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UK corporate reporting 2025/26 – Recent developments and guidance for listed companies

January 2026



This briefing summarises recent developments and guidance from regulators and investors to help UK listed companies prepare their 2025/26 annual reports.

There are no changes of substance in non-financial reporting rules this year beyond some changes of emphasis in the 2024 UK Corporate Governance Code, which took effect for financial years beginning on or after 1 January 2025. The changes to the Code relating to the effectiveness of material controls apply from 1 January 2026 and companies should be in the process of preparing for these changes.

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New reporting rules and topical themes

UK Corporate Governance Code

The Financial Reporting Council published revisions to the UK Corporate Governance Code in January 2024. The principal change was to Provision 29 which asks boards to make a declaration of effectiveness of their material internal controls. This applies to financial years commencing on or after 1 January 2026. Other changes (which took effect a year earlier) include a greater emphasis on outcomes reporting and a new requirement for more disclosure around the use of malus and clawback.

A number of former Code provisions relating to audit committees have been replaced with references to the Audit Committees and the External Audit: Minimum Standard. This change has no practical effect on reporting, as the Minimum Standard repeats the provisions of the former Code.

Discussion of how companies are preparing for Provision 29 is included in the FRC's annual review of corporate governance reporting 2025 (see *Corporate governance* below).

Sources:

- FRC UK Corporate Governance Code 2024
- Audit Committees and the External Audit: Minimum Standard
- Corporate Governance Code Guidance
- FRC annual review of corporate governance reporting 2025

Further information:

- Boards to be more accountable for material internal controls under new UK Corporate Governance Code
- New UK Corporate Governance Code: Living in a material controls world

Going concern guidance

The FRC guidance on the going concern basis of accounting and related reporting 2025 replaces previous guidance from 2016 and brings together the requirements of company law, accounting and auditing standards, the UK Listing Rules, the UK Corporate Governance Code and other regulations relevant to going concern assessments, solvency and liquidity risks. The new guidance aims to assist directors with the going concern assessment and any related disclosures, including disclosures of principal risks and uncertainties that might impact solvency and liquidity.

Sources:

> Guidance on the going concern basis of accounting and related reporting (including solvency and liquidity risks)

Further information:

> Updated FRC going concern guidance extended to Code companies

Regulated announcements

Changes to the requirements on submitting regulated information, including annual reports, to the National Storage Mechanism took effect on 3 November 2025. These include changes to headline codes and clarifying the obligation to include a legal entity identifier (LEI) in filings.

There are also changes to the Financial Conduct Authority's Electronic Submission System, including a new ability to submit corrections to previously filed disclosures.

Sources:

> National Storage Mechanism page on FCA website

Digital reporting

Working with the FCA, the FRC published 2024/5 insights into structured digital reporting in April 2025. This included a review of 25 annual reports in a structured digital format (iXBRL) filed in 2024.

The FRC identified the following areas for improvement:

Use of custom extensions: Custom tags/extensions are often being created where not necessary.

Anchoring of extension taxonomy: Where extensions are used it is common for them not to be anchored correctly.

Accounting meaning: There are cases where the accounting meaning of the tags does not correspond to the facts reported or does not reflect the correct standard.

Incorrect sign or scale: There are cases where amounts are reported with the incorrect sign or scale.

Missing tags and granularity: There are many cases where some 'mandatory' tags such as 'Principal place of business' or 'Domicile of entity' are not included or where the relevant level of granularity has not been applied.

Design and usability: Design issues can still be a challenge for some filers. Many companies are also failing to put the file on their website or limit its value by delaying publication or not providing the tags in a viewable format.

A more detailed description of the issues and how to tackle them can be found in the full review and in the factsheet.

Sources:

> FRC Structured Digital Reporting – 24/25 insights

> Structured digital reporting fact sheet

Narrative reporting

The FRC annual review of corporate reporting 2024/25 identifies areas for companies to consider when preparing their narrative reports.

Strategic report

The review reminds companies that they should ensure that the strategic report provides a fair, balanced and comprehensive review of the company's development, position, performance and future prospects. It should include unbiased discussion of positive and negative aspects of performance and, where appropriate, include references to, and additional explanations of, amounts included in the financial statements. In addition, for quoted companies, there should be a clear description of the company's strategy and business model.

In addition to complying with legal requirements, companies should refer to the FRC guidance on the strategic report and also consider the reporting principles and the "4Cs" of effective communication (disclosures should be company specific; clear, concise and understandable; clutter free and relevant; and comparable) as set out in the FRC's 2022 publication "What makes a good annual report and accounts".

Sources:

> FRC annual review of corporate reporting 2024/25

> FRC guidance on the strategic report

> FRC What makes a good annual report and accounts

Reminder on distributable reserves

The FRC annual review of corporate reporting 2024/25 includes a reminder to companies to ensure that all statutory requirements for making distributions have been met. The FRC again raised queries where companies omitted to prepare and file interim accounts with the Registrar of Companies where their dividends were not supported by the most recent audited accounts. Failure to file interim accounts showing sufficient distributable reserves in these circumstances means that the dividend is unlawful. The FRC will raise questions about the lawfulness of dividends if these do not appear to be supported by the company's accounts, even though such company law matters are not strictly within its statutory powers.

Climate reporting

In 2025, the FRC reviewed the extent of compliance with the Companies Act 2006 climate-related financial disclosure (CFD) requirements for the first time, alongside its review of reporting against the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations as required under the UK Listing Rules.

As listed companies become more familiar with TCFD reporting, most of the FRC's substantive queries in this area were directed towards the CFD requirements which apply to UK-incorporated listed companies with more than 500 employees in their group.

The FRC encourages companies in scope of the relevant requirements to ensure that:

- their disclosures are clear, concise and entity-specific.
- it is clear how any material financial impact of climate change has been reflected in the financial statements.
- the CFD requirements are met in the annual report and accounts. Companies Act disclosures are mandatory and, unlike the UK Listing Rules, may not be given on a comply or explain basis.

Further information on the CFD regime is given in the non-binding guidance issued by the Department for Business and Trade.

Examples of good climate disclosures are included in the FRC's thematic review of climate-related financial disclosures of 20 AIM and large private companies and in the FRC's 2022 and 2023 thematic reviews of listed company disclosures.

Sources:

- FRC annual review of corporate reporting 2024/25
- FCA UK Listing Rules UKLR 6.6.6(8) and UKLR 6.6.8 to 6.6.12
- Recommendations of the Task Force on Climate-related Financial Disclosures
- FRC thematic review on climate-related metrics and targets 2023
- FRC thematic review of TCFD disclosures and climate in the financial statements 2022
- DBT Mandatory climate-related financial disclosures by publicly quoted companies, large private companies and LLPs: Non-binding guidance

Further information:

- FRC outlines expectations for 2025/26 company reporting
- Quick Guide: Key Sustainability Disclosure Regimes: UK climate disclosure rules under Companies Act 2006
- Quick Guide: Key Sustainability Disclosure Regimes: UK climate disclosure rules under Listing Rules

Corporate governance

The FRC annual review of corporate governance reporting 2025 sets out reporting trends and best practice from the FRC's review of 100 reports of FTSE 350 and Small Cap companies based on the 2018 UK Corporate Governance Code.

The annual review also includes examples of how companies are preparing for the new declaration of effectiveness of material controls under the 2024 UK Corporate Governance Code. Although the 2024 Code applies for financial years commencing on or after 1 January 2025, the declaration of the effectiveness of material controls takes effect for financial years starting on or after 1 January 2026.

Key observations of the FRC are set out below:

Companies should aim for more concise reports: This year, the FRC looked at the length of the stakeholder engagement sections of annual reports to identify opportunities for companies to reduce the length of their reports. Among other things, it recommends that companies:

- focus on board actions and outcomes.
- consider whether information is clearly useful to readers before including it.
- eliminate boilerplate language.
- consolidate related content (or use appropriate cross-referencing to avoid duplication).
- focus on how the Code's principles are applied in practice (rather than just repeating the text of the Code).

Explanations should be clear: The FRC continues to emphasise the need for clear explanations that set out the rationale for the departure from a provision and describe the alternative governance arrangements in place. It encourages companies to consider whether their chosen corporate governance approach is clearly articulated and appropriately justified, the duration and nature of the departure, how the explanation demonstrates continued alignment with the principles of the Code and the clarity and usefulness of explanation for stakeholders.

Reporting of outcomes is more useful than descriptions of processes: The FRC found that reporting would be more effective if companies focused less on the lengthy description of policies and more on the actions they had taken during the year, and their impact. For example, in relation to shareholder engagement, companies needed to provide a concise summary of their shareholder engagement activities and outcomes undertaken by the board, including objectives, summary of issues, participants, progress of the dialogue, and the outcome of the engagement. In relation to stakeholder engagement, it would be helpful to provide a summary of board engagement activities and any outcomes from these.

Over-boarding is not just about numbers: Most companies in the FRC's sample explained how they assessed directors' time commitments, but their disclosures would have been more valuable if they had explained the specific factors they considered and had moved away from a purely numerical approach to over-boarding.

Audit tendering processes should be clearly described: The FRC encourages companies to provide clear and comprehensive disclosures on audit tendering, including the criteria used and process followed.

Audit Quality Review disclosures could be improved: The FRC's Audit Quality Review monitors the quality of the audit work of UK firms that undertake statutory audits of Public Interest Entities (PIEs) and certain other entities. There remains room for improvement, particularly around including the scope of the review and how findings were addressed.

Risk management and internal control disclosures should avoid repetition: The FRC found that companies often repeated information on risk management and internal controls in their strategic and corporate governance reports. It encourages companies to consolidate their reporting on risk and internal controls into one section of the report and use cross references.

Cyber and AI risks are a growing board focus: The FRC found that 66% of companies highlighted board-level oversight of cyber risks, 85% included cybersecurity as a principal risk and 12% outlined it within their operational principal risks. In addition, 20 FTSE 350 companies disclosed AI as an emerging risk and three FTSE 350 companies disclosed it as a principal risk.

Companies are preparing to make the declaration of the effectiveness of material controls (2024 Code): More than half of the companies in the FRC's sample mentioned the new provision, with many giving details on their preparation activities such as updating the board and its committees on the changes, enhancing/updating internal control frameworks, identifying material controls, reviewing the development of new frameworks, changing the scope of the audit committee's responsibilities, and carrying out a dry run of the process intended to support the internal control declaration.

Diversity reporting – navigating Code principles alongside the evolving market landscape: Sentiment in reporting about diversity and inclusion has changed in light of the geopolitical landscape. Last year, many reports adapted their diversity disclosures. Whilst most were subtle language changes, others focused on regulatory, rather than voluntary, diversity targets, with some outliers considering bolder measures such as the removal of their board diversity policy.

The issue may return to the spotlight as the US Equal Employment Opportunity Commission is now quorate and may commence investigations and litigation against companies with diversity practices it considers to be unlawful.

Although companies may be tempted to take a cautious approach to diversity reporting, the FRC in its annual review of corporate governance reporting 2025 advises against simply repeating the text of the Code and, instead, encourages companies to focus on how the Code's principles are applied in practice.

Sources:

> FRC annual review of corporate governance reporting 2025

Further information:

> FRC calls for more concise reporting on corporate governance

Remuneration reports and policies

A more flexible environment for directors' pay was heralded by the Investment Association (IA) just over a year ago and mostly followed by investors and proxy advisers. Investors stressed that they would analyse the suitability of remuneration proposals on a case-by-case basis and that, to enable them to do so, companies should explain how such proposals align with the long-term interests of the company and its shareholders, and engage with them early and constructively.

2026 is a 'triennial year' in the standard three-year cycle for putting remuneration policies to a binding shareholder vote. There are likely therefore to be more votes on remuneration policies than in the previous two years.

A shift in investors' views

Market practice on what would be acceptable when departing from the perceived 'norm' for executive pay is still evolving. Investors are clearly looking for enhanced transparency both in comprehensive consultations, and in remuneration report disclosures, with company-specific rationales (avoiding boilerplate and generic language) for policy changes and payout decisions.

The IA confirmed that its Principles of Remuneration will not be amended for 2026. It has instead written to remuneration committee chairs on the Principles' practical implementation in some areas, and on its expectations for the 2026 AGM season. On hybrid plans (combining restricted shares and performance-based awards), the IA says that only companies with a significant US footprint and/or competing for global talent may look to implement such plans and that they should engage early and have proper justifications and rationales. Investors are still cautious about using such plans to balance certainty and retention with performance alignment. Similarly, Pensions UK (formerly the PLSA) is concerned that US-style pay structures, higher variable pay opportunities and hybrid incentive plans carry reputational risks. It will scrutinise pay increases more closely, particularly where there is no improvement in employee pay or performance justification.

The IA's letter also refers to current geopolitical and economic uncertainties. Remuneration committees therefore need to show how they are considering the wider stakeholder experience when making executive pay decisions, and balancing consideration of outcomes for employees, customers, and other stakeholders. Investors would like to understand how companies consider their wider stakeholders in the context of the unique circumstances of the business.

ISS has only made two small changes to the remuneration provisions of its UK proxy voting guidelines, following on from the updated IA Principles of last year.

Glass Lewis (GL) 2026 policy has a shift in tone, with the guidelines now expressed as reflecting investors' views and expectations and market best practice, rather than GL's views and expectations. Other changes to the 2026 guidelines include:

> A new section describes GL's proprietary pay-for-performance model. This is the primary quantitative analysis developed to better evaluate the link between pay and performance. The methodology measures a company's remuneration and performance against a peer group of appropriate companies using key metrics. GL clarifies that, while the outcome of the model may impact the analysis of a company's executive remuneration practices, the voting recommendations for the remuneration report and policy proposals will continue to result from a holistic assessment.

> An expanded malus and clawback section incorporating the enhanced 2024 UK Corporate Governance Code disclosure requirements (see below).

In the first update of its UK Executive Remuneration Principles since November 2023, L&G has also introduced more flexibility into some of its requirements, for example on bonus deferral and meeting shareholder guidelines. On the other hand, L&G is looking more carefully at minimum vesting levels: variable pay should "incentivise and reward sustainable outperformance" so minimum vesting levels should not be below median relative performance against a chosen peer group or benchmark and should not result in significant pay awards (so may need to be reconsidered when award opportunities are increased).L&G will also "closely review" cases where companies have breached the 5% in 10 years dilution limit for discretionary schemes, even though both the IA and GL removed that limit in 2024.

2024 UK Corporate Governance Code

The 2024 Code calls for more detailed disclosure on pay withholding and recovery (malus and clawback), as follows:

- Directors' contracts and any other relevant documents relating to their remuneration should include malus and clawback triggers, should allow companies to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so (Provision 37).
- Implementation reports should disclose the minimum trigger events and periods for applying malus and clawback, and their use in the reporting year (Provision 38).

In its annual review of corporate governance reporting 2025, the FRC reports instances of companies reviewing and updating malus/clawback trigger events, and pre-compliance with the enhanced disclosures. It is likely that the Code has prompted some companies to revisit and refine their current malus and clawback arrangements to ensure continued alignment with regulatory expectations and evolving best practice. But so far there is little evidence of clawback being applied.

The 2024 UK Corporate Governance Code has also been amended to include measures to improve the quality of remuneration reporting with a more direct approach to describing the remuneration committee's work.

FRC's Thematic Review: IFRS 2 'Share-based Payment'

In October 2025, the FRC published its first thematic review of reporting under the IFRS 2 Share-based Payment Standard. The FRC conducted desktop reviews of 20 listed companies across various sectors, and highlights examples of good practice and common pitfalls when applying the Standard. The review focuses on some of the key recognition, measurement, classification and disclosure requirements of the Standard. The FRC's observations include:

- The most helpful disclosures explained how awards were classified and, where settlement alternatives existed, the basis of settlement.
- Some companies had unexplained cash flows in the cash flow statement of equity-settled awards.
- Explanations were typically given of how transactions were accounted for in consolidated financial statements but lacked detail on the impact on the parent company's financial statements.
- It was sometimes unclear whether tax deductions arising from share-based payments were correctly identified and recorded in equity.
- The FRC favours clear, concise and consistent disclosures, maximising the use of aggregation and cross-references.
- The FRC expects companies to incorporate any relevant and material examples and the review's recommendations into their future IFRS 2 reporting.

Changes to the directors' remuneration report

The 2025 changes to the directors' remuneration report legislation (to remove a set of mostly duplicative EU-derived requirements) will apply to implementation reports for financial years starting on or after 11 May 2025. They are already in place for policies presented for shareholder approval from that date onwards.

Directors' remuneration report guide

Our online tool to help companies put together their annual directors' remuneration report and (where relevant) remuneration policy, updated for the 2026 AGM season, will shortly be available. If you wish to access the updated guide, please get in touch with your usual Employment and Incentives contact.

Sources:

- Investment Association Principles of Executive Remuneration
- The Investment Association's letter to remuneration committee chairs, November 2025
- ISS Proxy Voting Guidelines Benchmark Policy Changes for 2026
- Glass Lewis 2026 Benchmark Policy Guidelines
- L&G Executive Remuneration Principles – UK, December 2025
- Pensions UK Stewardship and Voting Guidelines 2026
- FRC annual review of corporate governance reporting 2025
- FRC UK Corporate Governance Code 2024
- FRC Thematic Review: IFRS 2 'Share-based Payment'

Further information:

- EU-derived provisions in the UK's directors' remuneration report rules

Financial statements

The FRC annual review of corporate reporting 2024/25 highlights areas of IFRS reporting that could be improved.

Four areas – impairment of non-financial assets, cash flow statements, revenue recognition and financial instruments – are considered further in the FRC thematic review of reporting by smaller listed companies. This thematic focuses on reporting by companies outside the FTSE 350 but includes insights that may also be of interest to larger companies, such as information on common triggers for FRC enquiries and a consideration of the characteristics of good, and less good, reporting, using hypothetic examples drawn from FRC case work.

In its annual review, the FRC notes that many of the issues it raises with companies could have been addressed by preparers "taking a step back" and considering whether the annual report and accounts as a whole:

- tells a consistent story throughout the narrative reporting and financial statements (e.g. whether the risks, uncertainties and assumptions in the strategic report are reflected appropriately in the financial statements).
- is clear, concise and understandable.
- includes all material and relevant information. The FRC states that companies may need to include information not specifically required by accounting standards where this is necessary for users' understanding. However, information should not be included where it is not material or relevant.

The executive summary of the annual review includes a helpful section, "The relevant requirements – how much is enough?", to help companies determine the extent to which information needs to be disclosed. Examples of information that could be removed are given in Section 7 of the FRC thematic review of reporting by smaller listed companies and include keeping accounting policies up to date and removal of duplication by cross references.

More specifically, companies with supplier finance arrangements or with pension accounting surpluses should refer to Appendix 2 and Appendix 3 of the annual review, respectively. These set out the findings of the FRC's thematic reviews of disclosures in these areas and include examples of good reporting.

The following table sets out the most common topics the FRC raised with companies last year and some of the actions it recommends for improvement. Further information and examples of good disclosure can be found in the FRC annual review of corporate reporting 2024/25 and the thematic reviews listed in the third column of the table, including the FRC thematic review of reporting by smaller listed companies.

Topic	Companies should:	Further guidance and examples of better practice
Impairment	> disclose key inputs and assumptions used in impairment testing and justify the use of financial budgets/forecasts for periods longer than five years > explain the sensitivity of recoverable amounts to reasonably possible changes in assumptions, or the amount by which a key assumption must change in order to reduce the headroom to nil, where required > ensure that the effect of tax is consistently reflected in the discount rates and projected cash flows used in value in use (VIU) calculations, that discount rates used are consistent with how the market would assess the specific risks associated with the asset's estimated cash flows, and that forecasts used for VIU calculations reflect the asset in its current condition > avoid allocating goodwill acquired in a business combination to a cash generating unit that is larger than an operating segment > ensure that impairment reviews appropriately reflect information elsewhere in the report and accounts	FRC annual review of corporate reporting 2024/25 FRC thematic review of reporting by smaller listed companies FRC thematic review: Impairment of non-financial assets FRC thematic review: Discount rates
Cash flow statements	> conduct a robust pre-issuance review to eliminate basic errors > appropriately classify cash flows as operating, investing or financing, and include clear explanations of specific transactions and the rationale for the treatment of cash flows > ensure that cash flows are not inappropriately netted > exclude non-cash investing and financing transactions from the cash flow statement and disclose them elsewhere if material > present materially dissimilar classes of cash flows separately > ensure that amounts and descriptions of cash flows are consistent with those reported elsewhere in the report and accounts	FRC annual review of corporate reporting 2024/25 FRC thematic review of reporting by smaller listed companies FRC thematic review: Cash flow and liquidity disclosures (includes consistency cross checks that FRC uses when reviewing cash flow statements) FRC thematic review: offsetting (includes guidelines on definitions of cash and cash equivalents and a summary of offsetting accounting requirements)

Topic	Companies should:	Further guidance and examples of better practice
Financial instruments	> explain all material financial instruments, including company-specific accounting policies that describe the bases for initial classification and subsequent measurement > adequately disclose the nature and extent of material risks arising from financial instruments and related risk management, particularly in relation to material exposure to credit risk > ensure that the approach and significant assumptions applied in the measurement of expected credit losses are appropriate, and that any material concentrations of risk have been considered, including in the parent company's financial statements > ensure that financial risk assumptions and disclosures reflect risks and circumstances disclosed elsewhere in the financial statements > offset cash and overdraft balances only when qualifying criteria have been met	FRC annual review of corporate reporting 2024/25 FRC thematic review of reporting by smaller listed companies FRC thematic review: offsetting
Presentation of financial statements	> clearly disclose company-specific material accounting policy information > disclose sufficient information in the notes to allow users to understand unusual or complex transactions and how these are reflected in the accounts > ensure disclosures on going concern and related matters are consistent with information elsewhere in the report and accounts > review the financial statements to avoid common areas of non-compliance with IAS 1, such as the classification of receivables as current or non-current or the presentation of material impairment losses in relation to financial assets	FRC annual review of corporate reporting 2024/25 FRC thematic review: offsetting FRC guidance on the going concern basis of accounting and related reporting
Revenue	> provide sufficient information for all significant revenue streams, including specific accounting policies, the timing of revenue recognition and the basis for recognising any revenue over time and the methodology applied > describe all significant judgements made in applying policies in relation to revenue recognition > ensure consistency between the information about revenue provided in the accounting policies, the related notes and the strategic report	FRC annual review of corporate reporting 2024/25 FRC thematic review of reporting by smaller listed companies FRC thematic review: IFRS 15 revenue from contracts with customers FRC thematic review: IFRS 15 follow up review
Judgements and estimates	> describe all significant judgements in appropriate detail, including explanations of the uncertainties involved > distinguish significant estimates from other estimates and disclose sufficient company-specific information. A list of uncertainties is insufficient > ensure their disclosures of significant estimates include key assumptions, or sensitivities to changes in those assumptions, and the range of potential outcomes	FRC annual review of corporate reporting 2024/25 FRC follow up thematic: Judgements and estimates update
Income taxes	> disclose the evidence supporting recognition of deferred tax assets and related uncertainties in sufficient detail to provide useful information to users > provide transparent and informative tax disclosures > include disclosures under the OECD's global anti-base erosion rules (Pillar Two) where applicable > ensure tax-related disclosures and assumptions throughout the report and accounts are consistent	FRC annual review of corporate reporting 2024/25 FRC thematic review: Deferred tax assets FRC thematic review: Tax disclosures
Consolidated financial statements	> ensure that significant judgements made in assessing whether an investor controls an investee disclose the factors considered > disclosures on the investors' relation with the investee that affect the control assessment are reported consistently throughout the annual report and accounts	FRC annual review of corporate reporting 2024/25

Considerations for UK companies listed in the United States

US-listed foreign private issuers (FPIs) preparing to file their annual reports on Form 20-F for the year 2025 will find that there have been few substantive changes made to the form itself since last year.

However, while this filing season does not bring significant new technical requirements, it comes at a time of heightened focus by the US Securities and Exchange Commission (SEC) on FPIs, both at a regulatory and enforcement level. US-listed FPIs based in the UK and EU are also facing greater divergence between their home country and the US disclosure requirements.

The concept release on FPI eligibility issued by the SEC in June 2025 has been a major cause of concern for many non-US issuers. However, the release should not yet affect disclosures in annual reports on Form 20-F as the SEC is still considering what changes, if any, to propose. The potential changes explored in the release may make it more difficult for many non-US companies – particularly those that are only listed on a US exchange or are incorporated in jurisdictions without equivalent disclosure and other regulatory requirements in their home country jurisdictions – to qualify as FPIs. The focus of the potential regulatory responses explored in the concept release is on amending the FPI definition rather than on eliminating any of the existing FPI accommodations, although Commissioner Caroline Crenshaw queried whether these should be revisited in her statement. The SEC's regulatory agenda does not provide any indications of when or if the SEC will be issuing proposed amendments to the FPI definition.

FPIs should also be aware that while the SEC's Enforcement Division has generally pulled back in terms of the amount and scope of its enforcement actions, it is particularly focused on non-US issuers, in line with the White House's America-first approach. In September 2025, the SEC announced the formation of a task force targeting, at least initially, potential US federal securities law violations related to non-US companies, including market manipulation, such as "pump-and-dump" and "ramp-and-dump" schemes. The task force will also examine potential securities law violations related to companies from non-US jurisdictions, such as China, where governmental control and other factors pose unique investor risks.

US-listed FPIs are also increasingly having to consider how to manage home country-mandated disclosures that are not required by Form 20-F. For example, companies preparing to make Provision 29 disclosures under the 2024 UK Corporate Governance Code for financial years commencing on or after 1 January 2026 will need to consider whether the statement about the effectiveness of their internal controls is material for the purposes of, and not already covered by the statements contained in, their annual report on Form 20-F.

Further information relevant to the 2025 reporting cycle can be found in our U.S. Form 20-F reporting guide, here.

Finally, directors and certain officers of US-listed FPIs will also have to start reporting their holdings in the company's equity securities publicly through the SEC's EDGAR system beginning next year, as discussed in further detail here. These disclosures are made in Forms 3, 4 and 5, and not in Form 20-F, but officers identified as "senior management" in Form 20-F will likely have to make these disclosures.

Sources:

> SEC concept release on foreign private issuer eligibility
> SEC announcement on formation of cross-border task force to combat fraud

Further information:

> 2025 Reporting Cycle: Annual Reports on Form 20-F
> Foreign Private Issuer Insiders Must Soon Make Section 16 Equity Ownership Disclosures

Looking forward

Payment practices reporting

Regulations have been made that will require large UK companies to report annually on their supplier payment practices and performance in their directors' reports for financial years commencing on or after 1 January 2026. Companies that qualify as medium-sized (defined by reference to the conditions in Sections 465(2) and 466(2) Companies Act 2006) do not need to report.

This is in addition to existing requirements to report twice a year via a government web service, including disclosing the total value of late payments and the percentage involving a dispute. These rules apply to financial years that commenced on or after 1 January 2025.

The government also consulted in summer 2025 whether to require audit committees to comment and make recommendations on payment performance to the board before the data is submitted to the government web service or included in the directors' report.

Sources:

> The Companies (Directors' Report) (Payment Reporting) Regulations 2025
> Guidance to reporting on payment data in directors' reports
> The Reporting on Payment Practices and Performance (Amendment) Regulations 2024
> Late Payments. Tackling Poor Payment Practices. July 2025

Further information:

> DBT to make late payment of invoices a Boardroom issue
> Large companies to report on supplier payment practices in their directors' reports

Non-financial reporting

The government's plans to consult on reforms to non-financial reporting are now expected to cover the whole of the annual report. The consultation will take place in 2026.

In the meantime, the Companies (Accounts and Reports) (Amendment and Transitional Provisions) Regulations 2024 remove certain duplicative or redundant reporting requirements from the directors' report, including reporting on financial instruments and disclosures concerning employment of the disabled and engagement with employees, suppliers and customers. The size thresholds for micro-entities and small and medium-sized companies are increased by 50%. These changes took effect for financial years that commenced on or after 6 April 2025.

The above disclosure reforms are a forerunner to further plans announced by the government in October 2025. In a written statement to Parliament, the government said that it would bring forward legislative changes "as quickly as possible" to:

- remove the requirement for all companies to produce a directors' report. Some reporting requirements, including in relation to energy and emissions, would be retained and moved elsewhere in the annual report.
- exempt most medium-sized private companies from the requirement to produce a strategic report as part of their annual report and accounts.
- exempt wholly owned subsidiaries from producing a strategic report where relevant disclosures are included in the annual report of a UK parent entity.

It is not yet clear when these reforms will take effect.

Sources:

- Companies (Accounts and Reports) (Amendment and Transitional Provisions) Regulations 2024
- Written statement to Parliament

Further information:

- Government updates plans to simplify reporting

UK sustainability disclosure standards and transition plans

The government has consulted on making UK Sustainability Reporting Standards (UK SRS) available for voluntary use in the UK (initially) and for taking forward requirements on transition plans. The UK SRS are based, with minor modifications, on the ISSB's IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures). The consultations closed in September 2025 but the government has not yet announced next steps.

A third consultation covered developing an oversight regime for providers of sustainability reporting assurance. In the meantime, the FRC has published ISSA (UK) 5000, a UK version of the global benchmark standard for sustainability assurance, developed by the International Auditing and Assurance Standards Board. ISSA (UK) 5000 provides UK companies, investors and assurance providers with a consistent, internationally aligned assurance standard for voluntary use in sustainability assurance engagements.

The government is expected to consult on introducing mandatory disclosure requirements against the UK SRS in the coming months. The FCA is also expected to consult on changes to the UK Listing Rules to reflect the UK SRS.

It is not yet clear whether the government will make transition plans mandatory and, if so, when and for which entities. In the meantime, the FRC and FCA recommend use of the Transition Plan Taskforce's Disclosure Framework for those wishing to disclose their climate transition plans on a voluntary basis.

Sources:

- Plans for UK to become sustainable finance capital of the world
- ISSA (UK) 5000
- UK Sustainability Reporting Standards

Further information:

- Quick Guide: Key Sustainability Disclosure Regimes: UK SRS
- Quick Guide: Key Sustainability Disclosure Regimes: Transition plans

EU sustainability disclosures

The Corporate Sustainability Reporting Directive (CSRD) requires certain EU and non-EU companies to report on sustainability issues in accordance with mandatory European Sustainable Reporting Standards (ESRS) and the Corporate Sustainability Due Diligence Directive (CSDDD) requires certain EU and non-EU companies to adopt transition plans.

The EU is, however, making significant changes to the timing, scope and content of the CSRD and CSDDD as part of its Omnibus simplification package.

As regards timing, the CSRD was originally due to be phased in from 2025 (for financial years starting on or after 1 January 2024) until 2029 (for financial years starting on or after 1 January 2028). Delegated Regulation 2025/1416 (known as the "Quick Fix" Delegated Regulation) freezes compliance with certain aspects of ESRS for two years for companies that have already started to report under the CSRD. The Omnibus I Directive (known as the Stop-the-Clock Directive) then postpones the application of the CSRD by two years for companies not yet required to report.

The Stop-the-Clock Directive also postponed the transposition and application of the CSDDD by one year so that EU member states had until 26 July 2027 to transpose the CSDDD into national law and the first wave of companies had to comply from 26 July 2028. However, in December 2025, the Council and European Parliament agreed a Directive which, subject to publication in the Official Journal, delays national transposition of the CSDDD by an additional year to 26 July 2028 and requires in-scope companies to start complying from 26 July 2029.

The Directive considerably narrows the scope of the CSRD and CSDDD by raising employee and turnover thresholds and abolishes the requirement for companies in scope of the CSDDD to adopt transition plans. As regards the scoping thresholds under the CSRD, broadly, non-EU companies will be in scope if they are: (i) an issuer (i.e., an entity with equity or debt listed

on an EEA regulated market) with more than EUR 450 million net turnover and more than 1,000 employees; or (ii) a non-EU ultimate parent company with more than EUR 450 million turnover generated in the EU (with an EU subsidiary or branch in the EU generating more than EUR 200 million turnover). Under the CSDDD, non-EU companies will be in scope if they have more than EUR 1.5 billion turnover generated in the EU (different scoping tests apply for entities entering into franchising or licensing agreements in the EU in return for royalties). For further details on the changes to the CSRD and CSDDD see our blogpost and our EU Omnibus Tracker.

Sources:

> Corporate Sustainability Reporting Directive
> Corporate Sustainability Due Diligence Directive
> Delegated Regulation 2025/1416
> Stop-the-Clock Directive

Further information:

> Quick Guide: Key Sustainability Disclosure Regimes: EU CSRD
> EU Omnibus I: CSRD and CS3D amendments finalised: what do you need to know?
> Linklaters EU Omnibus Tracker

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