



FESE statement on the FCA consultation on UK primary markets

Brussels, 13th September 2021

FESE welcomes the Financial Conduct Authority's (FCA) review of the effectiveness of primary markets and the proposals to certain aspects of listing requirements that may be a barrier to issuers considering entering the United Kingdom (UK) market. FESE is actively involved in discussions at the European level on creating a thriving listing environment, also given the European Commission's Capital Markets Union initiative. As a member of the European IPO Task Force, we have made several recommendations in the IPO Task Force Report ([here](#)), including improving the conditions for European IPO markets. FESE did also publish a Blueprint on a vision for the Capital Markets Union 2024 ([here](#)), which contains numerous proposals for improving the effectiveness of primary markets. While FESE acknowledges the FCA's ambitions to recalibrate existing provisions to favour capital markets' attractiveness as a funding source for capital-seeking companies and rent-seeking investors alike, we believe that the review may result in a regulatory race to the bottom across jurisdictions, particularly if certain investor protection provisions are relaxed.

Maintaining high regulatory standards and proper governance is essential for a functioning and attractive primary market. We believe that well-functioning and attractive capital markets are characterized by high standards of transparency, something that is in the best interest of all stakeholders.

Overall, we invite the FCA to ensure a level playing field with the EU when adapting its financial regulation. The reform of the primary market framework should not lead to further market fragmentation. On the contrary, it should be closely coordinated in the interests of both competitiveness and financial stability.