

## UK Governance & Risk

A mid-year overview for  
UK-listed companies

Summer 2026



This briefing summarises some of the major governance and reporting-related developments from the first half of this year which are relevant to UK-listed companies.

To help legal and governance teams to plan ahead, the “Looking forward” sections of this guide also highlight key dates and timings which have been set so far and which it may be helpful to bear in mind.

For more information about any of these topics, please get in touch with your usual Linklaters contact.



### Government and regulatory policy

**Legislative programme** – In May, the government set out its [legislative agenda](#) for its second Parliamentary session.

Headline priorities include strengthening economic, energy and national security and removing barriers to growth. The government also hopes to rebuild links with the EU.

**Capital markets** – The Financial Conduct Authority (FCA) is planning to [consult](#) on updating its Disclosure Guidance and Transparency Rules (DTRs) to enhance efficiency and embrace a more modern approach. The FCA is also [bringing forward](#) a review of parts of the UK Listing Rules (UKLRs) relating to investment entities, starting with a [consultation](#) (until 14 August) on conflicts and related party provisions.

In the meantime, the [Dematerialisation Market Action Taskforce \(DEMAT\)](#) is developing detailed plans for the removal of listed company paper share certificates, as the first part of a larger three-step project for fully digitising the UK's shareholding framework. Listed companies should not need to update their articles as a result but may wish to do so, as well as considering other impacts on corporate administration with their registrars.

**Audit and governance** – The Department for Business and Trade (DBT) [confirmed](#) earlier this year that it will not take forward long-anticipated reform legislation.

**Financial services** – The [Financial Services and Markets Bill](#) currently before Parliament is intended to deliver parts of the Leeds reforms announced in 2025, including by reducing the burden of complying with the Senior Managers and Certification Regime (SMCR). See our [briefing](#).



### Looking forward

- **Summer 2026** – DEMAT expected to publish plans for the removal of physical share certificates.
- **Q3 2026** – FCA to consult on updating its DTRs.
- **End 2026** – FCA expected to finish its review of the UKLRs relating to investment entities and the Financial Services and Markets Bill is expected to be passed.
- **During 2027** – Regulations to remove share certificates expected to be made with effect from the end of 2027.



## Corporate reporting

**Modernising Corporate Reporting** – The DBT [reaffirmed](#) in January that it will prioritise measures to reduce business administrative costs, including through work to modernise corporate reporting. A consultation on a broad range of reform proposals has been promised for this year, although it is unclear when it will finally be issued.

**Provision 29 UK Corporate Governance Code (UKCGC)** – The Financial Reporting Council (FRC) has published brief [guidance](#) on some commonly asked questions to help companies preparing to report for the first time against the enhanced requirements for information about risk management and material controls. Overall, the FRC expects reporting to be proportionate and business-specific. More specifically, the guidance confirms details such as that there is no set number of material controls that companies should have, or a set format for the declaration of effectiveness, and that there is no requirement for external assurance to support controls testing. A further recently-issued FRC “[Mythbuster](#)” on Provision 29 explains the role and responsibilities of the auditors, including whether the audit opinion on the financial statements covers the Provision 29 statement, and possible impacts of any deficiencies identified in the internal controls.

**Comply or explain** – The [FRC guidance](#) on reporting under the UKCGC has been updated to help to improve the quality of explanations given when companies depart from Code provisions and to encourage investors to assess whether departures are justified (rather than approaching the Code as a compliance exercise). The guidance notes that a common area of non-compliance relates to the independence of the board chair. In addition, companies not complying with the Minimum Standard on Audit Committees are asked to explain clearly why this is the case.

**Strategic report** – The FRC’s [Guidance on the Strategic Report](#) has been revised to reflect recent changes to the corporate reporting framework. The Guidance now also explicitly states that it is non-mandatory and meant to provide practical assistance.

**Large subsidiaries** – At the end of 2025, the FRC published a [report](#) on the quality of the disclosures made against the [Wates Principles](#) and an accompanying [overview](#). The Principles are the most popular of the governance codes used by large UK private companies. The FRC has confirmed that there are no plans to review or revise the Principles or their “apply and explain” approach.

**Reporting and governance policy** – In 2026/27, the FRC [plans](#) to continue with its three-year strategy of balancing growth with high standards of governance and reporting.

**US** – The Securities and Exchange Commission (SEC) is [proposing](#) to allow US companies to report semi-annually, in line with other jurisdictions, such as the UK and EU. Changes would not affect UK companies which are foreign private issuers as they are not subject to the US quarterly reporting requirement. See our [briefing](#).



### Looking forward

- **2026** – DBT expected to publish a wide-ranging consultation on Modernising Corporate Reporting.
- **Q1 2027** – The first of the new disclosures against the revised version of Provision 29 of the UKCGC must begin to be published in annual reports on the 2026 reporting year (as the updated version of Provision 29 applies to financial years starting from 1 January 2026).





## Climate and sustainability disclosures

**UK Sustainability Reporting Standards (UK SRS)** – In March, the government endorsed [final-form UK SRS](#) which are based on the globally-accepted ISSB standards, with minor adjustments. UK SRS S1 sets out the general requirements for sustainability-related disclosures and UK SRS S2 requirements for climate-related disclosures. Both are currently available for voluntary use, but the government is expected to consult on making their use mandatory for certain types of UK-incorporated companies as part of its wider Modernising Corporate Reporting programme. See our [briefing](#) and [Quick Guide](#).

**UKLRs** – The FCA has [consulted](#) on aligning its existing TCFD-based disclosure requirements for listed companies with the new UK SRS. If brought into effect as proposed, the new rules would give flexibility on transition plans, assurance requirements and for overseas issuers. See our [briefing](#) and [Quick Guide](#) to the existing listed company requirements.

**Assurance** – The DBT has [confirmed](#) plans for a new oversight regime for sustainability-related financial disclosures. The majority of those consulted supported the main proposal of setting up a voluntary registry of providers.

**Streamlined Energy and Carbon Reporting (SECR)** – The government's [post-implementation review](#) of the Companies Act requirements for UK companies to include energy use and carbon emissions data in their annual reports has recommended retaining these obligations, although with updates to improve effectiveness and to align with recent developments in sustainability reporting. See our [briefing](#).

**Nature** – The ISSB has stressed the importance of nature topics but will [develop](#) a practice statement on such disclosures rather than a separate standard. See our [briefing](#).

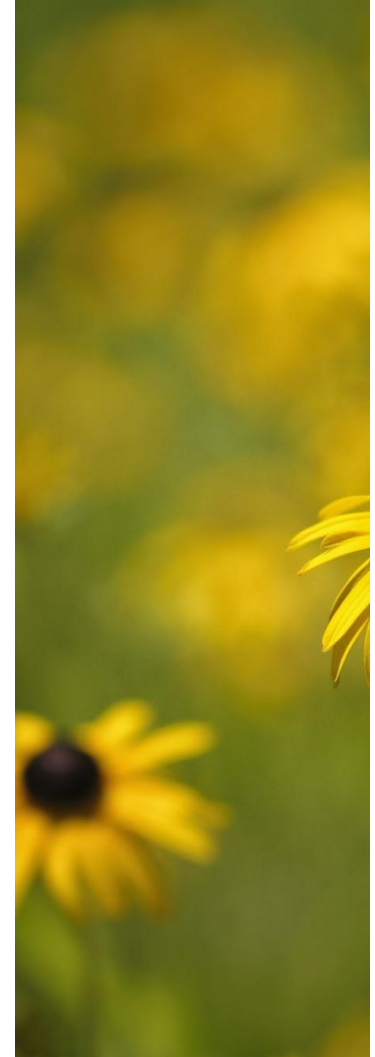
**EU** – The [Omnibus simplification package](#) means that the obligations in the Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) have been significantly cut back and now apply to far fewer EU and non-EU companies. Consequential revisions to the accompanying European Sustainability Reporting Standards are due to follow. See our briefings on the [CSRD](#) and [CSDDD](#) impacts on non-EU companies.

**US** – The SEC has formally [proposed](#) rescinding its climate-related disclosure rules. These had not yet come into effect due to legal challenges so there is no change to existing rules for listed companies as a result. See our [briefing](#).



### Looking forward

- **2026** – The government's consultation on Modernising Corporate Reporting is expected to include a section on reporting against the new UK SRS.
- **Q3/Q4 2026** – Amended UKLRs expected to be issued.
- **1 January 2027** – New UKLR sustainability reporting requirements expected to begin to apply to financial years starting from this date.
- **2027** – A new voluntary registry of firms providing assurance services is intended to be in place.
- **2029** – Non-EU companies in scope must start reporting under the EU CSRD (in respect of FY 2028). This date has not changed as a result of the recent simplification initiative.
- **26 July 2029** – EU CSDDD begins to apply to all in-scope companies (including non-EU companies).





## Digital reports and filings

**Structured digital reporting** – The FRC's [annual review](#) and accompanying [factsheet](#) set out ways for listed companies to improve the disclosures required under DTR 4. Issues of concern which were identified by the FRC include:

- inconsistent tagging,
- tags not based on the correct underlying accounting concepts,
- the unnecessary use of customised extensions,
- the anchoring of extensions to generic or weak concepts,
- Earnings Per Share scaling errors,
- insufficient website availability and accessibility,
- failures to address validation errors and warnings, and
- late and deficient filings

**Accounts filings** – Companies House has [confirmed](#) that it will introduce the accounts reforms set out in the Economic Crime and Corporate Transparency Act 2023 (ECCTA). This means that all companies will need to file their annual accounts using commercial software. In addition, small companies will need to file profit and loss accounts, it will no longer be possible to file abridged accounts, there will be a stronger eligibility statement for claiming audit exemptions, and limits on shortening accounting reference periods.



### Looking forward

- **April 2028** – The ECCTA accounts reforms will be implemented, including the mandatory software filing of accounts. This is a year later than was originally announced so companies have more time to prepare.



## Suppliers and payment practices

**New statutory requirements** – The DBT [confirmed](#) in the spring that the government intends to do more to address late payments to suppliers and to increase transparency around large companies' payment practices. In May 2026, the government announced further plans for legislative measures, and the [Commercial Payments Bill](#) was introduced to Parliament. Key features of the proposed legislation include:

- maximum payment terms for commercial contracts,
- a mandatory interest rate of 8% above the BoE base rate for late payments,
- rights for suppliers to recover a fixed sum where purchasers raise disputes late or without sufficient information,
- a prohibition on deducting or withholding retention payments under construction contracts, and
- stronger powers for the Small Business Commissioner.

**Annual disclosures** – The DBT has published [guidance](#) on the [new requirement](#) for directors' reports of large companies to disclose details of their payment practices and performance. This new requirement is additional to, and does not replace, existing requirements for businesses to report twice a year on their payment practices on a government web service.



### Looking forward

- **Q1 2027** – The first reports on payment practices must begin to be published in annual reports of companies in scope (as the obligation applies to financial years commencing on or after 1 January 2026).



## Stewardship and investor advisors

**Stewardship Code** – The latest version of the [UK Stewardship Code](#) came into force at the beginning of the year and aims to set high, but more flexible, standards for the asset owners and managers which are accepted as [signatories](#) to it.

In particular, this version of the Code seeks to clarify that investors should decide for themselves on the importance of different stewardship factors, including ESG issues, for their own investee companies and investment strategy.

The new Code also aims to encourage proxy advisors, as part of the investment system, to do more to make sure they are transparent about their research methods, conclusions and voting recommendations.

**Pensions UK** – The trade body for the UK pensions industry, has been renamed Pensions UK (having previously been known as the PLSA). Its 2026 [Stewardship and Voting Guidelines](#) continue to promote responsible investment.

Topics of focus for 2026 include: AI and cybersecurity, governance, climate and sustainability, social and workforce factors, EDI (equality, diversity and inclusion) and the possible use of pass-through voting for pension fund beneficiaries to exercise their rights as indirect shareholders.

**Proxy advisors** – The 2026 voting guidance published by the most influential firms, [Glass Lewis](#) and [ISS](#) is broadly consistent with previous years although ISS has this year placed a particular emphasis on listed companies making sure that “in-person” shareholder meetings do not restrict interactions with directors.

PIRC also issued updated voting guidance in March 2026 (available by subscription only).



## Annual General Meetings (AGMs)

**Meeting formats** – This year, so far, most FTSE 350 companies are still holding physical-only meetings (over 70%) but with a slight uptick in the number of hybrid AGMs. As before, only a handful of listed companies are using fully virtual or “digital first” formats. Likewise, few companies are proposing to update their articles to allow for fully electronic AGMs in the future and there has been some marked investor opposition to such proposals. [Share Action](#), a UK NGO, has sought to take advantage of this to call on the government to rethink its plans to facilitate the use of online-only AGMs by clarifying that they can be held under the Companies Act.

**Pre-emption disapplications** – Our review of market practice in the first part of the 2026 AGM season shows that, like last year, over 60% of the FTSE 350 are seeking authorities above the old 5% limits for non-pre-emptive issues.

**Climate-related resolutions** – Only three FTSE 350 companies have this year so far chosen to put resolutions to approve climate action plans or disclosures. Shell plc also put forward a resolution which had been requisitioned by Follow This, a Dutch activist NGO. Interestingly, Follow This had served a similar requisition on BP plc but it was not included in BP’s AGM agenda on the basis that the necessary legal requirements had not been made out. Separately, BP has also sought to cut back on the scope of climate-related shareholder resolutions which had been requisitioned and approved by shareholders in previous years.



### Looking forward

- **2026** – The DBT’s consultation on Modernising Corporate Reporting is expected to invite further comments on the UK approach to virtual-only shareholder meetings.



## Corporate transparency

**Companies House Business Plan** – In 2026/27, [Companies House](#) intends to continue to implement the company law reforms introduced by ECCTA, while seeking to minimise administrative burdens and to modernise its technology. Priorities include ensuring the integrity of corporate data.

**Identity verification requirements (IDV)** – The implementation of IDV requirements for those filing documents at Companies House (known as “presenter measures”) has been [postponed](#) to allow Companies House to prioritise the transition period for directors and people with significant control (PSCs), and to address feedback.

**Meaning of “significant influence or control”** – The government has issued revised [final statutory guidance](#) on how to interpret this phrase in the context of the PSC regime for UK companies and LLPs. The guidance reflects the new PSC reporting framework brought in by ECCTA.

**Director/PSC information** – Companies House has published [new guidance](#) on how to replace an incorrect date of birth for a director or PSC.

**Register of members** – Private companies can no longer keep their membership information on the central register at Companies House but must maintain their own registers. The [Economic Crime and Corporate Transparency Act 2023 \(Commencement No. 7\) Regulations 2026](#) which set out these changes came into effect in January 2026.



## Looking forward

- **2026/27** – Companies House intends to extend mandatory IDV to those filing on behalf of companies.



## Market transparency and regulation

**Misleading information** – The FCA has [fined](#) John Wood Group plc nearly £13 million for publishing misleading information in its financial results. This year has also seen the end of the long-running cases against the ex-CEO and two former finance directors of Carillion plc. [Final Notices](#) from the FCA imposed substantial fines on these directors for their involvement in misleading the market prior to the construction company’s collapse in 2018. The FRC, as the accountancy regulator, took [separate action](#) against the two former Carillion finance directors, as well as three other senior accountant employees, for acting recklessly and for failures of integrity in preparing accounting information.

**Prospectuses** – Under new rules for admission to trading on a regulated market (PRM), companies need a prospectus for new issues which increase an existing share class by 75% or more (the limit was previously 20%).

**Further share issues** – Since January 2026, listed companies no longer need to apply to the FCA for listing when issuing further securities of a class that is already listed. An application for admission to trading may still be required.

**MAR divergences** – Companies listed in both the UK and the EU should note that, since June 2026, the rules on disclosing inside information for EU listed issuers are slightly different to their UK equivalents. Specifically, in the EU, where there is a protracted process, the trigger for an announcement is now the earlier of where a final event or circumstances have occurred, or that the confidentiality of the relevant information can no longer be maintained. See our [briefing](#).

**FTSE inclusion** – [Changes](#) to the FTSE UK Index Series criteria have reduced the minimum free float requirement for non-UK incorporated companies to 10% (from 25%).



## Artificial Intelligence

**UK policy** – The [government](#) is seeking to take advantage of AI opportunities by making the UK the fastest adopter of the new technologies in the G7. Businesses are urged to work in partnership with the government and consider safety and impacts on workers. For a guide to the concepts behind AI and key legal issues, see our [Linklaters AI Digital Handbook](#).

**Capital markets** – A final-form [IOSCO Supervisory Toolkit](#) seeks to align regulatory approaches across the world by identifying common issues, investigative tools and recommended governance and risk systems.

**Legal professional privilege** – The increased use of AI tools means organisations may inadvertently be waiving their rights to withhold evidence from being made available to third parties or a court. See our [briefing](#) for employers on recent developments and risk mitigation in this area. For information about legal privilege in general in Europe, America and Asia-Pacific, see our updated [Global Guide](#).

**Antitrust risks** – Regulators are increasingly focusing on AI-related competition and consumer concerns, including possible risks of agentic collusion, price-signalling, covert prompt “injections” and abusive “lock-ins” which restrict choice. See our [briefing](#).

**Copyright protections** – The government is to continue to monitor developments and explore options before deciding how to amend existing laws, including by potentially introducing new AI training exceptions. See our [briefing](#).

**Investor recommendations** – Glass Lewis [UK proxy voting guidance](#) for this year emphasises that listed companies should have robust governance processes for AI management. Likewise, [Pensions UK](#) has identified this issue as a priority for pension fund investors in listed companies to consider.



## Cybersecurity and risks

**AI threats** – The [UK’s cyber conference](#) in April focused on improving defences, including by [warning](#) businesses that while the most serious cyber attacks have up to now relied on a small number of highly skilled criminals, a new generation of AI models can find software weaknesses much more rapidly and at scale. See our briefings on [Claude Mythos and other AI threats](#) and on taking a [holistic approach](#) to data, cyber and AI governance and risks.

**Cyber Resilience Pledge** – In response to these developments, the government has been urging businesses to [commit](#) publicly to making cyber a board responsibility. Companies are also expected to sign up for an [Early Warning service](#) and to ensure that [Cyber Essentials](#) are embedded across their supply chains.

**Cyber Security and Resilience Bill** – New [legislation](#) to protect UK essential and critical services is currently progressing through Parliament. In addition, the [Government Cyber Action Plan](#) sets out how the UK plans to secure its public services as part of a broader security strategy.

**Linklaters Cyber Security Handbook** – All organisations should be considering key security issues, including making sure that senior management are on board, getting governance right, maintaining a cyber-aware culture in the business through training and enforcement, planning for how to respond to cyber incidents and carry out investigations, operational resilience, third parties and supply chains, insider risks and essential technical security measures. See our [updated Handbook](#) for commentary on all these topics, as well as a chapter focused on financial services considerations, and a summary of key cyber and critical infrastructure laws in Asia, the EU, and the US.



## Employees and workers

**New employment rights** – Key measures in force since April 2026 include day 1 paternity and parental leave, sexual harassment as a qualifying whistleblowing disclosure, removal of the SSP waiting period, annual leave record-keeping obligations, increased awards for collective consultation failures, and a new Fair Work Agency.

Our [UK Employment Law Reforms Tracker](#) gives details of the recent wide-ranging changes to over 20 areas of employment law. A separate [briefing](#) considers key risks and strategies for businesses engaged in large-scale redundancies.

**Non-competes** – The government has consulted on proposals to reform post-termination restrictions in employment contracts and recently confirmed it intends to take action in this area.

**Unfair dismissal** – Significant changes to the unfair dismissal regime will include a reduced qualifying period for bringing a claim and, importantly for senior and highly paid staff, the removal of the cap on the compensatory award. These changes will materially increase potential exposures for employers and should prompt a review of existing dismissal processes and settlement practices.

**NDAs** – The government is considering preventing employers from using non-disclosure agreements in the context of workplace discrimination and harassment, unless they are “excepted agreements” which meet prescribed conditions.

**Equality Action Plans** – Large employers can now publish Plans which show how they are supporting employees on a voluntary basis to prepare for when these Plans become mandatory. See our [briefing](#) and [government guidance](#) on creating Plans.

**Zero hour contracts** – The government is consulting (until 25 August 2026) on reforms to reduce worker insecurity on hours and income. See our [briefing](#).

**Pay gap reporting** – The Office for Equality and Opportunity [confirmed](#) in March that the government will introduce new mandatory ethnicity and disability pay gap reporting. Where possible, the requirements will align with the existing gender pay gap reporting framework. See our [briefing](#).

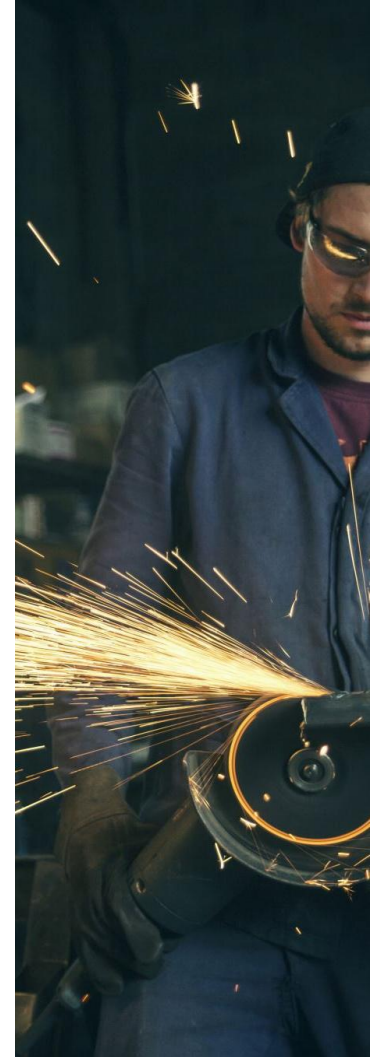
**Ethnic diversity in business leadership** – The Parker Review’s [2026 annual report](#) shows that the FTSE 350 have made strong progress in meeting the target of having at least one ethnic minority director, although there is a notable variation between directors from different ethnic groups.

**Gender diversity for business leaders** – The FTSE Women Leaders Review most recent [annual report](#) shows that women now occupy approximately 40% of roles on company boards and the proportion in leadership roles has also grown, although there are still few female CEOs.



### Looking forward

- **October 2026** – Duty to prevent third party harassment and extension of tribunal time limits for bringing claims begin to apply.
- **1 January 2027** – Changes to unfair dismissal rules come into effect.
- **During 2027** – Various changes to key employment laws expected, including in relation to NDAs, zero hour contracts and fire and re-hire practices.
- **Spring 2027** – Equality Action Plans become mandatory.





## Economic crime

**Corporate criminal acts** – The [Crime and Policing Act 2026](#) (in effect from 29 June) means that corporates and partnerships, wherever incorporated, can be held liable for crimes of any type which have been committed by their senior managers. The new legislation will make it easier to prosecute corporates for criminal misconduct if the relevant managers were acting within the scope of their actual or apparent authority.

Companies may therefore wish to consider how to mitigate the risk of being held criminally liable for actions taken by their senior managers. See our [briefing](#).

**Sanctions** – Recent enforcement action against both a bank and its customers shows that the Office for Financial Sanctions Implementation (OFSI) will take a wide-ranging approach and not just focus on entities initiating payments. See our [briefing](#).

Separate recent [enforcement action](#) by OFSI has resulted in the largest ever penalty levied (£1M) on a travel technology firm for repeated and serious attempts to circumvent UK sanctions. Government statements in connection with this case have highlighted that the UK intends to enforce its sanctions regime robustly and wishes to send clear compliance messages to industry.

OFSI has also published [joint guidance](#) with its US counterpart (OFAC) to help businesses to understand and to comply with their sanctions obligations.

**FCA Enforcement Watch** – A new [publication](#), launched this year, gives details of the FCA's updated investigations publicity policy, case priorities and international partnerships.



## Directors

**Disqualification regime** – The DBT's Insolvency Service has been [consulting](#) on options for strengthening and modernising the UK corporate civil enforcement regime, including existing systems for disqualifying directors and winding up companies, where this is in the public interest.

**Disqualification grounds** – Separately, a [High Court judgment](#) against Greensill Capital has found that directors can be disqualified from being involved in the management of a UK company, even if there is no established causal link between their conduct and their company going insolvent.

**Issues for Boards 2026** – Our [annual publication](#) draws together insights into topical issues, including, this year, agentic AI, stablecoins, cyber regulation, antitrust and ESG.



## Corporate entities and structures

**Re-domiciliation** – The DBT is [consulting](#) on plans to introduce an inward-only corporate re-domiciliation regime. This would allow non-UK companies to move to the UK while retaining their existing legal identity, property, rights and liabilities.

**EU Inc** – The European Commission is [proposing](#) to introduce a flexible new type of limited liability company which can be used alongside existing national corporate entities. The proposal promises faster and cheaper fully digital registration, as well as simpler procedures for ongoing corporate actions.



For more information about any of the issues in this guide, please get in touch with your usual Linklaters contact.

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Author: Wilma Rix

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