of the *financial promotion*.
- (4) For example (consistent with the *FCA's* views on the scope of the exemption in article 17A of the *Financial Promotion Order* in *PERG 8.6.7AG*), where one *person* (P1) provides promotional material to another *person* (P2) to communicate, P1 should be regarded as having prepared the *financial promotion* and not P2, even if P2 makes minor presentational changes to, or repackages, the material prior to its *communication*.
- (5) Regulation 3(a) of the *Financial Promotion Requirement Exemption Regulations* refers to an *authorised person* (A) approving the content of a communication which has been prepared by A. The explanatory memorandum to those Regulations explains that this exemption is designed to benefit *firms* approving their own *financial promotions for communication by an unauthorised person* (in the manner envisaged in *PERG 8.9.3G*).

...

9 **Meaning of open-ended investment company**

...

9.5 **The property condition (section 236(2) of the Act)**

...

- 9.5.4 G The purpose of BC will need to be determined bearing in mind its constitutional instruments and any other relevant material: for example, material in a prospectus or offer document (including a *disclosure summary*) or other promotional material. The prevailing law may also be relevant.

...

9.10 Significance of being an open-ended investment company

Marketing of shares or securities issued by body corporate

- 9.10.1 G A number of controls apply under the *Act* to the promotion of *shares* or *securities* that are issued by any *body corporate*. These controls differ according to whether the *person* making the promotion is an *unauthorised person* (see *PERG* 9.10.2G) or an *authorised person* (see *PERG* 9.10.3G to *PERG* 9.10.6G). In addition, where a *body corporate* is not an *open-ended investment company*:
- (1) the requirements of *Prospectus Rules* relating to the publication of an approved prospectus may apply if its *securities* are offered to the public in the *United Kingdom*; ~~and~~
 - (2) the listing requirements under Part VI of the *Act* (Official listing) will apply if its *securities* are to be *listed*; and
 - (3) the requirements in *COBS* 23 will apply if there is an *offer of relevant securities to the public* in the *United Kingdom* through a *POP*, including in respect of the preparation of a *disclosure summary*.

...

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