

Capital Markets Policy
Financial Conduct Authority
12 Endeavour Square
London, E20 1JN

13 September 2021

Dear Capital Markets Policy team,

Thank you for the opportunity to respond to the FCA Primary Markets Effectiveness Review Consultation Paper.

This response has been prepared by the 100 Group Stakeholder Communications and Reporting Committee and is intended to speak on behalf of the Group as a whole. The 100 Group membership represents around 90% of the FTSE100 market capitalisation as well as a number of equally significant sized unlisted businesses. We note that whilst this letter expresses the views of the 100 Group as a whole, these views are not necessarily those of individual members nor their respective employers. We thank you for the opportunity to comment on your proposals and are happy to have any follow up discussion if helpful.

We are supportive of the intentions of the consultation to improve the way in which the primary markets work for companies and investors. We note that the UK has an internationally respected corporate reporting and governance architecture that many countries across the globe seek to emulate, and we believe that there is strong merit in maintaining these high standards which encourage continued overseas investment in the UK.

Specifically, when considering potential models for the listing regime, we are of the opinion that Companies with high corporate governance standards should be able to differentiate themselves and we therefore support a structure which enables this. This could be through separate premium and standard segments, or some form of tag/badge if a single segment is implemented.

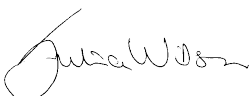
However, while we support the proposal for premium segment requirements, we believe that they could be simplified and streamlined to reduce costs and administrative burdens without sacrificing standards. We would recommend engaging with investors as part of any simplification plan to ensure that their needs are considered.

More generally, we note that these proposals at times appear to run counter to those made by BEIS in the 'Restoring trust in audit and corporate governance' consultation. Whilst we understand that the Papers seek to address different issues, they impact intrinsically on the same teams and processes, and we would therefore suggest that some alignment between the FCA and BEIS would be prudent in the interests of both efficiency of process and effectiveness of outcome.

As a group we favour reforms which enhance the UK corporate governance environment while also, critically, maintaining or enhancing the attractiveness of the UK as a destination for investment; the competitiveness of UK companies on the world stage; and the ability of UK companies to attract and retain talent to their boards. It should also be recognised that UK listed companies compete internationally but also with companies which are owned by private capital.

We hope you find that our observations provide helpful insight as you move to the next stage of the project. Please do contact our secretariat Cat Hoad at secretariat@the100group.co.uk should you wish to discuss any of our comments in further detail and she will be very happy to put you in touch with us.

Yours sincerely,



Julia Wilson,
Chair, The 100 Group