PANORAMIC

EQUITY CAPITAL MARKETS 2026

Contributing Editors

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LEXOLOGY

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Panoramic guide (formerly Getting the Deal Through) enabling side-by-side comparison of local insights, including into the legal and regulatory framework; public offerings; private placements; offshore offerings; underwriting arrangements; ongoing reporting obligations; anti-manipulation rules; price stabilisation; liabilities and enforcement; and recent trends.

Generated on: May 18, 2026

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LEGAL AND REGULATORY FRAMEWORK

Laws and regulations

1 What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

Securities offerings are governed by the following laws and regulations:

- the Capital Market Law No. 95 of 1992 and its Executive Regulations;
- the Central Depository and Registry Law No. 93 of 2000 and its Executive Regulations;
- the Companies Law No. 159 of 1981 and its Executive Regulations;
- the Financial Regulatory Authority Regulations No. 11 of 2014; and
- the Egyptian Exchange Regulations.

Law stated - 18 March 2026

Regulator

2 Which regulatory authorities are primarily responsible for the administration of those rules?

The Financial Regulatory Authority and the Egyptian Stock Exchange are the main authorities responsible for the administration of securities offerings rules.

Law stated - 18 March 2026

PUBLIC OFFERINGS

Securities exchanges

3 What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

As per the Capital Market Law No. 95 of 1992 (Capital Market Law), securities may be listed and traded in a marketplace, which is the Egyptian Exchange Egyptian Stock Exchange (EGX), designed for all types of issuers and securities in accordance with the Financial Regulatory Authority (FRA) Regulations.

The FRA Regulations are the legal framework regulating the controls and procedures for the listing and delisting of securities at the EGX, and these rules apply to all types of securities listed on the EGX such as shares, bonds, financing instruments, investment fund documents, Egyptian depository certificates and other securities. According to the

FRA Regulations, the main requirements for listing at the EGX shall differ depending on the type of security. However, the main requirements for the listing of stocks are as follows:

- the percentage of shares to be offered for sale at the EGX shall be outlined in an offer prospectus or disclosure report to be approved by the FRA. This percentage shall not be less than 25% of the total listed shares of the company, or one quarter per thousand of the market capital free to trade at the EGX with no less than 10% of the company's shares, or shares equivalent to 1% of the market capital free to trade at the EGX;
- the number of shareholders of the company after the offering shall not be less than 300 shareholders, taking into account that the allocated shares shall be distributed in light of the EGX Regulations in order to verify the non-fictitious offering;
- the percentage of free float shares shall be at least 10% of the total shares of the company, or 1/8 per thousand of the market capital free to trade at the EGX with at least 5% of the company's shares, or shares equivalent to 0.5% of the market capital free to trade at the EGX;
- the number of issued shares required to be registered shall not be less than 5 million shares;
- the requesting company shall submit the approved financial statements for the two fiscal years preceding the registration application;
- the issued capital shall be fully paid up and not less than EG£100 million or its equivalent in foreign currencies, based on the latest annual financial statements or the last periodic financial statement, accompanied by a comprehensive audit report from the auditor and certified by the company's general assembly;
- the submission of undertakings that the percentage of retention of the main shareholders of the company and (or) their replacement from the rest of the shareholders of the company shall not be less than 51% of the shares owned by them in the company's capital, if available. In the event that the percentage of the retained shares is less than 25% of the shares of the company's issued capital, such percentage shall be satisfied by the contributions of the members of the board of directors and the founders of the company or from other shareholders of the company;
- the submission of a report on the company's business model, management structure, previous work and governance policy to be followed after registration; and
- the percentage of net profit before the deduction of taxes for the last financial year preceding the registration application shall be not less than 5% of the paid-up capital to be registered.

In 2007, the EGX founded the first securities exchange market for small and medium-sized companies, governed by the Nile Exchange. The main requirements for the listing of securities at the Nile Exchange are as follows:

- the percentage of shares to be offered for sale on the Nile Exchange shall be based on an offer prospectus or disclosure report for the purpose of an offering approved by the FRA. They shall not be less than 25% of the total listed shares of the company,

or a quarter per thousand of the market capital free to trade at the Nile Exchange with no less than 10% of the company's shares;

- the number of shareholders in the company shall not be less than 100 shareholders after the offering, taking into account that the allocated shares shall be distributed in light of the Nile Exchange Regulations, in order to verify the non-fictitious offering;
- the percentage of free float shares shall not be less than 10% of the total shares of the company or one-eighth per thousand of the market capital. They shall be free to trade on the Nile Exchange with no less than 5% of the company's shares;
- the number of issued shares required to be registered shall not be less than 100,000 shares;
- the issued capital must be fully paid, with a minimum of EG£1 million and less than EG£100 million, based on the latest approved annual financial statements or the last periodic financial statements;
- the shareholders' equity in the last annual or periodic financial statements prior to the date of the registration application shall not be less than the paid-up capital; and
- the company requesting the registration of its shares shall conclude a contract with one of the certified sponsors registered in the FRA register prepared for that purpose, and the sponsor shall be responsible for assisting the company in registering its securities.

Moreover, according to the Executive Regulations of the Capital Market Law, with the approval of the FRA's Board of Directors and after obtaining the relevant FRA licence, private exchange segments may be established. These shall have their own legal personality and shall take the form of a joint stock company and in which trading shall be limited to one or more types of securities.

Law stated - 18 March 2026

Mandatory filings

4 What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?

According to the Capital Market Law No. 95 of 1992 (Capital Market Law) and its Executive Regulation, all public offerings of securities should be through a prospectus prepared using Financial Regulatory Authority (FRA)-approved forms ratified by the FRA.

Primary public offering

The prospectus in the primary public offering of stocks for incorporationof the company should include the following disclosures:

- company information (name, legal form, objective, issued and paid capital, and fiscal year, etc);

- the types of offered shares and the rights ascribed to them;
- the founders' names and their shareholding percentages, as well as stating any contributions in kind (if any);
- the company's plan of utilisation of the money collected from the offering, and its expectations regarding the outcomes of such utilisation;
- the places where the FRA-approved prospectus could be obtained;
- the FRA ratification date and number thereof;
- the offering starting and closing dates and the entity through which the subscription will be made;
- the required amount to be paid upon subscription, which should not be less than one-quarter of the nominal value in addition to the issuing expenses;
- details of the company's auditors; and
- the summary of the contracts concluded by the founders within the five years preceding the offering, which they intend to assign to the company after its incorporation.

The prospectus in the primary public offering of *stocks* for capital increase should, in addition to the above disclosures, include:

- the commercial register date and number of the company;
- previous operations of the company;
- the board members and responsible managers, and their experiences;
- the names of shareholders holding more than 5% of the nominal shares, and the shareholding percentage of each;
- the summary of the approved and audited financial statements of the previous three fiscal years, or the period from incorporation of the company, whichever is less, prepared according to the forms set forth by the FRA;
- the date of the general assembly or the board resolution approving the capital increase, and the legal basis of such resolution;
- the capital increase amount and the number of shares and their values, provided that a fair value is determined for such shares. This fair value is determined according to a report by an FRA-approved independent financial consultant, or according to a study prepared by the company, depending on certain criteria;
- the reasons for the capital increase and the company's expectations of the benefits of this increase;
- the pre-emption rights of existing shareholders; and
- the statement of pledges and other real rights of all assets.

The prospectus in the primary public offering for other securities should include the following disclosures, in addition to the above disclosures:

- the date of the general assembly or the board resolution approving the issuance of the securities, and the legal basis of such resolution;

- the type of securities and their interests and the calculation basis thereof;
- the number and date of the FRA's approval to issue the securities for public subscription;
- the terms of issuance of the securities, and the conditions and timings of their restitution;
- a statement of guarantees and securities presented by the company to the holders of the securities;
- the net value of the company's assets as determined by an auditor's report according to the latest financial statement approved by the general assembly, in addition to a declaration by the company's board that the issued securities do not exceed this value, unless the company was authorised to issue the securities with a value exceeding the net value of its assets; and
- a summary of the resources of the cash flows, liquidity ratio, profitability and financial structure of the issuing company, and an auditor's report on the future predictions according to the Egyptian Auditing Standards.

Secondary public offering

According to the FRA Regulations, secondary public offerings should be made through the Egyptian Stock Exchange (EGX). The issuing company should first satisfy the registration requirements in the FRA and the EGX listing rules.

The prospectus in the secondary public offering of stocks should include six sections, covering the following disclosures in particular.

- Section one: general information about the issuing company, including:
    - the primary existing litigation cases and the financial allocations thereto;
    - existing loans or pledges;
    - investments of the issuing company in the subsidiaries and sister companies;
    - details of the main shareholders offering the shares;
    - main shareholders' structure before the offering; and
    - their expected structure after the offering.
- Section two: special disclosures, including:
    - disclosures about the nature of the company's work;
    - disclosures about the offering (reasons for the offering, the position of the main shareholders according to listing rules, shareholders with frozen shares for specific time periods according to extraordinary general assembly resolutions); and
    - subsequent disclosures to be made after the execution of the offering.
- Section three: a summary of the independent financial consultant's report on the fair value of the share and the auditor's report on the consultant's report, as well

as a declaration of the chair on the validity of the assumptions presented to the independent financial consultant.

- Section four: a summary of the financial statements of the company (comparative tables for three years).
- Section five: the terms and conditions of the offering according to the offering manager's statement.
- Section six: the terms and mechanism of the share price stability after the offering.

The information statement in the secondary public offering of bonds should primarily include the following disclosures.

- Information regarding the issuer:
    - disclosure of the legal type of the company, its objective, authorised, issued and paid capital;
    - disclosure of the shareholders owning 5% or more, and the board of directors;
    - disclosure of the insurances over the assets, current pledges and privileges attached to them and the tax position of the issuer;
    - disclosure of the net value of the assets according to the latest approved financial statements; and
    - disclosure of the primary litigation cases raised against the issuer, which have an impact on its financing structure, and the allocations made thereto (if any).
- Information regarding the issuance:
    - the general assembly resolution of the issuing company approving the issuance, and the board resolution (if the general assembly authorised the board to issue detailed conditions of the issuance);
    - disclosure on the issuance conditions, including the total value, number and duration of the bonds, consummation and repayment dates, repayment priority of the bonds in the event that the issuing company is bankrupt, interest rate and the calculation basis thereof, in addition to the payment date thereof;
    - disclosure on the issuing company's credit ranking certificate or the issued bonds;
    - discourse on the objective of the issuance and means of usage of the bonds' collections;
    - disclosure on the bonds' early repayment provisions, in addition to clarifying any indemnities that may be due to the bonds' holders as a result thereof;
    - disclosure on the guarantees or the securities in favour of the bonds' holders;
    - disclosure on all the risks ascribed to the issuer and the issuance, and the hedging or mitigation means for such risks;
    - disclosure of the position of registering the bonds in the central clearing, depository and registry and the EGX; and
    -

disclosure on the subscription data of the bonds, including the entity receiving the subscription, minimum and maximum rates of the subscription, date of opening and closing of the subscription, and the allocation and restitution methods.

- Information regarding the financial disclosures of the issuer:
  - the financial statements issued according to the Egyptian Accounting Standards for the previous three fiscal years, or the period from incorporation of the company, whichever is less, enclosing therewith a report issued by an auditor duly registered with the FRA;
  - a summary of the resources of the cash flows, liquidity ratio, profitability and financial structure of the issuing company, in addition to any ratios that the FRA could require and an auditor's report on the future predictions according to the Egyptian Auditing Standards; and
  - declarations and undertakings of the issuing company during the entire duration of the bonds, in addition to the events of defaults and the measures to be undertaken in the event of their occurrence.

Law stated - 18 March 2026

Review of filings

5 What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

After the prospectus or information statement and all the required FRA forms and documents are prepared and submitted for the FRA's review and approval. It is important to highlight that offering may not commence while the FRA is reviewing the submitted forms and documents. According to the Capital Market Law No. 95 of 1992 and its executive regulation, the issuer and its auditor should provide the FRA with all the required data and documents to ascertain the information included in the prospectus or information statement, the periodic reports and the issuer's financial statements. However, the review process may take approximately three business weeks.

Law stated - 18 March 2026

Publicity restrictions

6 What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?

According to the Executive Regulations of the Capital Market Law No. 95 of 1992, no publication of any data in the prospectus, for purposes of promoting the securities, should be made prior to the FRA's approval. However, after submission of the prospectus to

the FRA, it is permissible to distribute advertisements, or any other forms of publication containing key information regarding the nature of the project activity subject matter of the prospectus, provided that it is clearly stated therein in all cases and in a visible manner that the prospectus has not yet been ratified by the FRA. Furthermore, the publication material should also be pre-approved by the FRA.

Law stated - 18 March 2026

Secondary offerings

7 | Are there any special rules that differentiate between primary and secondary offerings?

According to the Executive Regulations of the Capital Market Law No. 95 of 1992, listed companies at EGX and those that offer their shares for public subscription should apply the pre-emption rights of the existing shareholders in cases of capital increase with cash nominal shares. This capital increase resolution should not limit the preemption rights of certain shareholders and should be without prejudice to the rights ascribed to preferred shares.

The period allowed for existing shareholders to subscribe to the capital increase should not be less than 30 days, starting from the date of opening the subscription; however, this period ends (before the lapse of the 30-day period) if the existing shareholders subscribed in the capital increase shares on a pro rata basis.

The extraordinary general assembly, based on a request by the board of directors and – for substantial reasons – approved by the auditor's report, may resolve, if stipulated by the company's the articles of association, to apply the pre-emption rights of the existing shareholders, and offer all or part of the capital increase shares directly to public subscription.

Furthermore, the extraordinary general assembly may also resolve, in the same manner, to offer all or part of the capital increase shares in a private subscription to a person, an entity or multiple entities, without applying the pre-emption rights of the existing shareholders, and regardless of whether the capital increase was in cash or through a conversion of debt to equity. That is, provided that the percentage of the shares and the voting rights attributed to the private subscribers and their related parties (if any) are excluded when voting on such resolution and provided that all existing shareholders approve such subscription.

Law stated - 18 March 2026

8 | What are the liability issues for the seller of equity securities in a secondary offering?

A seller may face liability issues with respect to secondary offerings that include, inter alia:

- submitting a Prospectus for the Financial Regulatory Authority's approval, which shall include inaccurate and/or incorrect information; and
- manipulating securities prices is strictly prohibited.

These actions shall result in imprisonment for a period not exceeding five years and a fine of not less than EG£50,000 or the amount of illicit gain achieved by the offender or the losses he or she avoided, whichever is greater, and not exceeding EG£20 million or twice the amount of illicit gain achieved by the offender or the losses he or she avoided, whichever is greater, or by one of these two penalties.

It is also worth noting that selling securities in violation of the rules established under this law shall be punished by a fine of not less than EG£5,000 and not more than EG£100,000)

Law stated - 18 March 2026

Settlement

9 What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?

The purchase orders are registered at the brokerage companies, members of EGX, on certain screens dedicated to this purpose by EGX. Settlement is mainly through the central depository and registry company, (ie, Misr for Central Clearing, Depository and Registry, the only current central depository and registry company in Egypt).

Law stated - 18 March 2026

PRIVATE PLACINGS

Specific regulation

10 Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?

According to the Financial Regulatory Authority (FRA) Regulations, private placement is defined as a company's offering of previously issued securities (ie, shares) to natural or legal persons deemed as qualified investors, by virtue of an offering prospectus. Investors qualified for a private placing should have the necessary financial capability.

Qualifications required for investors in private placings are as follows:

- For individual investors**:** having liquid assets of EG£5 million and preferably with experience in the securities field.
- For public juristic persons:
    - public insurance and pension funds; and
    - capital companies of not less than EG£1 million paid capital. No specific conditions are stipulated.
- For financial institutions, which are:
    - Egyptian banks and branches of foreign banks under the supervision of the Central Bank of Egypt;

- investment banks;
- financial portfolios formation and management companies;
- venture capital companies;
- direct investment companies;
- real estate financing companies;
- financial lease companies;
- factoring companies;
- private insurance funds with an investment portfolio more than EG£100 million;
- investment funds;
- investment funds of Arabic, regional and foreign financial institutions; and
- regional and international financial institutions.

Any of the following should be satisfied by the above financial institutions:

- the book value of the ownership rights of such institutions should not be less than EG£20 million;
- these institutions must have investments in securities in other joint stock companies (other than the target company of the placing) existing on the date of the placing and with a value not less than EG£10 million; and
- the activity of these institutions extends to the subscription in securities within the institutions' licensed objectives.

Procedures for private placing mainly entail:

- the minimum subscription value for financially capable individual investors is 0.5% of the offering value or EG£1 million, whichever is less. For financial institutions, the percentage is 1% or EG£10 million, whichever is less;
- clients with recorded purchase orders in a private placing may not participate in a public offering;
- subscription in private placing closes before public offering. The number of coverages of the private placing according to the final price should be disclosed after notifying the FRA, provided that the minimum number of days for the private placing should be three days;
- avoidance of conflict of interests should be considered and that the brokerage companies receiving the requests, or the placing manager, should not have a conflicting interest with the offering procedures and its parties; and
- purchase orders in private placings should be made through the FRA's automated systems, and the review and tracking thereof shall be limited to the FRA and the offering manager or managers.

If the private placing is for bonds, then a tranche of not less than 10% of the total offered bonds should be allocated for natural or juristic persons – excluding those subscribing in

the first tranche – and these persons shall not be subject to the minimum subscription percentages mentioned above.

Law stated - 18 March 2026

Investor information

11 What information must be made available to potential investors and the public in connection with a private placement of equity securities?

The information statement should include the following:

- Information regarding the issuer:
    - disclosure of the legal type of the company and its objective, authorised, issued and paid capital;
    - disclosure of the shareholders owning 5% or more, and the board of directors;
    - disclosure of the insurances over the assets, current pledges and privileges attached to them, and the tax position;
    - disclosure of the net value of the assets according to the latest approved financial statements;
    - disclosure of the primary litigation cases raised against the issuer, which have an impact on its financing structure, and the allocations made thereto (if any); and
- Information regarding the issuance:
    - general assembly resolution of the issuing company approving the issuance, and the board resolution (in case the general assembly authorised the board to issue the detailed conditions of the issuance);
    - disclosure of the issuance conditions, including the total value, number and duration of the bonds, consummation and repayment dates, repayment priority of the bonds in the event that the issuing company is bankrupt, interest rate and the calculation basis thereof, in addition to the payment date thereof;
    - disclosure of the issuing company's credit ranking certificate or the issued bonds, or both;
    - discourse of the objective of the issuance and means of usage of the bonds' collections;
    - disclosure of the bonds' early repayment provisions, in addition to clarifying any indemnities that could be due to the bonds' holders as a result thereof;
    - disclosure of the guarantees or the securities in favour of the bonds' holders;
    - disclosure of all the risks ascribed to the issuer and the issuance, and the hedging or mitigation means for such risks;
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disclosure of the position of registering the bonds in the central clearing, depository and registry and the Egyptian Stock Exchange (EGX); and

- disclosure of the subscription data of the bonds, including the entity receiving the subscription, the minimum and maximum rates of the subscription, the date of opening and closing of the subscription and the allocation and restitution methods.

- Information regarding the financial disclosures of the issuer, which includes:
  - the financial statements issued according to the Egyptian Accounting Standards for the previous three fiscal years, or the period from incorporation of the company (whichever is less), enclosing therewith a report issued by an auditor duly registered with the Financial Regulatory Authority (FRA);
  - a summary of the resources of the cash flows, liquidity ratio, profitability and financial structure of the issuing company, in addition to any ratios that the FRA requires, and an auditor's report on the future predictions according to the Egyptian Auditing Standards; and
  - declarations and undertakings of the issuing company during the entire duration of the bonds, in addition to events of default and the measures to be undertaken in the event of their occurrence.

Law stated - 18 March 2026

Transfer of placed securities

12 Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?

Generally, there are no special restrictions applied. However, in practice, some private offerings require a lock-in period. In addition, the Executive Regulations of the Capital Market Law No. 95 of 1992 entails disclosure to the EGX depending on the ownership percentage.

Law stated - 18 March 2026

OFFSHORE OFFERINGS

Domiciled issuers

13 What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?

According to the Egyptian Stock Exchange (EGX) Regulations, the following rules shall apply in this regard.

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Without prejudice to EGX listing rules, the issuing company, with EGX-listed securities, should obtain the approval of its extraordinary general assembly, and the issuance should not exceed a third of the company's issued capital. Furthermore, the ratio between the foreign depository receipts issued against the shares to the total capital shares of any company should not exceed the ratio between the company's free EGX tradable shares disclosed by the end of each week to the capital itself. If the ratio referred to is in excess, then no new foreign depository receipts shall be issued unless the stipulated ratio is reached.

- Requests for conversion to and from foreign depository receipts should be submitted to the EGX through companies and entities that are members of the EGX. The depository bank, its agent and EGX members should duly consider foreign exchange rules issued by the Central Bank of Egypt in this regard. If Egyptian clients converted to depository receipts then sold these outside Egypt, then the local custodian should transfer the interests of the sale of these receipts to the bank account of the client that is under the supervision of the Central Bank of Egypt.
- In all cases, the EGX should inspect all conversions in light of the operations control rules in order to verify that no manipulation or violation has been made in relation to these operations or in relation to whomever executed them or was executed for the benefit of. The EGX must promptly notify the Financial Regulatory Authority of any suspicions in connection therewith. Without prejudice to the EGX listing rules, the company with EGX-listed securities should not convert treasury shares into depository receipts against EGX-listed securities, or vice versa. Furthermore, no acquisition shall be effective that is made through the submission of purchase offers of depository receipts – in this case, they should be converted into local securities.
- Without prejudice to the Capital Market Law No. 95 of 1992 (the Capital Market Law), the Central Depository and Registry Law No. 93 of 2000, the Central Bank and Banking Sector Law No. 194 of 2020, and the Anti-Money Laundering Law No. 80 of 2002, and their executive regulations and the subsequent decrees issued in relation thereto, all depository banks and their local agents and EGX members should verify all their clients' data on the level of the beneficial owner and its related group.
- The depository bank and its local agent should not dispose of the Egyptian securities kept under their custody as coverage for the depository receipts. They should also abide by the relevant provisions of the Capital Market Law's Executive Regulations related to purchase orders with the purpose of acquisition prior to executing these conversions.

Law stated - 18 March 2026

Non-domiciled issuers

14 What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?

According to law No. 95 of 1992 and its executive regulations, there are no specific rules or exemptions that may be applicable to offerings made by an issuer incorporated or domiciled outside of Egypt.

However, the the Financial Regulatory Authority (FRA) Regulations No. 11 of 2014 provided conditions for listing foreign securities.

Foreign shares

The following conditions must be met for listing shares of foreign companies:

- The company's shares must be listed on a foreign stock exchange that is supervised by an entity exercising powers similar to those of the FRA in the field of capital markets, and the shares must be denominated in Egyptian pounds or a foreign currency convertible to Egyptian pounds. The company's shares may be listed even if they are not listed on a foreign stock exchange, provided that more than (50%) of its equity, assets and revenues are derived from its Egyptian subsidiaries, and provided that the company submits consolidated financial statements for the two fiscal years preceding the listing application, as stipulated in clause (b) of (First) of this article. The company must also prepare its post-listing financial statements in accordance with Egyptian accounting standards and have them audited in accordance with Egyptian auditing standards.
- The company must submit the auditor's report and financial statements to the Egyptian stock exchange. These statements must be prepared and audited in accordance with Egyptian, international or American standards. The company must also submit the board of directors' reports to the stock exchange and provide the exchange with an Arabic translation of these statements for publication on its website.
- The capital of the foreign company whose shares are to be listed must not be less than the equivalent of US$100 million, or US$10 million for small and medium-sized enterprises. If the company is not listed on a foreign stock exchange and 50% or more of its equity, assets and revenues are derived from Egyptian subsidiaries, the minimum issued and paid-up capital for the company shall be the minimum required for listing the shares of Egyptian companies.
- The nominal value of the total shares to be listed must not be less than EGP100 million or its equivalent in convertible foreign currencies; the number of shareholders must not be less than 150; and the percentage of free-float shares must not be less than 5% of the total listed shares of the company.
- The company must have a legal representative in Egypt.

Foreign bonds and sukuk

Bonds and sukuk issued by foreign companies may be listed, provided they meet the same listing requirements as Egyptian bonds and sukuk.

Bonds and sukuk issued by international financial institutions and regional and international development funds may also be listed, and the formation of a holders' group for these bonds or sukuk is not required.

Foreign closed-end funds

Investment units issued by foreign closed end funds may be listed, provided they meet the same listing requirements as Egyptian investment units.

Foreign index funds

Foreign index funds may be listed under the same listing requirements as Egyptian index fund units, provided that the fund units are listed on the EGX of the country of origin and that this exchange is subject to the supervision of a regulatory body exercising the same powers as the FRA.

Law stated - 18 March 2026

PARTICULAR FINANCINGS

Offerings of other securities

15 What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

The Executive Regulations of the Companies Law No. 159 of 1981 states that the following considerations shall apply in the event of an offering of convertible bonds:

- the bond-issuing value should not be less than the nominal value of the share;
- the value of convertible bonds in addition to the existing value of the company's shares should not exceed the company's authorised capital; and
- the existing shareholders shall have a pre-emptive right to subscribe in the convertible bonds.

According to the Executive Regulations of the Capital Market Law No. 95 of 1992, the rights of offering for a listed company could be offered separately from the original capital increase shares, unless the extraordinary general assembly waives the application of the pre-emption rights in the capital increase.

Law stated - 18 March 2026

UNDERWRITING ARRANGEMENTS

Types of arrangement

16 Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

Underwriting arrangements in Egypt generally follow the relevant international practices in this regard, with no special guidelines for these arrangements. Such underwriting

arrangements may be through a syndicate of underwriters and through firm commitment or employing best efforts.

Law stated - 18 March 2026

Typical provisions

17 What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

According to the Financial Regulatory Authority (FRA) Regulations, the underwriter's main obligations are:

- to subscribe to the securities that were not covered in the offering, and to re-offer these in a public or private offering with the same terms and conditions of the ratified prospectus, and within a maximum of three months as of the date of ratification of this prospectus;
- to abstain from buying the issued shares of the company, as long as the underwriter is the owner of the covered shares;
- to separate the accounts of its clients from its own accounts;
- to disclose on the offering procedures and the results of the subscription according to the applicable rules in this regard; and
- not to give any incorrect information on the offering procedures and the results of the subscription.

Law stated - 18 March 2026

Other regulations

18 What additional regulations apply to underwriting arrangements and the provisions typically contained therein?

According to the Executive Regulations of the Capital Market Law No. 95 of 1992, the company that undertakes underwriting activities should be licensed by the Financial Regulatory Authority (FRA), which should be notified of the underwriting arrangement. The FRA should provide its comments on this arrangement within 30 days as of the date of receipt of the notification.

Law stated - 18 March 2026

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation

19

> In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?

Generally, any company with listed securities at the Egyptian Stock Exchange (EGX) shall be subject to ongoing disclosure obligations. Furthermore, any company which issues bonds for public offering or private placing should undertake reporting to the Financial Regulatory Authority and the bondholders during the entire duration of such bonds.

Law stated - 18 March 2026

Information to be disclosed

20 | What information is a public company required to make available to the wider public?

The following information should be disclosed:

- Disclosure regarding the main shareholders' and related parties' transactions: each shareholder should disclose to the EGX when its, or its related parties', equity grows or decreases by 5% or its multiples of the securities representing the capital or the voting rights of the listed company. This disclosure should include what the shareholder and its related parties directly own from stocks or foreign depository receipts corresponding to stocks in the listed company, as well as what they indirectly own through 25% or more in the capital of this disclosing shareholder in the listed company. Such shareholders should also disclose their future investment plans and projections in relation to the listed company's management, if the ownership percentage of such shareholder and its related parties reached 25% or more of the listed company's capital or voting rights.
- These disclosures also apply to the listed company's board members, their employees and related parties if there is an executed sale or purchase of 3% or its multiples of the listed company's securities (including subscription rights). The disclosure in this case shall include what the board member and its related parties directly own from securities and foreign depository receipts, as well as what they indirectly own through 25% or more of the capital of the listed company.
- Disclosure, on a quarterly basis and within 10 days of the lapse of each quarter, of its shareholders' and board members' structures, the position of the treasury shares and the changes that occurred to these.
- Disclosure, on a bi-annual basis, of the extent of implementing the company's resolutions in relation to the cash increase of its issued capital, and the procedures taken in this regard.
- Furthermore, the EGX should be notified of any changes made to the annual report of the board of directors, or any procedures taken by any administrative authorities against the company (should such procedures affect the position of the company or its financial status), particularly:
    - any amendments to the company's articles of association;

- changes concerning the auditor during the fiscal year;
- any changes in the board of directors, its duration or the principal management;
- change of the registered address of the company or its telephone numbers;
- capital structure, including shareholdings of 5% or more; and
- any shareholdings of the company in other companies of 10% or more.

- Disclosure on an annual basis (by the end of each fiscal year) of a report on the extent to which the company achieved the results in the independent financial consultant's report on the share's fair value, provided that this report includes the justification for material deviations (if any).
- The company should disclose the resolutions of its general assembly meetings (ordinary and extraordinary) and board meetings as soon as they are adopted, and before the following trading session at most.
- Disclosure of the announcements of cash or free stock distributions, or both.
- Disclosure of material information in reasonable time, such as:
  - any new bonds issuance or any guarantees or pledges thereof;
  - any resolution that would result in calling or annulment of previously issued securities;
  - any proposed changes in the financing or capital structure exceeding 5% of the shareholders' rights in light of the latest periodic financial statements or the financial positions of the company, in addition to any restrictions on the borrowing volume available to the company;
  - any transactions exceeding 5% of the revenues of the previous fiscal year;
  - any resolutions related to amending the nominal value of the company's stock;
  - any agreement related to entry of strategic investors to buy a quota of the company's stock;
  - the existence of lawsuits or arbitration cases against the company in relation to its activities, one of its shareholdings, or any of its assets exceeding 2% of the company's equity rights according to the latest approved financial statements (annual or quarterly);
  - any related parties' commercial transactions; and
  - lawsuits against any board member or one of its principal managers in a matter related to the company and connected with violations attributed to any of them.

Law stated - 18 March 2026

ANTI-MANIPULATION RULES

Prohibitions

21 What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

According to the Capital Market Law No. 95 of 1992 (Capital Market Law), the chair of the Egyptian Stock Exchange (EGX) or the Financial Regulatory Authority (FRA) could resolve to suspend trading orders that lead to price manipulation, in addition to the annulment of transactions that are made in violation of the governing laws, regulations and decrees, or that are made with unjustified prices. They could also resolve to suspend securities dealings, the continuance of which would negatively impact the market or the dealers.

Furthermore, the chairman of the FRA could suspend any dealer from buying securities in EGX markets, whether this dealer was dealing in its own name and account or for the name or the account of another beneficiary, should a price manipulation violation be committed. This suspension shall be based on and justified by investigations undertaken by the FRA, shall not exceed a period of six months. The EGX's chairman could also undertake the previous procedures according to the FRA's regulations in this regard.

Moreover, the Executive Regulations of the Capital Market Law set forth the following prohibitions to combat price manipulative practices:

- influencing the market or prices with any practices of executing operations that do not change the actual beneficiary;
- exercising operations previously agreed upon with the purpose of implying the existence of trading of specific securities;
- publication or assistance in the publication of misleading or inaccurate news;
- publication of news related to the approaching of securities' price changes in order to influence the prices and dealings thereof;
- issuer's participation in the dealings of its securities in order to influence their prices, or through means leading to a negative impact on the dealers on same; that is without prejudice to the governing regulations of dealings on treasury stocks;
- providing any incorrect or inaccurate information through any type of media that would influence the market or the dealers in order to realise personal gain or for the benefit of a person or a specific entity;
- performing operations or enrolment of orders in stock exchange systems in order to imply the existence of dealings on securities or to manipulate their prices for facilitating their sale or purchase;
- participation in any agreements or practices that would mislead investors or artificially influence the prices of securities, control these prices or the market in general;
- solely undertaking, or through collaboration with others, the entry of orders into stock exchange trading systems with the purpose of providing misleading or inaccurate figures on the volume of activity, liquidity or the price of certain securities in the market;
- solely undertaking, or through agreement with others, the entry of orders into stock exchange trading systems for a certain security to influence the price thereof through increasing, decreasing or stabilising in order to realise illegitimate purposes,

such as influencing the value of investments to realise personal gains, or for tax evasion; or to reach a certain price previously agreed upon with another party to realise a purpose in violation of the laws, regulations and professional customs, such as increasing the price of specific securities to obtain credit secured by them;

- exploiting an order or a group of orders issued by a client or a group of clients, the quantity of which could alter the prices of securities; in addition to the prohibition of trading in the same direction of these orders prior to executing them and that would generate profits as a result of illegitimately exploiting the clients' orders. Furthermore, it is prohibited to agree with others or to provide recommendations to them to trade in the same direction of these orders before the execution thereof;
- dealing in fictitious names and accounts to execute deals, or to enrol fictitious orders in stock exchange trading systems that do not correspond to real sale or purchase orders or the enrolment of orders with unjustified prices that would create a misleading superficial event that does not represent actual trading;
- controlling or endeavouring to control requests or orders in the market, and the acquiring or endeavouring to acquire a controlling position over a security in order to manipulate its price, create unjustified prices or to affect the decisions of the dealers;
- publication of untrue or misleading market information in order to shift the orders' prices and the execution towards a certain direction; and
- abstention from offering or requesting securities, whether by selling or purchasing, with the purpose of influencing their prices, despite the existence of sale or purchase orders; in addition to prohibition of agreeing with any party to undertake operations implying the existence of an offer or request on these securities.

Law stated - 18 March 2026

PRICE STABILISATION

Permitted stabilisation measures

22 What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

According to the Financial Regulatory Authority (FRA) Regulations, the following measures could be adopted by issuing companies in public offerings for price stabilisation.

- The duration of the stabilisation shall be one month starting from the first trading day in the Egyptian Stock Exchange (EGX). Three business days before the lapse of this duration, the offering manager should disclose the final date that the sellers could deposit their sell orders in the EGX's open account system.
- The offering manager shall manage a price stabilisation account in the name of this account, and the main shareholders who offered their stocks shall transfer the value of this account to the offering manager's account at least one business day before the start of the trading day.
-

The offering manager shall, during the calculation duration of the price stabilisation, deposit an open purchase order on the EGX's dedicated screens for one month beginning on the EGX trading starting date of the stocks. The targeted shareholders could, as per the terms of the stabilisation account, deposit sell orders for the number of stocks allocated to them only through the offering on the offering execution date at the EGX and according to an account statement issued by the Misr for Central Clearing, Depository and Registry.

- All orders deposited by those willing to sell shall be executed at the end of the period of calculation of the stabilisation duration. If the quantity of the orders exceeds the amount specified in the purchase order, then the orders shall be executed on a pro rata basis between the quantity of the sell orders and the quantity of the purchase orders on the basis of the final offering price, provided that decimals shall be rounded to the benefit of the minority investors, from the smaller to the bigger, until the consummation of the quantity in the purchase orders.
- Upon liquidation of the account, the stocks, if any, shall be allocated to the selling shareholders in the offering (financiers of the account) in proportion to their shareholding percentage in the stabilisation account, unless the prospectus provides otherwise, and provided that the ownership of these stocks shall be transferred through an EGX-protected operation according to the regulations of EGX's Operation Committee. This case shall also be excluded from abidance with the mandatory tender offer obligation in cases of exceeding the acquisition percentages.

Law stated - 18 March 2026

LIABILITIES AND ENFORCEMENT

Bases of liability

23 | What are the most common bases of liability for an equity securities transaction?

The common bases of liability in light of the Capital Market Law No. 95 of 1992 and its Executive Regulation are related to the obligations to provide correct and true information in any prepared prospectus or statement and to abstain from any manipulation practices. Furthermore, any information disclosed to the Egyptian Stock Exchange (EGX) as part of the reporting obligations should be correct and true and could be justified to the EGX and the Financial Regulatory Authority (FRA).

Law stated - 18 March 2026

24 | What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

According to the Capital Market Law No. 95 of 1992 (Capital Market Law) and its Executive Regulation , the following acts shall be subject to a penalty of imprisonment for a term not exceeding five years, or a fine of not less than EG£50,000 or equivalent to the amount

that the offender sustained as a penalised gain or avoided from losses, whichever is greater, and not exceeding EG£20 million or double the equivalent of the amount that the offender sustained as a penalised gain or avoided from losses, whichever is greater, without prejudice to any severer penalty stipulated in any other law:

- any person who offered securities through public subscription, public offering or private placings or received any monetary value in violation of the Capital Market Law;
- any person who intentionally stated data in a prospectus, or in any other reports, documents and company advertisements that is incorrect or in violation of the Capital Market Law, or altered this data after being ratified by the FRA;
- any person who intentionally issued incorrect data about securities that are to be subscribed to through a licensed entity to receive subscriptions;
- any person who listed an untrue price, undertook a fictitious transaction or endeavoured to fraudulently manipulate market prices; or
- any person who listed securities on the EGX in violation of the Capital Market Law and its Executive Regulations.

Moreover, any person who disposed of securities in violation of the provisions of the Capital Market Law and its Executive Regulations shall be subject to a penalty of a fine not less than EG£5,000 and not exceeding EG£100,000. Furthermore, any person who acquired securities without submitting a mandatory tender offer in the relevant cases shall be subject to the penalty of a fine not less than EG£100,000 and not exceeding EG£500,000. In the latter case, the offender may pay to the FRA the value of the securities subject of the offence, and no reconciliation will be effective unless a mandatory tender offer is submitted and an amount of not less than 1% and not exceeding 10% of the securities are paid to the FRA.

Finally, the criminal lawsuit for any offence under the Capital Market Law shall not be initiated by public prosecutors without the request of the FRA's chairman. The chairman of the FRA may reconcile the offences stipulated under the Capital Market Law at any stage of the lawsuit, provided that an amount not less than double the minimum extent of the incurred fine is paid to the FRA.

Law stated - 18 March 2026

UPDATE AND TRENDS

Recent and proposed changes

25 Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?

In 2025, the Financial Regulatory Authority (FRA) issued rules to facilitate capital increase procedures for expansion and business development. These new listing rules shall regulate and shorten the time periods for a number of procedures necessary to complete capital increase operations for listed companies, while providing flexibility for companies to increase their capital in stages.

The FRA has also issued new rules to regulate the listing and trading of shares of Special Purpose Acquisition Companies (SPAC), including that their issued and paid-up capital should not be less than EG£10 million for a temporary listing at the Egyptian Stock Exchange (EGX), provided that the company is committed to increasing it to EG£1 million within three months from the date of listing its shares on the EGX.

Furthermore, the FRA issued a new resolution whereby the SPAC's shares may be traded at the subscription price, in the event that it increases its capital through a cash injection, which shall be equivalent to the fair value determined by an independent financial adviser registered with the FRA.

Moreover, the listing rules as amended by FRA Resolution No.26 of 2026 provides that listed companies on the EGX, are strictly required to submit an independent Fair Value study to the EGX whenever they dispose of shares, whether listed or non-listed, provided the transaction value reaches 10% or more of the company's total equity.

Additionally, FRA Resolution No. 136 of 2025 requires that the study be prepared by an independent financial adviser registered with FRA, accompanied by a review report from the company's external auditor and the approval from the Board of Directors.

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LEGAL AND REGULATORY FRAMEWORK

Laws and regulations

1 What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

Equity securities offerings regulations in Indonesia are spread across various legal instruments. The main regulation is Law No. 8 of 1995 on Capital Market, as recently overhauled by Law No. 4 of 2023 on Financial Sector Development and Reinforcement (Capital Market Law). In addition to the Capital Market Law, equity securities offerings are also governed by implementing rules and guidelines issued by the Indonesian Financial Services Authority (OJK), Indonesia Central Securities Depository (KSEI) and the Indonesian Stock Exchange (IDX).

Several key regulations include: (1) IDX Rule No. I-A, which sets out IDX listing requirements and procedures; (2) Bapepam-LK Rule No. IX.A.2, which provides the principal procedural framework for public offerings; (3) KSEI Regulation No. II-A on the registration of equity securities; and (4) OJK Regulation No. 45 of 2024, which is an omnibus regulation to modernise the capital market regulatory framework, including for equity securities offering.

Law stated - 9 March 2026

Regulator

2 Which regulatory authorities are primarily responsible for the administration of those rules?

OJK is the principal regulator and supervisory authority for the financial services sector, including the capital markets. Since 2011, OJK has assumed the functions previously carried out by the Capital Market and Financial Institutions Supervisory Agency.

Alongside OJK, there are three Self-Regulatory Organisations managing the capital market's technical operations, namely:

- IDX, being the sole stock exchange in Indonesia, responsible for facilitating offering, listing and trading both equity and debt securities.
- Indonesian Clearing and Guarantee Corporation, being the Indonesian clearing house and central counterparty. It administers securities exchange transaction clearing and settlement guarantee of exchange transactions.
- KSEI, being the central securities depository, responsible for book-entry settlement and central custodial services for securities transactions in Indonesia.

Law stated - 9 March 2026

PUBLIC OFFERINGS

Securities exchanges

3 What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

Historically, Indonesia operated two distinct platforms: the Jakarta Stock Exchange, established in 1977, and the Surabaya Stock Exchange, established in 1989. In 2007, the two exchanges merged to form the Indonesian Stock Exchange (IDX). Today, IDX is the only securities exchange in Indonesia for the listing and trading of equity securities. IDX has four listing segments (boards):

- Main Board, generally intended for established companies with a proven financial and operational track record;
- New Economy Board, which caters to technology-driven or innovation-based companies;
- Development Board, designed for companies with moderate scale or shorter operating histories; and
- Acceleration Board, aimed at smaller or early-stage companies seeking access to the capital markets.

Additionally, there is the Watchlist Board that exists to monitor stocks with certain liquidity, compliance or financial issues.

While each board has specific quantitative criteria, all prospective issuers must satisfy these general requirements:

- in the form of limited liability company;
- obtain effective registration statement from the Indonesian Financial Services Authority (OJK);
- if the issuer is a subsidiary or parent company of an already listed company, which result in consolidated financial statements, the issuer must submit documents showing whether the following conditions are met:
    - if they are no longer affiliated each other, each company can continue its operations properly, as assessed by an OJK-registered appraiser; and
    - the already-listed company must still be able to meet the listing requirements as evidenced by its audited pro forma financial statements;
- if the issuer also plans to issue warrants, the price of the warrants must be at less 90% of the offering price, and at least equal to the nominal value;
- enter into an underwriting agreement under a full commitment scheme;
- register its shares with the Indonesia Central Securities Depository (KSEI);
- appoint at least one financial statement preparer, either a director or an employee, who holds an accounting qualification from a recognised professional organisation in Indonesia or internationally. Alternatively, it must engage an external practising

or public accountant to fulfil this role. This requirement will take effect on 31 March 2027; and

- Directors, Commissioners and Audit Committee members must have completed continuing education related to capital markets and corporate governance, which will be further detailed and become effective upon the issuance of the corresponding IDX circular letter.

In addition to the general requirements above, the main requirements specific to each board are as follows:

	Main Board/New Economy Board	Development Board	Acceleration Board
Minimum share price at initial listing	IDR100 per share	IDR100 per share	IDR50 per share
Audited financial report	Audited financial statements for the past three financial years; specifically, the past two financial years and the latest interim period (if any) must carry unmodified opinions.	Audited financial statements for the most recent financial year (minimum 12 months) and latest interim period (if any), with unmodified opinions.	Audited financial statements for the most recent financial year (or since incorporation if established less than one year), with an unmodified opinion.
Market capitalisation or financial thresholds	Must meet at least one of the following tests prior to the listing date: • profit before tax in the last financial year and Net Tangible Assets IDR250 billion; • cumulative profit before tax in the last two financial years IDR100	Must meet at least one of the following tests prior to the listing date: • net tangible assets IDR50 billion; • cumulative profit before tax in the last two financial years IDR10 billion and market capitalisation	No market capitalisation requirement but must qualify as: • small - scale issuer (assets IDR50 billion); or • middle - scale issuer (assets >IDR50 billion up to IDR250 billion). In addition, both small - scale and

	billion and market capitalisation IDR1 trillion; • operating revenue in the last financial year IDR800 billion and market capitalisation IDR8 trillion; • total assets in the last financial year IDR2 trillion and market capitalisation IDR4 trillion; or • cumulative operating cash flow (past two years) IDR200 billion and market capitalisation IDR4 trillion. Moreover, it has recorded a positive retained earnings balance in the latest financial statements submitted at the time of the listing application.	IDR100 billion; • operating revenue in the last financial year IDR40 billion and market capitalisation IDR400 billion; • total assets in the last financial year IDR250 billion and market capitalisation IDR500 billion; or • cumulative operating cash flow (past 2 years) IDR20 billion and market capitalisation IDR400 billion.	middle - scale issuers must not directly or indirectly controlled by: • a controller of another issuer or public company; and/or • a company with assets IDR250 billion.

Free - float shares after IPO	At least 300 million shares and: 25% of the total shares to be listed if the issuer's pre - IPO market capitalisation • 20% of the total shares to be listed, if the issuer's pre - IPO market capitalization IDR5 trillion and up to IDR50 trillion; or • 15% of the total shares to be listed, if the issuer's pre - IPO market capitalisation IDR50 trillion. IDX may set a different minimum Free Float share requirement for companies that fundraised 30 trillion	At least 150 million shares and: 25% of the total shares to be listed if the issuer's pre - IPO market capitalization • 20% of the total shares to be listed, if the issuer's pre - IPO market capitalisation IDR5 trillion and up to IDR50 trillion; or • 15% of the total shares to be listed, if the issuer's pre - IPO market capitalisation IDR50 trillion. IDX may set a different minimum Free Float share requirement for companies that fundraised 30 trillion.	At least 20% of the total shares to be listed.
Minimum number of shareholders	At least 1,000 investors holding Single Investor Identification (SID) accounts, and: • for IPO: Calculated based on post - IPO	At least 500 investors holding SID accounts, and: • for IPO: Calculated based on post - IPO shareholders; and	At least 300 investors holding SID accounts, calculated based on post - IPO shareholders.

	shareholders; and • for spin - offs from public companies: Calculated based on the latest number of shareholders (no later than one month before filing).	• for spin - offs from public companies: Calculated based on the latest number of shareholders (no later than one month before filing).	

The issuer listing on the New Economy Board must also satisfy the following requirements:

- achieve a compound annual growth rate of at least 30% in revenue over the last three years;
- leverage technology to develop products or services that improve productivity and drive socioeconomic growth; and
- operate within specific sectors, including fintech, autonomous technology, cybersecurity and video gaming.

Law stated - 9 March 2026

Mandatory filings

4 What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?

Capital Market Law define “public offering” as an offer of securities (ie, shares) to the public conducted within the territory of Indonesia or to Indonesian investors through mass media or other means, in a manner that meets the statutory criteria for public distribution, and it is offered to more than 100 parties, or resulting in sales to more than 50 parties, within a specific limit and time frame. Any initial public offering or follow-on public offering of equity securities will trigger the requirement to submit a registration statement to the OJK, along with its supporting documents. The offering may proceed only after the registration statement has been declared effective by the OJK.

Registration statement filing must comply with OJK Regulation No. 7/POJK.04/2017 of 2017, which governs the registration statement documents, and OJK Regulation No.

8/POJK.04/2017 of 2017, which sets out the form and content of prospectus. Registration statement generally includes:

- a prescribed registration statement cover letter;
- prospectus;
- abridged prospectus;
- preliminary prospectus (if applicable); and
- other documents such as audited financial statements, corporate documents, legal opinion and offering timeline.

The prospectus must contain comprehensive disclosure of, among others, information on the issuer including its business activities, risk factors, use of proceeds, capital structure, management and shareholders information, financial information, litigation exposure and material transactions.

In the case of a primary offering, prospective issuer shall also file a listing application to the IDX simultaneous with the registration statement to OJK. IDX approval is required for the securities to be admitted to listing upon effectiveness of the registration statement. The listing application to IDX requires, among others:

- prospectus or preliminary prospectus;
- the issuer's tax number;
- financial projections (generally for at least three years) and underlying assumptions;
- proof of payment of listing fees; and
- statement of compliance with IDX and capital market regulations.

Where the offering is conducted by existing shareholders (a secondary offering), a registration statement must likewise be submitted to the OJK and must be declared effective prior to the commencement of the offering. In addition to the general disclosure requirements applicable to public offerings, additional disclosure is mandated under OJK Regulation No. 76/POJK.04/2017 of 2017. This includes:

- details of the selling shareholder and the underwriter, if applicable;
- details of shares offered; and
- reasons or considerations why the selling shareholder decide to sell their shares.

The information that shall be publicly disseminated are abridged prospectus and final prospectus. Abridged prospectus shall be disclosed within two working days of the OJK issuing its pre-effective statement or publication permit while the final prospectus shall be made available to investors during the offering period.

Law stated - 9 March 2026

Review of filings

5

> What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

The issuer (in a primary offering) or the selling shareholder (in a secondary offering) must submit a registration statement to the OJK. OJK will then conducts a substantive review of the registration statement documents and the relevant disclosure. During the review process, OJK may require amendments or additional documents. Within 10 working days of the OJK issuing its comments, issuer must provide its response. The registration statement will become effective on the 20th working day after OJK confirms a complete submission, unless OJK declares it effective earlier.

Concurrently, the issuer must submit a listing application to the IDX, which will reject or issue in-principal approval within 10 trading days of receipt of complete documents.

Although the statutory effectiveness period is 20 working days from confirmation of a complete filing, in practice the overall review process typically ranges between one or two months depending on the structure of the offering and completeness of the disclosure, which may affect the number of comment rounds with OJK. This back-and-forth process usually happens two to three times.

For secondary offerings conducted by existing shareholders, the review timeline is generally comparable, although it may be shorter where the issuer is already a listed company with an established disclosure record.

In practice, public offering is effectively preceded by a bookbuilding conducted on the basis of abridged prospectus and preliminary prospectus. Bookbuilding period typically lasts between seven and 14 business days and may only commence after the OJK issues pre-effective statement. During this phase, underwriters solicit non-binding indications of interest from institutional and, in some cases, retail investors to determine the final offer price. Upon completion of bookbuilding, the issuer must notify the OJK of the final offering size and pricing in order to obtain the effective statement.

Following the effective statement, the offering must last for a period of at least three working days and commence no later than two working days after the effective date. The allotment, settlement and listing will follow in accordance with the agreed offering timetable within the prescribed time frame.

Law stated - 9 March 2026

Publicity restrictions

6 What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?

In an Indonesian offering, publicity is strictly regulated throughout the offering process. Prior to the issuance of the pre-effective statement (publication permit) by OJK, issuers and underwriters are generally restricted from publicly promoting the offering. Once the pre-effective statement is issued, the issuer must publish the abridged prospectus and may conduct bookbuilding, but any form of publication, communication or promotional

on the offering must be strictly consistent with the approved prospectus. They must not contain information that is false, misleading, promotional in nature or inconsistent from the disclosures set out in the prospectus

As for underwriters, the submission of a research report has recently become a formal legal requirement, rather than merely customary practice, and is effectively a prerequisite for IDX listing approval. Generally, the research report must comply with the provisions prescribed under IDX Letter No. S-05957/BEI.PPU/07-2023 of 2023. While there is no specific statutory restriction on its content, underwriters remain subject to general prohibitions against false or misleading statements and market manipulation. In practice, underwriters must ensure that no material non-public information (MNPI) is used, no misleading projections or unsupported forecasts and it does not contradict the prospectus.

Law stated - 9 March 2026

Secondary offerings

7 | Are there any special rules that differentiate between primary and secondary offerings?

Primary and secondary offerings are generally subject to the same registration-based public offering process under Indonesian capital market regulations. In a primary offering, the issuer issues new shares to investors and must comply with capital market regulations governing share issuance, including pre-emptive rights requirements where applicable. Conversely, secondary offering involves the sale of already-issued shares by existing shareholders to the public and is specifically governed by OJK Regulation No. 76/POJK.04/2017 of 2017.

Law stated - 9 March 2026

8 | What are the liability issues for the seller of equity securities in a secondary offering?

Sellers in a secondary offering are subject to the general liability regime under the Capital Market Law, including liability for any untrue statement or omission of a material fact or information in the disclosure, as well as for market manipulation.

A key risk area for secondary offering is insider trading. Capital Market Law prohibits any person in possession of MNPI from selling securities of the relevant issuer unless exempted. This risk is particularly relevant for controlling shareholders or management shareholders who may have access to such information.

However, certain transactions are exempt from insider trading restrictions. These include:

- transactions between insiders of the same issuer who possess the same MNPI;
- transactions between an insider and a non-insider provided that the insider fully discloses the MNPI to the non-insider;
- the non-insider agrees in writing to keep the information confidential and use it solely for the transaction; and

- the non-insider refrains from trading the issuer's securities for six months, except for the transaction with the insider.

Law stated - 9 March 2026

Settlement

9 What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?

The settlement is specifically governed by OJK Circular Letter No. 25/SEOJK.04/2025 of 2025 on Order and Fund Verification, Allocation of Allotment, and Settlement of Securities Orders in an Electronic Public Offering of Shares.

Firstly, the electronic public offering system will consolidate the allotment result to calculate each investor's shares (and any equity-linked securities) allocation and payment obligation, and the total proceeds due to the issuer. The system will then inform the issuer or the appointed Securities Administration Bureau (BAE) of the total securities required for deposit.

To ensure settlement readiness, the issuer or BAE must deposit all allocated securities into the admin participant's account (typically the lead underwriter's) at the KSEI. In parallel, the system provider conducts a fund verification to ensure that sufficient funds are secured in the investors' collateral securities sub-accounts.

Actual settlement occurs via a simultaneous electronic transfer: the system provider debits subscription funds from the investors' collateral securities sub-accounts and credits the corresponding scripless shares (any accompanying equity-linked securities) from the admin participant's account into the investors' respective accounts. If an investor's funds are insufficient to cover the full allocation, the system processes only the portion covered by the available balance.

Where the offering includes equity-linked securities, those instruments are distributed according to the ratio predetermined by the issuer.

The settlement cycle concludes once the admin participant transfers the public offering proceeds to the issuer, completing both the delivery of shares and funds payment.

Law stated - 9 March 2026

PRIVATE PLACINGS

Specific regulation

10 Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?

Indonesian law does not specifically define "private placements", but it is generally understood as an offering made to fewer than 100 parties or resulting in sales to fewer

than 50 buyers, such that it does not constitute a public offering. While this concept is recognised under the capital markets legal framework, the principal regulatory regime for private placements of equity or equity-linked securities relates to capital increases without pre-emptive rights (PMTHMETD) governed under Indonesian Financial Service Authority (OJK) Regulation No. 14/POJK.04/2019, which amended OJK Regulation Number 32/POJK.04/2015.

Under this framework, a PMTHMETD (commonly used for private placement) is permitted only in limited circumstances, which are: (1) correcting financial position; (2) for non-financially distressed issuer, general capital raising of up to 10% of the issuer issued and paid-up capital; and (3) issuance of bonus shares.

To effect a valid PMTHMETD, the following procedures must be implemented:

- the PMTHMETD must be approved by the general meeting of shareholders (GMS), which must satisfy the independent/minority shareholder approval requirement. Concurrently with the GMS announcement, the issuer must notify to the IDX and conduct a public disclosure;
- if the PMTHMETD is intended to correct the issuer's financial position, it must meet specific criteria, such as being a bank under restructuring, a non-bank with negative working capital and liabilities exceeding certain threshold, or an entity settling debt with third party creditors;
- the issuer must announce the intended PMTHMETD to the public and notify the OJK at least five working days prior to the capital injection or debt-to-equity conversion (as applicable);
- the listing application to the IDX must be submitted no later than six exchange days prior to the listing date of the additional shares, accompanied by all supporting documents, such as evidence of GMS approval; and
- the issuer must also announce the results of the PMTHMETD to the public and notify the OJK at most two working days after the completion.

Law stated - 9 March 2026

Investor information

11 What information must be made available to potential investors and the public in connection with a private placement of equity securities?

While there is no mandated "prospectus" for PMTHMETD, the issuer must provide specific disclosures to the public and OJK. At a minimum, such disclosure must include:

- the subscribing investor's details and whether they are affiliated with the issuer;
- the number of shares to be issued and the issuance price;
- the intended use of proceeds; and/or
- any other relevant information including dilution percentage for existing shareholders.

Law stated - 9 March 2026

Transfer of placed securities

12 Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?

Indonesian law does not impose specific statutory restrictions on the transferability of equity securities acquired through a private placement. Such shares are, in principle, transferable, subject to any contractual arrangements. For equity-linked securities, any transfer restrictions remain subject to the specific contractual arrangements between the issuer and the subscriber.

There is likewise no statutory mechanism designed to enhance the liquidity of shares issued under a private placement. Liquidity considerations are therefore primarily driven by market conditions and commercial structuring.

Law stated - 9 March 2026

OFFSHORE OFFERINGS

Domiciled issuers

13 What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?

Indonesian law does not contain specific provisions governing offering of securities outside Indonesia by an Indonesian company.

However, Indonesian issuers are principally required to list their equity securities on the Indonesian Stock Exchange (IDX). Based on this framework, an Indonesian issuer intending to go public and list their securities on an offshore exchange, would also be required to list its shares on the IDX. Therefore, a few Indonesian issuers have undertaken dual listings, with their shares listed on the IDX and concurrently on foreign stock exchanges.

Offshore offerings remain subject to the securities laws and listing rules of the relevant foreign jurisdiction where the securities are offered or listed.

Law stated - 9 March 2026

Non-domiciled issuers

14 What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?

Company intending to list its shares in IDX must be an Indonesian limited liability company. Accordingly, a foreign entity cannot directly list its shares on the IDX.

Foreign issuers, however, may offer and list Indonesian Depositary Receipts (SPEI) on the IDX pursuant to Indonesian Financial Services Authority (OJK) Regulation No. 6/POJK.04/2020 of 2020. SPEI are depositary receipts issued by an OJK-approved local custodian and represent a proportional interest in a specified number of underlying shares of the relevant issuer deposited with such custodian. SPEI holders are generally entitled to economic rights equivalent to shareholders. However, they are not registered shareholders hence may only exercise their rights, including voting, through the depositary. To our understanding, regulatory ambiguities have resulted in no successful SPEI listings by foreign issuers to date.

For other equity securities, there is no express prohibition on offerings by foreign issuers. However, any public offering requires submission of a registration statement to, and approval from, the OJK. As the registration statement framework under the prevailing OJK Regulations is designed for Indonesian company, it is generally impossible for foreign issuer to conduct public offering in Indonesia.

Law stated - 9 March 2026

PARTICULAR FINANCINGS

Offerings of other securities

15 What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

Offerings of exchangeable or convertible securities, equity-linked securities and/or warrants are generally similar to offerings of shares including the requirement to submit a registration statement to the Indonesian Financial Services Authority and comply with applicable disclosure and prospectus requirements. However, several differences apply depending on the structure and characteristics of the securities.

In particular, the terms and conditions governing the conversion or exchange rights must be clearly disclosed in the prospectus, including the conversion or exercise price, adjustment mechanisms, conversion period and the potential dilutive effect on existing shareholders. Where the securities are convertible into new shares, the issuer must ensure that the issuance complies with Indonesian capital market regulations, including rules on capital increases and pre-emptive rights where applicable.

Law stated - 9 March 2026

UNDERWRITING ARRANGEMENTS

Types of arrangement

16 Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

Offerings of equity securities in Indonesia are typically conducted with the involvement of licensed underwriters, although not mandatory for all offerings. It is only mandatory for an initial public offering, where the Indonesian Stock Exchange (IDX) requires issuers to appoint at least one licensed underwriter and enter into an underwriting agreement on a full commitment basis save for acceleration board that permits best effort basis.

Pursuant to Indonesian Financial Services Authority (OJK) Circular Letter No. 14/SEOJK.04/2018 of 2018, the two recognised underwriting arrangements are:

- full commitment: The underwriter undertakes to purchase any unsubscribed shares, thereby assuming full placement risk; and
- best effort: The underwriter agrees to use its best efforts to sell the shares, but any unsubscribed portion may be returned to the issuer.

In larger offerings, underwriting arrangements are often structured as a joint underwriting, consisting of a lead underwriter and one or more participating underwriters to broaden distribution and manage placement risk.

Law stated - 9 March 2026

Typical provisions

17 What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

Indonesian capital markets regulations do not prescribe mandatory drafting standards for underwriting agreements. As a result, the terms within are largely determined by the parties based on market practice and subject to general principles under Capital Market Law.

Indemnity

Indemnity provisions typically require the issuer to hold the underwriter harmless for losses arising from, among others, untrue statements or omissions of material facts in the prospectus, breach of representations, warranties or covenants; and regulatory sanctions or third-party claims relating to the offering. Reciprocal indemnities may apply in respect of information provided by the underwriters.

Force majeure

The force majeure provision generally allows parties to (1) suspend the offering period typically for a maximum of three months from the registration statement's effective date or (2) cancel the public offering if extraordinary events or adverse market conditions occur.

Success fees

Underwriting compensation is commonly structured into underwriting fees, selling fees and management or structuring fees.

Overallotment options

Overallotment options are permitted to be used in underwriting agreements to support price stabilisation, subject to compliance with capital market regulations.

There have been no material regulatory shifts in these provisions; recent developments reflect increased alignment with international documentation standards, particularly in larger or cross-border transactions.

Law stated - 9 March 2026

Other regulations

18 What additional regulations apply to underwriting arrangements and the provisions typically contained therein?

In the context of an initial public offering, an additional regulatory layer arises under the IDX Circular Letter No. S-05957/BEI.PPU/07-2023.

It basically requires at least one appointed underwriter to submit an equity research report to the IDX as part of the listing application process and continue to provide such research report periodically after the issuer has been listed.

This requirement has practical implications for underwriting documentation. Underwriting agreements now typically require the relevant underwriter to prepare and maintain equity research report in compliance with IDX requirements. As a result, the role of the appointed the underwriter may extend beyond the offering period to include ongoing post-listing research coverage obligations.

Law stated - 9 March 2026

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation

19 In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?

An issuer becomes subject to ongoing reporting obligations once its registration statement becomes effective. From that point onward, the issuer shall comply with various periodic and incidental reporting obligations, including reporting of any material information or fact that may affect the price of its securities or an investor's decision, earlier than the next trading day.

Certain connected parties are also subject to reporting obligations. Directors, commissioners and shareholders of a public company, and any parties that, directly or indirectly, own at least 5% of voting rights over shares of the issuer must report to the Indonesian Financial Services Authority on their share ownership as well as changes to that share ownership.

Law stated - 9 March 2026

Information to be disclosed

20 | What information is a public company required to make available to the wider public?

A public company is required to disclose to public various types of information to the public. It includes, among others, material information or facts, periodic financial statements, annual report, shares ownership, material transaction, changes in business activity, affiliated transaction and conflict of interest transaction as well as other corporate action. All of these are subject to specific requirements, procedures and thresholds under the relevant capital market laws and regulations.

Law stated - 9 March 2026

ANTI-MANIPULATION RULES

Prohibitions

21 | What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

The Capital Market Law establishes a clear prohibition framework against market manipulation in both equity securities offerings and secondary market transactions. It broadly outlaws any conduct that creates a false or misleading impression regarding trading activity, market conditions or the price of a security.

The capital market laws and regulations further prohibit any person, whether acting individually or in concert with others, from carrying two or more transactions designed to maintain, increase or decrease the price of a security for the purpose of inducing other parties to buy or sell the security. In addition, it prohibits the dissemination of statements or information that are materially false or misleading where such disclosures are intended to influence the market price of a security.

Beyond manipulation, the Capital Market Law prohibits "insiders" from trading based on material non-public information or disclosing such information to parties who are likely to trade on it.

Law stated - 9 March 2026

PRICE STABILISATION

Permitted stabilisation measures

22 What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

In Indonesia, price stabilisation measures in connection with a public offering are expressly permitted under Indonesian Financial Services Authority (OJK) Regulation No. 6/POJK.04/2019 of 2019.

Under this regulation, the lead underwriter or the broker-dealer participating in the offering may purchase the relevant securities on the Indonesian Stock Exchange (IDX) for the specific purpose of maintaining the market price following the offering. This mechanism constitutes a limited and regulated exception to the general prohibition on market manipulation under Capital Markets Law.

The stabilisation activities are subject to strict conditions. Purchases may only be conducted at the public offering price and are strictly limited conducted within the offering period. The prospectus must clearly disclose the intention to conduct price stabilisation. In addition, counterparties to stabilisation transactions must receive or have access to a written statement confirming that the transaction forms part of stabilisation measures. The underwriter is also required to notify the OJK, IDX, selling agents and the public of the commencement and termination of the stabilisation period.

Law stated - 9 March 2026

LIABILITIES AND ENFORCEMENT

Bases of liability

23 What are the most common bases of liability for an equity securities transaction?

Liability in an equity securities transaction is primarily established under the Capital Market Law and its implementing regulations. The framework imposes strict standards of transparency and integrity, with specific exposures for various market participants.

Issuers and managements are strictly liable for the accuracy of the registration statement and prospectus. If these documents contain untrue statements of material facts or omit material facts necessary to make the statements not misleading, the issuer and its management are liable for resulting losses to investors.

Underwriters are legally required to conduct "due diligence" on the issuer's affairs. They can be held liable alongside the issuer if they fail to verify the accuracy of the prospectus or if they allow a misleading offering to proceed.

Market participants are prohibited from engaging in any conduct that creates a false or misleading impression of active trading, price movement or market conditions to influence share prices.

Lawyers, accountants and appraisers who provide opinions in the prospectus are liable for the accuracy of their respective sections. If an opinion is found to be materially flawed,

the firm and the individual professional may face Indonesian Financial Services Authority (OJK) sanctions and civil claims.

Law stated - 9 March 2026

24 What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

Remedies and sanctions for improper equity securities activities are primarily governed by Capital Market Law and enforced by the OJK.

The primary remedies and sanctions for improper equity securities activities are administrative sanctions. The OJK has broad authority to investigate violations of capital market laws and regulations and to impose administrative sanctions. These sanctions may include written warnings, monetary fines, restrictions on business activities, suspension of business activities, revocation of business licences, cancellation of approvals and cancellation of registrations.

For more serious violations, such as fraud, market manipulation or insider trading, the authorities may pursue criminal prosecution. Criminal sanctions may include imprisonment and/or criminal fines, depending on the nature and severity of the offence.

In addition, parties who suffer losses as a result of unlawful conduct may initiate civil litigation against the responsible party to seek compensation. Such claims may be based on statutory liability under capital markets law or general tort principles under Indonesian law.

Law stated - 9 March 2026

UPDATE AND TRENDS

Recent and proposed changes

25 Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?

The Indonesian capital market framework is currently undergoing several reform initiatives aimed at enhancing transparency, liquidity and alignment with international market standards. A key recent development is the amendment to Indonesian Stock Exchange (IDX) Regulation No. I-A on the Listing of Shares and Equity Securities Other Than Shares Issued by Listed Companies. This amendment introduces several material changes.

Most notably, the minimum free float requirement has been increased. Under the previous regime, listed companies were required to maintain a minimum free float of 7.5% of total issued and paid-up capital. The amended regulation raises this threshold to 15% (or such other percentage as may be approved by the IDX at the time of listing). Compliance with the new threshold will be implemented on a phased basis, taking into account each listed company's market capitalisation and free-float position as at 31 March 2026.

In addition, the amended IDX Regulation No. I-A refines the definition of free-float shares to ensure greater clarity and consistency, introduces updated free-float requirements at the time of listing, requires listed companies to appoint a certified financial statement preparer, imposes continuing education obligations on the directors, commissioners and audit committee members, and restricts controlling shareholders of newly listed companies from transferring part or all of their shares for at least 12 months following the listing date (or such other period as may be determined by the IDX).

Law stated - 9 March 2026

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LEGAL AND REGULATORY FRAMEWORK

Laws and regulations

1 What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

The relevant legislation on securities offerings is the Financial Instruments and Exchange Act (FIEA) and the Enforcement Order and related Cabinet Orders thereunder.

The provisions of the FIEA and their official English translation can be found online.

Law stated - 3 March 2026

Regulator

2 Which regulatory authorities are primarily responsible for the administration of those rules?

The Financial Services Agency (FSA) is primarily responsible for the administration of these rules, and delegates its powers under Japanese law to each local finance bureau of the Ministry of Finance for the registration of disclosure documents, including the Securities Registration Statement, and to the Securities and Exchange Surveillance Commission for inspections of securities companies, daily market surveillance and investigations of criminal offences. The FSA has issued guidelines concerning corporate disclosure and certain other matters for the interpretation of the FIEA and related regulations.

Law stated - 3 March 2026

PUBLIC OFFERINGS

Securities exchanges

3 What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

Offerings (whether primary or secondary) of securities may not be made without filing a Securities Registration Statement (SRS) with the competent local finance bureau (LFB), unless exempted from the registration requirements under the Financial Instruments and Exchange Act (FIEA). The FIEA contains two broad classifications of securities: clause I securities and clause II securities. Clause I securities include, among others, equity shares of companies, corporate bonds, government bonds and units of investment trusts or investment corporations. Clause II securities include, among others, beneficiary interests in trusts and collective investment schemes (as defined in the FIEA). Exemptions to registration requirements are different among these two classifications of securities.

Offerings of certain securities such as equity securities of Japanese companies or non-Japanese corporations may be made simultaneously with the listing of such equity securities on one or more stock exchanges in Japan, provided that the equity securities of non-Japanese corporate issuers listed on a stock exchange outside Japan may be "publicly offered without listing" (POWL) in Japan. The securities offered through POWL arrangements are subject to ongoing disclosure requirements even though they are not listed.

An SRS shall contain, in a prescribed form, information concerning the securities offered (terms of securities and offering) and the issuer (including a description of its business, affiliated companies, officers and employees, assets, shareholdings, stated capital and financial statements) or, in the case of certain securities such as those relating to investment trusts and securitisation, the investment structure (including a description of the investment structure, investment policy and underlying assets, if any). Non-Japanese corporate issuers are also required to incorporate in the SRS an outline of the legal system and certain other information of its home jurisdiction. Presentation of financial statements made in accordance with certain overseas generally accepted accounting principles (GAAP) may be recognised, in which case material differences from Japanese GAAP for such financial statements should be described in the SRS. An SRS of a non-Japanese corporate issuer, in principle, must contain financial statements for the most recent five years, among which the most recent two years' financial statements must be audited by a chartered accountant. However, an SRS of a non-Japanese corporate issuer may choose to contain three years' financial statements instead of the five years' financial statements on condition that all of the three years' financial statements are audited by a Certified Public Accountant (CPA). The information required for the SRS is generally not different for debt and equity or primary and secondary offerings except for the information concerning the securities offered.

An issuer that has complied with certain conditions including the continuous disclosure obligation in Japan for one year or more may utilise the shelf registration under the FIEA, in which case the issuer may incorporate its continuously disclosed documents in the SRS by reference. A registered prospectus with content that is substantially the same as the SRS must be delivered to investors at or prior to the sale of the securities registered pursuant to the SRS, except for certain limited cases.

Law stated - 3 March 2026

Mandatory filings

4 What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?

According to the usual practice, an issuer submits a draft SRS to the LFB for review or otherwise consults the LFB in advance (normally two to four weeks before the filing date). No fee is payable for registration of the SRS. A non-Japanese issuer is required to appoint a Japanese resident as its attorney-in-fact to file an SRS. A certain procedure is required to prepare for filing for the first time through the Electric Disclosure for Investors' Network

(EDINET), which is an electronic filing system similar to the Electronic Data Gathering, Analysis, and Retrieval system (EDGAR) in the US.

Once the SRS is filed and becomes available for public inspection, solicitation can commence, but no binding contract of purchase of securities can be made unless and until the registration under the SRS becomes effective and the prospectus corresponding to the SRS, including the amendment, has been delivered to the investors. The SRS becomes effective on the 16th calendar day from the date of filing, in principle, or on the eighth day in the case of shelf registration. If the SRS is amended during such waiting period, another waiting period shall start from the date of such amendment. However, such waiting period may be shortened to make the registration effective in accordance with the FIEA and relevant disclosure guidelines.

Under the disclosure guidelines issued by the FSA, the waiting period for certain well-known seasoned issuers (that have complied with the continuous disclosure obligation in Japan for one year or more, and both market capitalisation and annual trading volume of which shares are ¥100 billion or more) was lifted, and the SRS shall become immediately effective upon the filing of the SRS with respect to the shares listed in Japan or rights offering for such listed shares on the condition that dilution of the total outstanding shares as a result of the issuance of such shares is 20% or less.

Law stated - 3 March 2026

Review of filings

5 What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

There are four stock exchanges in Japan – the Tokyo Stock Exchange, Nagoya Stock Exchange, Fukuoka Stock Exchange and Sapporo Stock Exchange. Each stock exchange has multiple market segments. For example, the Tokyo Stock Exchange has three market segments, known as the Prime Market, Standard Market and Growth Market.

In addition, there is the TOKYO PRO Market and the TOKYO PROBOND Market, where only professional investors as designated under the FIEA can participate in purchasing stocks and bonds, respectively.

Law stated - 3 March 2026

Publicity restrictions

6 What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?

Publicity under certain circumstances could fall within pre-filing solicitation (gun-jumping) or a selling effort that triggers a violation of the FIEA. There was no safe-harbour rule applicable to publication that could be considered as solicitation of certain securities that

would otherwise be subject to public offering rules. In general, any acts that attract the interest of investors on certain securities and promote them to purchase or acquire those securities may be considered to be "solicitation", which is subject to public offering rules. Under the disclosure guidelines issued by the FSA, the scope of publicity restrictions is clarified to some extent by giving several examples of acts that do not constitute "solicitation". Under the guidelines, a pre-hearing from professional investors or principal shareholders with some conditions (such as a confidentiality agreement), distribution of corporate information at least one month before the filing of SRS without reference to the offering, periodic publication of corporate information in the ordinary course of business without reference to the offering, and certain other acts are prescribed as those examples that do not constitute solicitation.

Underwriters are also, in principle, subject to the same restrictions on pre-filing solicitation and selling efforts. The Japan Securities Dealers Association has issued a guideline to its member securities companies as to the contents of a research report, establishment of an appropriate and reasonable internal review system and ensuring the independence of analysts. The disclosure guidelines also clarifies an example where securities firms are allowed to issue research reports in the ordinary course of business on the condition that the securities firms have established a Chinese wall to isolate their researchers from any unpublished information regarding pre-filing solicitation or selling efforts of certain securities.

Law stated - 3 March 2026

Secondary offerings

7 Are there any special rules that differentiate between primary and secondary offerings?

There is no major difference between primary and secondary offerings under the public offering rules of the FIEA except that the secondary offering of securities that have been already subject to continuous disclosure requirements is exempted from the filing of the SRS, in which case the delivery of a prospectus and the filing of a securities notification is required if the secondary offering of equity securities is conducted by insiders of the issuer (including the issuer, its subsidiaries, their directors and officers, shareholders holding 10% or more of total voting rights of the issuer (principal shareholders)), securities firms that acquired such securities from the insiders for resale or underwriters of such securities having a standby commitment. Holders of shares have no pre-emptive rights in the case of listed Japanese companies.

The selling shareholder in a secondary public offering is jointly and severally liable with the issuer, directors, corporate auditors, Certified Public Accountant and underwriters in the case of a material misstatement or omission in the Securities Registration Statement or the prospectus prepared by the issuer, unless the selling shareholder proves that it did not know, with due care having been taken, about such material misstatement or omission.

Law stated - 3 March 2026

8 | What are the liability issues for the seller of equity securities in a secondary offering?

The selling shareholders, together with the issuer, directors, executive officers, corporate auditors, Certified Public Accountant and underwriters, are jointly and severally liable to any person who purchases securities when there is a material misstatement or omission in a SRS or registered prospectus.

This liability does not arise if the selling shareholders prove that the person who purchased securities knew of the misstatement or omission at the time of applying for the acquisition of the securities. Such person claiming compensation must prove the amount of damages caused by the misstatement or omission in the SRS or registered prospectus. Furthermore, the selling shareholders can be exempted from liability for damages if they can prove that they were unaware of the misstatement or omission in the SRS or registered prospectus, despite exercising due care and could not have known of such misstatement or omission even with reasonable caution (due diligence defence).

Law stated - 3 March 2026

Settlement

9 | What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?

Under the Act Concerning Book-Entry Transfer of Corporate Debt Securities and Stocks, etc, shares of Japanese corporations listed on any securities exchange in Japan are paperless. Transfer of equity securities of Japanese listed corporations or certain corporate bonds are effectuated by the proceedings under the book-entry transfer system operated by Japan Securities Depository Center Inc. In the case of bonds, the issuer shall choose at the time of issuance whether the bonds will be treated under the book-entry transfer system.

Settlement of the sale of securities subject to the book-entry transfer system in a public offering is achieved under the book-entry system and any investor who wishes to purchase the securities so offered must maintain a trading account to own the securities at account management institutions under the system, such as securities firms or banks. The securities offered will be recorded in the account of the investor on the designated delivery date after the investor has paid the purchase price through the relevant bank.

Law stated - 3 March 2026

PRIVATE PLACINGS

Specific regulation

10 | Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?

Under the Financial Instruments and Exchange Act (FIEA), a private placement of clause I securities for a primary offering must satisfy the following requirements:

- the number of offerees (not placees) in Japan is fewer than 50 (small number placement);
- offerees are limited to qualified institutional investors (QIIs) as designated under the FIEA (QII limited placement); or
- offerees are limited to professional investors as designated under the FIEA (professional investors limited placement).

Certain requirements to ensure the transfer restriction must also be met in order to avail the private placement exemption as described in the three points above. In addition, certain information prescribed by the FIEA and relevant orders thereunder as well as those required by the stock exchange in which the securities are, or will be, traded must be provided to the investors or publicly announced prior to the commencement of the offering.

None of the exemptions above are available to an offering of equity securities issued by a reporting company when the ongoing reporting obligation is triggered in relation to the same type of (underlying) shares. In addition, the small number placement or QII limited placement is not available for the same type of securities offered by way of the professional investors limited placement.

The number of offerees of the same kind of securities (as defined in a Cabinet order) offered within three months before the existing offering must be aggregated for the calculation of the number of offerees in a small number placement (integration rules). However, the number of QIIs is disregarded when certain selling restrictions are complied with in respect of such QIIs. An offering of options to subscribe or acquire shares of the issuing company only to directors, corporate auditors, officers and employees of a subsidiary (including an indirectly owned subsidiary) of the issuer may be made without filing a Securities Registration Statement (SRS) when certain conditions are met, even if such offering does not constitute a private placement. Under the Enforcement Order and related Cabinet orders under the FIEA, the exemption described above is also available for an offering of restricted stock that satisfies certain conditions to directors, corporate auditors, officers and employees of a subsidiary (including an indirectly owned subsidiary) of the issuer, and these stocks are excluded from the integration rules described above.

A private placement of clause I securities for a secondary offering must satisfy the requirements of the small number placement, QII limited placement or professional investors limited placement. The respective requirements for each category are mostly the same as those for a primary offering described above except that the integration rules in a small number placement shall apply to offerees for a period of one month and that the total number of holders of the securities may not exceed 1,000 as a result of the small number placement of non-Japanese securities.

In addition, the following secondary offering transactions, among others, are exempted from the requirements for public offering:

1. sale of securities through the market;
2. sale of securities listed in Japan between securities firms or professional investors under certain conditions (eg, block trade);

3. sale by non-Japanese securities firms to securities firms in Japan or QIIs or sale by securities firms or QIIs to other securities firms for resale of non-Japanese securities not subject to the transfer restriction of private placement;
4. sale of securities not subject to the transfer restriction of private placements held by a seller other than insiders of the issuer (including the issuer, its subsidiaries, its principal shareholders and their directors and officers) or securities firms;
5. sale of securities not subject to the transfer restriction between the insiders described in (4); and
6. sale of securities to the issuer or for resale to the issuer.

Further, for a public offering, with a total value of less than ¥100 million (the value of the offering of the same type of securities made within one year before the existing offering must be aggregated for the calculation of such total value of the offering), no SRS needs to be filed. Instead, a simplified form of securities notification must be filed before the commencement of the offering (there is no waiting period for such procedure).

Under the FIEA, for a secondary offering by securities firms of securities issued abroad or issued in Japan but with respect to which no solicitations were made in Japan (non-Japanese securities), no SRS needs to be filed even if such offering does not constitute a private placement, if the following conditions (non-Japanese securities secondary offering), among other conditions, are met:

- information on the sale price of such non-Japanese securities is easily available in Japan through the internet or other methods;
- such non-Japanese securities are listed on a designated non-Japanese exchange or continuously traded overseas, as the case may be; and
- the issuer's information (in Japanese or English) is publicly announced pursuant to regulations of non-Japanese exchange or applicable non-Japanese law, as the case may be, and easily available through the internet or other methods.

In the case of clause II securities, the primary or secondary offering of clause II securities constitutes a public offering when more than 50% of the capital or assets of the collective investment schemes issuing such clause II securities will be invested in securities and the number of purchasers, not offerees, as a result of such offering will be 500 or more, whether they are QIIs or not.

Law stated - 3 March 2026

Investor information

11 What information must be made available to potential investors and the public in connection with a private placement of equity securities?

In the case of a private placement of securities, a document must be delivered to each investor at or prior to the time of sale stating certain items prescribed by the FIEA and relevant Cabinet orders. In general, such items include the disclaimer that no SRS has

been filed for the placement, and the applicable transfer restriction, conditions or restriction of the rights as required under the FIEA on the relevant securities, unless the total amount of the placement (including private placements made within one month before the existing placement) is less than ¥100 million or disclosure as to the securities placed has already been made. This requirement is not applicable to a small number placement of shares. In respect of the professional investors limited placement, certain information about the securities as well as issuer information must be publicly announced upon or prior to the commencement of the placement. Securities firms that conduct a non-Japanese securities secondary offering must provide to the potential investors or publicly announce certain information about the securities and the issuer upon or prior to the commencement of the placement subject to certain exceptions. Such securities firms are continuously required to provide or publicly announce certain information upon request of their customers or occurrence of certain material facts subject to certain exceptions.

There is no other specific requirement under the FIEA on the information to be provided to potential investors in connection with a private placement.

Law stated - 3 March 2026

Transfer of placed securities

12 Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?

There are transfer restrictions on the securities acquired in a private placement to the effect that the securities offered in a QII limited placement or a professional investors limited placement can only be transferred to QIIs or professional investors, as the case may be, and the securities offered in a small number placement must not be transferred to another, other than as a whole (unless the total number of bond certificates in the placement is less than 50 and cannot be further divided). Shares offered in a small number placement or clause II securities are not subject to any transfer restriction. Similar restrictions are applicable to private placements in a secondary offering under the FIEA.

There was no mechanism to enhance the liquidity of securities sold in a private placement. However, upon the recent amendment to the FIEA, which aimed to create securities exchanges solely for professional investors, securities placed in a professional investors limited placement can be traded on such exchanges. At present, the Tokyo Stock Exchange operates the Tokyo Pro Market for professional investors in equity securities and the Tokyo Pro-bond Market for professional investors in debt securities.

Law stated - 3 March 2026

OFFSHORE OFFERINGS

Domiciled issuers

13 What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?

There are no specific rules that apply to offerings of securities outside Japan when the solicitation of the offer is made outside Japan, irrespective of the home jurisdiction of the issuer. Timely disclosure to the market or the filing of an extraordinary report required by the ongoing disclosure requirements in respect of such offering may be required if the issuer is a listed company or a reporting company in Japan.

Law stated - 3 March 2026

Non-domiciled issuers

14 What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?

Under the Foreign Exchange and Foreign Trade Act of Japan, any non-resident issuing or soliciting securities in Japan is required to submit a post-facto report with the Bank of Japan, if the issue amount of the securities ¥1 billion or more.

Generally, there are no other specific rules that specifically apply to offerings of equity securities in Japan by an issuer incorporated or domiciled outside Japan.

Law stated - 3 March 2026

PARTICULAR FINANCINGS

Offerings of other securities

15 What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

Exchangeable or convertible securities, warrants or depositary shares are, in general, treated as 'securities' under the Financial Instruments and Exchange Act and identical regulation on the offering of securities shall apply.

For the offering of convertible securities or options to acquire or subscribe for shares, a small number placement is not available when the issuer is subject to an ongoing reporting obligation in relation to the underlying shares. Any additional payment required for the exercise of rights under the securities shall be aggregated for the calculation of the threshold offering value to be exempted from the Securities Registration Statement (SRS) filing.

In the case of rights offering by way of an allotment of listed options to existing shareholders without contribution, the SRS becomes effective on the 16th calendar day from the date of filing, in principle, or on the eighth day with respect to shelf registration, as with a usual public offering. Further, where the options to be allotted to existing shareholders are or will be listed on a stock exchange, and certain information, including the fact that an SRS has been filed, is published in a newspaper, the issuer is not required to deliver prospectuses to prospective purchasers.

Law stated - 3 March 2026

UNDERWRITING ARRANGEMENTS

Types of arrangement

16 Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

"Firm commitment" underwriting is commonly used, in which underwriters usually agree to jointly and severally purchase securities from the issuer for resale to the public at a specified public offering price. The lead manager organises and manages an underwriting syndicate, and executes with the issuer an underwriting agreement on behalf of the syndicate.

Law stated - 3 March 2026

Typical provisions

17 What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

A typical underwriting agreement requires the issuer to indemnify the underwriters for any liability they may incur under the Financial Instruments and Exchange Act (FIEA) because of the Securities Registration Statement (SRS) or a prospectus containing material misstatements or omissions.

A force majeure clause usually not only specifies force majeure events such as financial, political or economic crises, war or other national disasters, and governmental restrictions on the securities market in general, but also has a catch-all clause to cover any material adverse event on the offering and distribution of securities or dealings therein in the secondary market.

Commission and fees are, in general, payable upon a successful closing in the usual form of the underwriting agreement.

Greenshoes and overallotments are common. The amount of the greenshoes and overallotments must not exceed 15% of the total number of shares to be offered under the regulations of the Japan Securities Dealers Association (JSDA).

Law stated - 3 March 2026

Other regulations

18 What additional regulations apply to underwriting arrangements and the provisions typically contained therein?

An underwriter of securities is required to be registered under the Financial Instruments and Exchange Act (FIEA). The FIEA classifies financial businesses into four categories, and an underwriter of securities is required to be registered for the first-type financial instruments business, which requires the most stringent financial, personnel or internal governance conditions as well as other matters. All financial institutions engaging in underwriting business are members of, and are subject to the rules of, the JSDA.

Law stated - 3 March 2026

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation

19 In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?

A company becomes subject to ongoing reporting obligations if:

- its securities are listed on any stock exchange or registered with any over-the-counter market in Japan (other than the market limited to professional investors);
- it has filed or should have filed a Securities Registration Statement (SRS) in relation to an offering of securities; or
- the number of holders of securities was 1,000 or more (in the case of equity shares) or 500 or more (in the case of collective investment schemes) at the end of certain designated fiscal years (this is applicable only to certain securities including equity shares or collective investment schemes and can be avoided under certain conditions).

Ongoing reporting obligations may be exempted upon approval by the local finance bureau (LFB) when the company goes into liquidation proceedings, suspends its business for a considerable period or, in relation to the second condition above, the number of holders of securities becomes less than 25 at the time of filing the application for such approval or the end of the immediately preceding fiscal year or the number of holders of shares (which include shares and similar securities of non-Japanese issuers under the relevant Cabinet order) has been less than 300 at each end of the fiscal year for the past five years.

An issuer of securities offered by way of the professional investors limited placement must periodically provide certain information regarding its business to the investors or publicly announce them.

Law stated - 3 March 2026

Information to be disclosed

20 What information is a public company required to make available to the wider public?

The reporting company must file an annual securities report with the LFB within three months (or six months in the case of non-Japanese corporations) of the end of each fiscal year. The information to be included in the securities report is basically identical to the issuer information for the SRS. The reporting company must also file a semi-annual report for the initial six-month period within three months of the end of such period, or quarterly reports described below.

Before the amendment to the Financial Instruments and Exchange Act (FIEA) that took effect on 1 April 2024, issuers of shares listed on any securities exchange in Japan (other than the market limited to professional investors), in general, were required to file quarterly reports within 45 days of the end of each quarterly fiscal period; however, quarterly reports were be abolished from the quarter starting after 1 April 2024, and after the quarterly reports were abolished, such issuers are now required to file semi-annual reports described above. Such issuers still must also file a certificate by representative directors and the chief financial officer, if any, confirming the lack of untrue statement in the annual or semi-annual report and a report regarding the internal control system for financial reporting or other information to be disclosed together with the annual securities report. The reporting company must also file an extraordinary report without delay upon the occurrence of a material event, such as an overseas offering of its securities, a change of its parent company or major shareholders, the company's decision to implement a merger, a share-for-share exchange or a corporate split, or a disaster or litigation having a material effect on the company.

A non-Japanese corporation, if it has satisfied certain conditions, is able to file a disclosure document in English disclosed in accordance with the regulations in a non-Japanese jurisdiction instead of a securities report, when filed with a summary thereof and other supplementary documents in Japanese. This English language disclosure was not available for the purpose of the SRS, but, under the amendments to the FIEA that took effect on 1 April 2012, instead of filing an SRS in Japanese, a non-Japanese corporation, if it has satisfied certain conditions, is able to file a disclosure document concerning the issuer in English disclosed in accordance with the regulations in a non-Japanese jurisdiction, when filed with a summary thereof and other supplementary documents in Japanese as well as information concerning the securities (ie, the terms of securities and offering) in Japanese.

Law stated - 3 March 2026

ANTI-MANIPULATION RULES

Prohibitions

21 What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

The Financial Instruments and Exchange Act lists prohibited manipulative acts such as the sale of listed securities or trading derivatives in disguise and conspiracy with others to match orders, with an intent to mislead the market, or a series of manipulative transactions, the intentional dissemination of false or misleading statements, with an intent to induce market transactions. Those who violate these prohibitions owe civil liability to indemnify

losses to the participant in the manipulated market, and may also be subject to criminal proceedings and forfeiture of the benefit from such acts, as well as an administrative surcharge.

Law stated - 3 March 2026

PRICE STABILISATION

Permitted stabilisation measures

22 What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

Stabilisation activities are only permitted for the purpose of the facilitation of a public offering and are only permitted in stock exchanges when conducted in accordance with the Financial Instruments and Exchange Act (FIEA). The FIEA and the relevant orders prescribe the manner and conditions of permitted stabilisation activities. Stabilisation must be carried out by the underwriters of the relevant offering and other certain prescribed persons, the list of which is required to be submitted to the relevant securities exchanges. The fact that the stabilisation is contemplated must be stated in the relevant prospectus. The period for which the activities are permitted is, in general, after the date of pricing and up to the end of the subscription period. The price at which the stabilisation transaction can be carried out is also regulated by the FIEA and relevant ordinance.

Law stated - 3 March 2026

LIABILITIES AND ENFORCEMENT

Bases of liability

23 What are the most common bases of liability for an equity securities transaction?

The issuer, directors, executive officers, corporate auditors, Certified Public Accountant, underwriters and selling shareholders (if any) are jointly and severally liable to any person who purchases securities when there is a material misstatement or omission in a Securities Registration Statement (SRS) or registered prospectus. The issuer is strictly liable for material misstatements or omissions, but the others can avoid liability by proving that they did not know, after due care, of such misstatements or omissions. The Financial Instruments and Exchange Act (FIEA) shifts the burden of proof to the defendants for culpability as above and, in the case of the issuer, also for the amount of damages caused by a misstatement or omission with a provision presuming such amount. Similar liability as with a registered prospectus is imposed on such use of any offering materials other than the prospectus.

Law stated - 3 March 2026

24

What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

In addition to civil liability, an issuer who filed an SRS with material misstatements or omissions may be subject to criminal proceedings (and, on conviction, imprisonment for up to 10 years or a fine of up to ¥10 million, or both, together with a fine of up to ¥700 million in the case of a company) and an administrative surcharge. Violations of other regulations under the FIEA, such as failing to file the SRS when required, selling securities within the waiting period or without delivering a registered prospectus, and regulation on fraudulent market transactions and stabilisation transactions, may also be subject to criminal proceedings and an administrative surcharge.

The underwriters would also be subject to administrative sanctions, such as the suspension of the whole or part of their business, should they act in violation of securities regulations.

Law stated - 3 March 2026

UPDATE AND TRENDS

Recent and proposed changes

25 Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?

On 26 December 2025, the FSA's Disclosure Working Group published a report outlining recommendations for revising Japan's disclosure regulations under the Financial Instruments and Exchange Act (FIEA). The key proposals include:

- Raising the exemption threshold for securities registration statements: The threshold for submitting securities registration statements would be raised from ¥100 million to ¥500 million to facilitate capital supply to startups and growth companies. Additionally, the ceiling for small-scale offerings, which currently allows simplified securities registration statements, would be raised from ¥500 million to ¥1 billion.
- Revision of the qualified investor private placement system: The scope of professional investors eligible for private placements would be expanded to include "potential professional investors" – individuals who meet the professional investor criteria but have not completed the transition procedures – in order to broaden the investor base and promote funding for startups.
- Revision of disclosure regulations for stock-based compensation: The exemption from filing securities registration statements for stock and stock option grants to officers and employees would be expanded. Specifically, the current requirement limiting the exemption for stock grants to listed companies only would be eliminated, and such solicitations to officers and employees (regardless of whether the company is listed or unlisted) would be treated as not constituting a "offering" under the FIEA.
- Clarification of liability for false statements through safe harbour rules: Safe harbour provisions would be established for certain forward-looking information, estimated information, and information obtained from third parties outside the company's control, to clarify the scope of civil and administrative liability for misstatements and

thereby encourage enhanced disclosure. Safe harbour rules would apply to civil liability (through amendments to the FIEA) and administrative monetary penalties (through amendments to disclosure guidelines), while criminal liability would remain outside the scope of such protections.

The amendments have not yet been finalised and are expected to be implemented through legislative and regulatory revisions going forward.

Law stated - 3 March 2026

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LEGAL AND REGULATORY FRAMEWORK

Laws and regulations

1 What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

The Qatar Stock Exchange (QSE) provides the main platform for listed companies (Main Market) as well as a parallel (Secondary Market) for small and medium-sized enterprises, officially known as the Venture Market. The Venture Market is designed for smaller companies and has a less stringent set of listing and disclosure requirements for issuers listing on this secondary market.

This chapter only covers offerings on the Main Market.

The key statutes and regulations governing securities offerings in Qatar are:

- the Qatar Financial Markets Authority (QFMA) Law No. 8 of 2012 and QFMA Regulations in respect of the establishment and operation of the QFMA;
- the QFMA Rulebook regulating the listing of securities on a financial market in Qatar (the QFMA Offering, Listing, and Mergers and Acquisitions Rules 2025);
- the QFMA's Board Decision No. 5 of 2025regarding the issuance of the Governance Code, for companies listed in markets regulated by the QFMA);
- the QSE Rulebook regulating the listing and admission of securities on the QSE and ongoing compliance requirements for an issuer listed on the QSE (QSE Rulebook) as amended (January 2026); and
- the Commercial Companies Law No. 11 of 2015 as amended, which regulates the incorporation and ongoing requirements of companies incorporated in Qatar.

Law stated - 2 March 2026

Regulator

2 Which regulatory authorities are primarily responsible for the administration of those rules?

The QFMA and the Ministry of Commerce and Industry are the regulators in this regard. The QSE administers listed companies and provides the Main Market, as well as the Secondary Market, for listed companies.

Law stated - 2 March 2026

PUBLIC OFFERINGS

Securities exchanges

3 What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

In Qatar, the Qatar Stock Exchange (QSE) (which is a subsidiary of the Qatar Investment Authority) provides the Main Market for the trading of shares in publicly listed companies and for the trading of exchange-traded funds, and government bonds, sukuks and bills under the supervision of the Qatar Financial Markets Authority (QFMA). In addition, a Second Equity Market called the Qatar Exchange Venture Market (QEVM) has been established with a view to providing an alternative route to market for younger companies with a limited track record and fewer resources, but companies nonetheless that are growing and need the access to capital that being listed entails. The QEVM is designed for smaller entrepreneurial companies that would otherwise find it difficult to meet the heightened investor relations and corporate governance practices demanded of Main Market companies. Also, a restricted market for trading securities where trades may be carried out only by members who are qualified investors or on behalf on qualified investors clients.

The public offering process is the same for all listings as set out above, with QEVM requirements being reduced to a subscribed minimum of 2 million Qatari riyals, shareholders equity to capital of 50%, a minimum 10% free float, one year of audited financial statements (instead of two years) and a minimum of 20 shareholders excluding founders, major shareholders and related parties. In addition, companies listed on the QEVM may offer 10% of their shares in the case of a direct listing.

Each issuer who has shares or share warrants listed in the Main Market or Second Equity Market and every listed fund must prepare and publish half-yearly financial statements for the first half of each financial year.

Law stated - 2 March 2026

Mandatory filings

4 What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?

The listing or offering of securities in Qatar requires the submission of an application to both the QFMA and the QSE. Securities may be publicly offered in Qatar only in accordance with the Offering and Listing Rules. Public offers of securities must be approved by the QFMA. A security may be traded on a market in Qatar only if the issuer obtains approval from the QFMA for listing and from the licensed exchange for trading. Once approval from the QFMA is granted, a process should also be undertaken with the Ministry of Commerce and Industry if the entity is converting to a public company from a limited liability company.

An application for the QFMA's approval must be made; if the offered securities are to be listed, the application must include both the approval for the public offer and the listing application. The application must be in the form specified by the QFMA, contain the

information required, include a written undertaking that the issuer will comply with the QFMA regulations (including the Governance Code) and accompanied by the appropriate fee. An application should also be submitted to the QSE to admit the trading on the listed securities. Such application may be submitted to the QSE either at the same time as submitting the offering application, or no later than three months after the QFMA approves the listing application. In the first scenario, the issuer will not be required to submit the same information twice.

While the laws and regulations provide general scope as to required filings and process, in practice the QFMA will determine the process and filings on a case-by-case basis depending on the nature of the offering and parties involved.

A prospectus must be prepared and published, and must include comprehensive and accurate disclosure of all information relevant to the offer that may be of interest to investors.

The QFMA Rulebook provides that the party wishing to offer or list securities should submit to the QFMA an application that includes:

- an original copy of the prospectus in addition to an electronic copy in an adjustable format;
- a copy of the general assembly decision of the issuer approving the issuance of the securities to be listed, where the constitutional documents of the issuer require such a decision;
- a copy of the board of directors' resolution on approving the offering or the listing of the shares to be offered or listed;
- if the prospectus issued by the issuer includes a declaration from its relevant manager concerning the sufficiency of the operating capital, then a written letter issued by the adviser confirming the same should be attached to the prospectus;
- a statement of the expected profits enclosed with a written letter issued by the adviser confirming that this statement was issued by the manager of the issuer;
- audited financial statements of the issuer should be provided and, if the issuer is a parent company, the consolidated financial statements for the past two consecutive years;
- a copy of the agreement concluded with the listing adviser; and
- any other documents requested by the QFMA.

In addition, the QFMA Rulebook provides that the QFMA may, when considering an offering or listing application, request any additional information not included in the application or request the applicant to answer any specific questions or undertake further investigation and enquire about information provided as appropriate.

Specifically with regard to bonds and sukuk, the QFMA Rulebook provides that the party wishing to offer or list bonds and sukuk should submit to the QFMA an application that includes:

- the original prospectus and four copies;
-

a copy of the approval of the general assembly of the issuer approving the issuance of sukuk or bonds;

- a copy of the board of directors' resolution on approving the offering or the listing of sukuk or bonds to be offered or listed;
- decisions regarding the appointment of a sponsor and paying agent and copies;
- a copy of the agreement signed with both the issuing adviser and underwriter (if any);
- a copy of the guarantee agreement for the sukuk or bond, if any;
- the official approvals for the issuance of sukuk or bonds;
- if the issuance is guaranteed by any non-government entity, the financial statements of the guarantor are to be provided as well;
- if the issuer is the government or guaranteed by the government, the issuer should either provide:
    - a copy of the document, the ruling, or the decision authorising the issuance of the sukuks or bonds; or
    - the guarantee; and
- the credit rating certificate and a copy of the contract signed by the credit rating agency;
- the trustee appointment documentation (a trustee must be appointed to protect investors' rights)
- in the case of sukuk, the appropriate fatwa issued by the relevant sharia supervisory board;
- a statement evidencing that the currency of issuance can be exchanged to Qatari riyal;
- the financial statements of the issuer and its subsidiaries (if any); and
- any other documents requested by the QFMA.

Public dissemination and timing

The prospectus must be published as soon as possible after the offer is approved by the QFMA, and must be made available on the issuer's website and if the securities are to be listed, on the QSE website. The prospectus must be made to prospective investors free of charge.

Law stated - 2 March 2026

Review of filings

5 What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

Following the undertaking of the required due diligence and the obtaining of all the necessary information required for the preparation of the prospectus and initial or secondary public offering documents, the application, with all required documents attached, will be submitted to the QFMA.

An outline of the process and timeline of an initial public offering (IPO), after submission of the application up to the actual trading date, may be summarised as the following.

Submission of an application to the QFMA

An application is submitted to the QFMA concerning the offering and listing of shares. The application must include an undertaking that the issuer will comply with all of the QFMA's regulations, rules, codes and procedures relevant to the issuer and the issuer shall pay the appropriate fee. Simultaneously, an application should be submitted to the QSE to admit the trading on issued shares. Such application may be submitted to the QSE either at the same time as submitting the offering application, or within three months after obtaining the QFMA's approval on the offering. In the first scenario, the issuer will not be required to submit the same information twice.

QFMA review and approval

In most cases, the QFMA will come back with comments, queries and requirements, which should be satisfied to secure the QFMA's approval. Within 30 days of the date of submitting the application and all required documentation, the QFMA must make its decision to either approve or reject the issuer's application The QFMA must notify the issuer of the decision no later than five working days after the decision is made. If the QFMA requires additional documents/information, the period for making a decision on the application can be extended, and the QFMA must notify the issuer of the extension. This is the most critical phase of the whole process, as the QFMA's approval will contain a specific date to complete the IPO. However, the QFMA does not set an offering date without coordinating with issuers; in practice, an interactive discussion takes place between the issuer, the QSE and the QFMA.

Publication of prospectus

An issuer making a public offer must ensure that the prospectus is published as soon as possible after the offer is approved by the QFMA. The prospectus must be published on the issuer's website and, if the offered securities are to be listed, on the website of the licensed exchange. The prospectus must be made available to prospective investors free of charge.

Within one week of the end of the subscription period date, the process of allocation and distribution of shares to the subscribers must be completed. Within two days of the distribution of shares, the issuer must announce the results of the allocation of shares. Within one week of the announcement of allocation, the QFMA will review the allocation results and send its approval to the QSE for listing the shares.

The QSE trading admission application should be submitted to the QSE within a period not exceeding six months from the date of obtaining the listing approval from the QFMA, if it was not previously submitted or if there are any additional required documents. Failure

to do so will result in the approval being deemed to be cancelled, unless the application presents reasons considered satisfactory to the QFMA.

Within one week of the date of allocation of the shares, the issuer should refund the amount of money to the investors whose subscription was fully or partially unattained. Within one week of QSE receipt of the QFMA's approval to list, the issuer should secure QSE approval to admit the shares and obtain the market notice regarding the trading date. Within two working days of obtaining the approvals from the QFMA and the QSE for listing and one week prior to the first trading date, the issuer must place the necessary public announcements in the newspapers concerning such trading date. Last, trading may commence on the set date and the Ministry of Commerce and Industry should be notified once the process has been completed.

Invitation to subscribe

An issuer making a public offer must ensure that an invitation to subscribe for the offer is published on the issuer's website or other electronic medium available to the public. In the case of an issuer offering shares or share warrants, the invitation to subscribe must be published no later than one week before the start of the subscription period. The invitation must clearly state that any prospective investor must view the prospectus and must provide details of how to view it.

Trading application to QSE

The QSE trading admission application should be submitted to the QSE within a period not exceeding three months from the date of obtaining the listing approval from the QFMA, if it was not previously submitted or if there are any additional required documents. Failure to do so will result in the approval being deemed to be cancelled, unless the application presents reasons considered satisfactory to the QFMA. Prior to admission to trading, the applicant must submit all appropriate forms and obtain all approvals required under the QSE Rules. The application must be accompanied by the listing agreement with the QSE, written undertakings to comply with all rules and obligations, proof that securities are in conformity with applicable laws, proof of appointment of a paying agent and transfer agent, a copy of the prospectus, certified corporate documentation authorising the issuance, a statement of the value or number of securities issued, and copies of audited financial statements.

Unless otherwise by the issuer and the QSE, the QSE shall make its decision in respect of an application for admission to trading within a maximum period of 30 days from the date of submitting all required documentation. The decision of the QSE to admit securities to trading shall remain valid for a maximum period of 120 days from the issuance date and shall become void in the case of non-execution by the issuer in the given period.

The QSE shall determine the date on which the admission to trading of securities becomes effective and shall publish that date on its website.

No later than five working days after the end of the subscription period, the issuer must complete the process of allocating the offered securities to subscribers. The issuer must, as soon as possible after allocating the securities, provide the depository with a list of subscribers to whom the securities have been allocated and the amount of securities

allocated to each subscriber, audited by an external auditor who must certify the validity of the list before it is provided to the depository. Any excess funds received from subscribers must be returned to subscribers by the subscription receiving parties no later than seven days after the process of allocating and distributing the offered securities has been completed.

An offering may not commence while regulatory review is in progress. A public offer may be made only if the QFMA has approved the application.

Law stated - 2 March 2026

Publicity restrictions

6 What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?

The promotion and marketing of securities offered in a public offer must be carried out by a firm licensed to carry out securities promotion and marketing. In carrying out promotion and marketing, the licensed firm must: (1) ensure the public offer has been approved by the QFMA; and (2) use clear, easy to understand and non-misleading language in any promotional or marketing material.

Any promotional or marketing material issued by the licensed firm in relation to the public offer must clearly set out:

- The type of investor that the offer is aimed at.
- Any restrictions on investors subscribing for the offered securities.
- The investment risks associated with investing in the offered securities

If the QFMA approves the application for offering or listing securities and the QSE approves trading of the same, the issuer must give public notice of the first day of trading no later than two working days before that day.

The prospectus must be published as soon as possible after the offer is approved by the QFMA, on the issuer's website and on the website of the QSE. The issuer may promote the public offer by any means it considers appropriate provided the issuer complies with any controls, restrictions and requirements related to the promotion of securities and publication of prospectuses set out in rules made by the QFMA and the QSE.

An invitation to subscribe must be published no later than one week before the start of the subscription period for shares or share warrants.

Law stated - 2 March 2026

Secondary offerings

7 Are there any special rules that differentiate between primary and secondary offerings?

For IPOs, the offer price must be determined using one of four specified methods: (1) underwriter determination on a firm commitment basis, (2) underwriter informed by a financial evaluator's report, (3) book building, or (4) a financial evaluator's report – whereas listed companies making secondary offerings have flexibility to determine the price using any methodology they choose.

Law stated - 2 March 2026

8 | What are the liability issues for the seller of equity securities in a secondary offering?

Not specific liability for secondary offering. The same liability framework applies to all public offerings.

Law stated - 2 March 2026

Settlement

9 | What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?

The QFMA Rulebook provides that the trading of securities, the settlement of transactions and the registration and transfer of ownership shall take place in accordance with rules and regulations in the market where the securities are traded.

Trading in shares is generally effected electronically through the registry maintained by the QSE. Shares may be freely traded and transferred in accordance with the rules and regulations of the QSE and in compliance with the applicable laws of Qatar including the rules and regulations of the QFMA and the QSE, which will include, among other things, limitations on foreign ownership under the Foreign Capital Investment Law No. (1) of 2019 (which caps foreign ownership of listed companies at 49% of issued capital) as well as a limitation on the transfer of shares as prescribed for under the Commercial Companies Law.

Transactions in shares will normally be effected for delivery on the same day on which the transaction is performed. Transactions in securities admitted to trading on the QSE are generally governed by a three-day settlement cycle and, when applicable, delivery-versus-payment procedures.

Law stated - 2 March 2026

PRIVATE PLACINGS

Specific regulation

10 | Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?

An offering is considered to be a private placement if:

- it is addressed directly to potential buyers in Qatar not exceeding 200 persons (who are not qualified investors); or to any number of qualified investors; or both combined.
- it is addressed to the shareholders of another entity (the target entity) for the purpose of acquiring or merging with the target entity or for the purpose of a reverse takeover where the shareholders of the target entity acquire the issuer.
- he securities offered within 12 months are less than 10% of the number of securities of the same category;
- the securities are offered in accordance with the acquisition process through a mutually public offer;
- the securities are offered and exclusively allocated to current or previous owners or employees, and the securities were of the same category that was accepted for trading in the market;
- the securities are offered to international authorities or organisations; or
- if the offer is directed to qualified investors, the investor is considered "qualified" if the investor comprises:
    - a licensed or registered financial services company in Qatar;
    - a financial services firm established outside Qatar (only if the firm's competent regulatory or supervisory authority is a member of the International Organisation of Securities Commissions and an adequate arrangements exist between the firm's authority and the Qatar Financial Markets Authority (QFMA));
    - banks, insurance and reinsurance companies, investment and financing, investment funds licensed by Qatar Central Bank, Qatar Financial Centre or any other regulators in Qatar;
    - state institutions and companies owned by Qatar, Qatar Investment Authority and its subsidiaries;
    - an investor represented by an investment manager licensed by the authority;
    - a high net worth individual; or
    - a natural person who has worked in one of the entities accepted by the QFMA for a period not less than three years, has traded in any of the financial markets with a total value of not less than 50 million Qatari riyals during the past 12 months and has specialised and approved international or local certificates in the field of investment in financial markets.

Any issuer must notify the QFMA within two weeks of the date the offer is approved by any applicable regulator, and supply:

- a copy of such approval decision;
- a copy of the approval of the entity itself;
- the timetable for completion of offering processes; and

- payment of any applicable fee.

Law stated - 2 March 2026

Investor information

11 What information must be made available to potential investors and the public in connection with a private placement of equity securities?

Unlike public offerings, private placements have reduced disclosure requirements. A private offer may be promoted only by means of direct communication from the issuer to the persons to whom the offer is made., and cannot be advertised in newspapers, online platforms or public medium.

Such direct communication must include:

- the type of investor that the offer is aimed at;
- any restriction of investors subscribing for the offered securities; and
- the investment risks associated with investing in the offered securities.

Law stated - 2 March 2026

Transfer of placed securities

12 Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?

No.

Law stated - 2 March 2026

OFFSHORE OFFERINGS

Domiciled issuers

13 What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?

A local issuer licensed to list securities from the Qatar Financial Markets Authority (QFMA) in Qatar shall not list the same for trading in a foreign stock market unless it has received prior approval from the QFMA. Otherwise, the aforementioned rules will apply irrespective of the identity or location of the offeree.

Law stated - 2 March 2026

Non-domiciled issuers

14 What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?

Before a foreign issuer's security is listed on the local market, the QFMA must be satisfied on two fronts. First, the legal and regulatory framework governing the issuer in its home jurisdiction must offer protections and standards comparable to those applicable to Qatari companies. Second, there must be effective mechanisms in place allowing the QFMA to share information and coordinate with the overseas regulator responsible for overseeing the issue.

Foreign issuers are required to designate an individual based in Qatar who will serve several important roles. This representative must act as the primary liaison between the company and its existing or potential shareholders. They are also responsible for handling the payment of dividends and other distributions to investors. Additionally, this person must ensure that any information or financial reports requested by the QFMA under applicable laws and regulations are provided in a timely manner.

The QFMA retains discretion to place extra conditions on foreign issuers through written notice, with the aim of ensuring they do not enjoy any regulatory advantages over domestically incorporated companies. These additional obligations become effective from the date stated in the notice, and the QFMA is required to communicate this to the issuer and make the notice publicly.

Law stated - 2 March 2026

PARTICULAR FINANCINGS

Offerings of other securities

15 What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

Specific details of the particular financings should be made clear as to their nature and effect as part of the offer process, as well as being approved by the Qatar Financial Markets Authority.

Law stated - 2 March 2026

UNDERWRITING ARRANGEMENTS

Types of arrangement

16 Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

The Qatar Stock Exchange (QSE) is a very small market with only 54 companies and only two listings have taken place in the past year. Therefore, it is not possible to postulate as to what are common occurrences.

Law stated - 2 March 2026

Typical provisions

17 What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

The QSE is a very small market with only 54 companies and only two listings have taken place in the past year. Therefore, it is not possible to postulate as to what is typical.

Law stated - 2 March 2026

Other regulations

18 What additional regulations apply to underwriting arrangements and the provisions typically contained therein?

The Civil Code Law No. (22) of 2004 and the Commercial Code of Qatar apply to any commercial agreements in Qatar.

Law stated - 2 March 2026

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation

19 In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?

The Qatar Financial Markets Authority (QFMA) Rulebook imposes a number of ongoing and periodic obligations on listed companies to make disclosures. Adequate disclosure helps investors assess an issuer's corporate governance practices.

Ongoing obligations

The QFMA Rulebook requires listed companies to immediately notify:

- both the QFMA and the Qatar Stock Exchange (QSE) of any events or information that may affect the prices of securities; and
- the QFMA, without delay of any material events, which includes:

- if trading is stopped or a listing in a foreign exchange is suspended or cancelled;
- if securities of any affiliate are traded in a local or foreign exchange;
- if a receiver is appointed for the company, parent company or affiliate;
- if there is a buyback or redemption of shares;
- if there is a petition to appoint a liquidator or if a liquidator is appointed for the company, parent company or affiliate;
- if the shareholders take a decision to liquidate and dissolve the company, parent company or affiliate;
- if there is any sale, purchase, mortgage or other transaction involving assets exceeding 5% of book value, or any entry into possession or sale by a mortgagee involving assets exceeding 10% of book value;
- if the issuer becomes aware that it has accumulates losses amounting to 50% or more of its paid-up capital;
- if the listed company enters into negotiations for any merger or acquisition;
- if a lawsuit is brought against the company or a court order issued in favour of or against the company;
- if a court issues an order that affects the capacity of the company, parent company or affiliate to dispose of more than 10% of the total assets;
- any change to the memorandum of association or the articles of association or the address;
- any change to the information related to members of the board and the senior executive management;
- any change to the structure of the issuer's capital;
- any material change to the issuer's main activities;
- any change in the rights attaching to any category of the issuer's securities;
- f a general assembly meeting is convened;
- if a decision is issued by the disciplinary committee or appeals committees at the QFMA; and
- all events or information that may affect the process of the securities.

Periodic obligations

In addition to the ongoing disclosure requirements, under the QFMA Rulebook, there are also periodic disclosure requirements. A listed company must prepare, publish and file with the QFMA and the QSE periodic reports on a quarterly, half-yearly and annual basis. The quarterly financial statements must be published no later than 30 days after the end of the period to which they relate. The half-yearly reports must be published no later than 45 days after the end of the period to which they relate. The quarterly and half-yearly reports are to be reviewed by external auditors. The annual report shall include operating results for the entire fiscal year, the cash flows and the financial position at the

end of the year, together with a comprehensive analysis of the performance compared with previous years and expectations for the next year, and supplementary notes stating the accounting policies used to prepare the financial statements. The QFMA Rulebook sets out in detail how ongoing and periodic disclosures should be made, and also provides that, in certain circumstances, the QFMA may accept a delay in disclosure, a limited or preliminary disclosure or permit an exemption from disclosing certain information.

Law stated - 2 March 2026

Information to be disclosed

20 | What information is a public company required to make available to the wider public?

A public company listed in Qatar must disclose to the public all material non-public information and events that may affect the value of its securities, including changes to capital structure, dividends, insolvency matters, significant asset transactions, legal proceedings, changes to board members or senior management, and auditor appointments or dismissals. In addition, the company must publish periodic financial reports on a quarterly, half-yearly and annual basis, with annual reports being audited and half-yearly and quarterly reports. The company must maintain on its website key corporate documents such as its articles of association, governance reports, financial statements, auditor reports, general assembly minutes and details of board members and committees.

The QFMA Rulebook provides that the applicant for the offering or listing, or the issuer of the securities traded on the QSE shall make information and documents required under the QFMA Rulebook available to the public on the website free of charge or through the adviser or party responsible for covering the issuance process, or through the QSE.

An issuer must maintain on its website or other electronic medium available to the public all information its has disclosed to the public for at least five years.

In addition, as per the QSE Rulebook, the issuer shall undertake to disclose all information and data which enable holders of its securities to exercise their right. The issuer shall ensure that such information is disseminated in a manner allowing timely access by the public.

Law stated - 2 March 2026

ANTI-MANIPULATION RULES

Prohibitions

21 | What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

Qatari law provides for a general prohibition on insider trading that has a broad application, even by international standards, as well as other legal restrictions. To summarise, it is an offence:

- to engage or attempt to engage in insider dealing;
- to provide insider information or give advice to another person; or
- to recommend or induce any person to engage in insider trading; and
- for a person to effect, or participate in effecting, transactions or orders to trade or otherwise behave in such a way that:
- gives a false or misleading impression as to the supply of, or demand for, or as to the price or value of securities or is likely to do so; or
- secures the price of securities at an abnormal or artificial level; and
- for a person to disseminate information or cause the dissemination of information by any means that give, or are likely to give, a false or misleading impression as to a security by a person who knew or could reasonably be expected to have known that the information was false or misleading.

Therefore, it is essential that issuers both understand their obligations and restrictions in relation to insider trading and develop comprehensive systems to define, monitor and identify potential insider trading to ensure that they stay on the right side of the law, as breaking the law can lead to severe financial penalties and even prison terms.

Law stated - 2 March 2026

PRICE STABILISATION

Permitted stabilisation measures

22 What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

Two distinct valuers should be utilised who are independent of the company (and its shareholders) to ensure that the valuation opinions are free from any bias. In addition, the valuers should have substantial expertise together with relevant and significant prior experience of performing business or company valuations. Each valuer must be approved and registered with the Qatar Financial Markets Authority (QFMA) to be able to perform valuations for listing purposes.

In addition, the QFMA Auditors' Rules stipulate certain requirements on how the terms of reference or agreement between valuers and the company engaging the valuers should be reached. For instance, the duties and responsibilities of the valuers, as well as the company, should be clearly agreed upon so that the scope of the valuation and flow of information is not restricted.

Law stated - 2 March 2026

LIABILITIES AND ENFORCEMENT

Bases of liability

23 What are the most common bases of liability for an equity securities transaction?

Statutory liability is the most common.

Law stated - 2 March 2026

24 What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

The main mechanisms are criminal prosecution for sanctions and civil litigation for remedies.

Law stated - 2 March 2026

UPDATE AND TRENDS

Recent and proposed changes

25 Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?

- A new Offering, Listing and M&A Rules, was issued by the Qatar Financial Markets Authority (QFMA)'s Board Decision No. 8 of 2025.
- The Qatar Stock Exchange Rulebook was amended in January 2026.
- The Governance Code for Listed Companies was amended by QFMA's Board Decision No. 5 of 2025.

Law stated - 2 March 2026

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Summary

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LEGAL AND REGULATORY FRAMEWORK

Laws and regulations

1 What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

Switzerland is neither a member of the European Union nor of the European Economic Area. As a result, the EU Prospectus Regulation and other EU capital markets rules do not directly govern securities offerings carried out in Switzerland.

In recent years, however, the Swiss framework for financial market regulation has been fundamentally overhauled. A key objective of this reform was to align Swiss law more closely with existing and forthcoming EU legislation and to facilitate access by Swiss financial institutions to the EU market through meeting regulatory equivalence standards. For securities offerings in particular, the central elements of this reform are the Financial Services Act (FinSA) and its implementing ordinance, the Financial Services Ordinance (FinSO), which have both been in force since 1 January 2020.

FinSA and FinSO have, in substance, created a harmonised prospectus regime for the Swiss capital markets. This regime introduces detailed statutory rules on the preparation and content of prospectuses, as well as codified safe harbours from the obligation to prepare an offering or listing prospectus, across all categories of financial instruments (subject to specific carve-outs and tailored rules for certain products). As a general rule, a prospectus must be prepared and published for any public offer of securities in Switzerland or for the admission of securities to trading on a Swiss trading venue. In addition, prospectuses are subject to an ex ante approval process by a designated reviewing body before they may be published.

Below is a description of the principal statutory framework (including FinSA and FinSO) and a summary of the key regulatory and self-regulatory authorities charged with putting this framework into practice and with supervising and enforcing compliance.

Legislative framework: From a Swiss perspective, initial public offerings, equity capital markets transactions and the operation of stock exchanges are, in broad terms, governed by the following core instruments:

- the Financial Market Infrastructure Act of 19 June 2015, as amended (FMIA);
- the Financial Market Infrastructure Ordinance of 25 November 2015, as amended;
- the Financial Services Act of 15 June 2018, as amended (FinSA);
- the Financial Services Ordinance, including in particular Annex 1 (prospectus contents), of 6 November 2019, as amended (FinSO); and
- additional ordinances and regulations issued by the Swiss Financial Market Supervisory Authority (FINMA).

These laws and regulations set out direct obligations for issuers and other market participants. They include, among other things, detailed rules on the mandatory content of prospectuses, disclosure obligations regarding significant shareholdings, and provisions addressing insider dealing and market abuse (including market manipulation).

Law stated - 17 March 2026

Regulator

2 Which regulatory authorities are primarily responsible for the administration of those rules?

In the context of public securities offerings, including initial public offerings (IPOs) the following regulatory authorities are competent:

Supervisory authorities – FINMA: In Switzerland, overall supervision of the financial markets is exercised by the FINMA. FINMA entrusts parts of its regulatory responsibilities to various private or semi-private self-regulatory organisations, which it authorises and oversees. By way of example, SIX Group Ltd has been entrusted with drawing up, implementing and enforcing regulatory provisions in relation to SIX Swiss Exchange Ltd (SIX). In addition, FINMA grants licences to and supervises the institutions that are in charge of the prospectus approval process (ie, the prospectus review bodies) under FinSA and FinSO.

SIX Regulatory Board: With respect to the regulation of Swiss equity markets and stock exchanges, one of the key self-regulatory bodies under the oversight of FINMA is the SIX Regulatory Board. This body issues the regulatory framework applicable to issuers (such as rules and directives) and to trading participants (including the SIX Trading Rules and participant directives) on SIX.

SIX Exchange Regulation Ltd: SIX Exchange Regulation Ltd is an independent organisational unit within SIX Group Ltd and is responsible for regulatory oversight and supervision of issuers and participants on SIX. Its mandate includes implementing the requirements laid down in Swiss law and in the regulations adopted by the SIX Regulatory Board, as well as monitoring compliance with those standards. In accordance with the applicable rules, SIX Exchange Regulation may impose or propose sanctions and may, where necessary, notify the chairperson of the board of directors of SIX Group Ltd, the competent supervisory bodies and, if appropriate, the responsible criminal prosecution authorities of suspected breaches of law or other misconduct by market participants.

Within SIX Exchange Regulation, the Listing and Enforcement department handles the self-regulatory listing process and the admission of companies and securities to trading. It is also in charge of supervising compliance by listed issuers with their disclosure and reporting duties (for example, ad hoc publicity, periodic financial reporting, corporate reporting and notifications of management transactions). Based on public law, this department also acts as a prospectus review body (see below) and receives notifications regarding significant shareholdings.

The Surveillance and Enforcement department of SIX Exchange Regulation is responsible for monitoring trading activity and price developments on the trading venues operated by SIX.

Prospectus review body: Under FinSA, as a rule, any person in Switzerland making a public offer to acquire securities, or applying for the admission of securities to trading on a

Swiss trading venue, must prepare and publish a prospectus beforehand. Subject to certain exemptions, this prospectus must be filed with a FINMA-licensed prospectus review body (see above) for approval before it is published or the securities are admitted to trading. The review body examines whether the prospectus is complete, internally consistent and clearly drafted. With effect as of 1 June 2020, FINMA authorised the prospectus offices of each of SIX Exchange Regulation and BX Swiss to act as prospectus review bodies under FinSA.

Law stated - 17 March 2026

PUBLIC OFFERINGS

Securities exchanges

3 What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

The SIX Swiss Exchange Ltd (SIX or SIX Swiss Exchange), Switzerland's main stock exchange, has self-regulatory authority over the listing and delisting of securities. For equity securities, it acts as (1) the primary Swiss marketplace where Swiss and foreign companies list their shares and (2) an organised, supervised trading venue where those shares are continuously traded under Swiss financial market regulation. For instance, if equity or debt securities are to be listed in connection with a business combination, a listing application must be submitted to SIX. If a prospectus for the offering or listing of equity securities is required, the SIX review body, an authority licensed and supervised by the Swiss Financial Market Supervisory Authority (FINMA), must review and approve the prospectus on an ex ante basis.

SIX offers alternative listing and market segments, in particular: (1) a main equity segment for larger/established issuers; (2) dedicated SME/growth and other specialised segments with adapted listing standards (eg, sparks); plus (3) differentiated trading segments for blue chips vs mid/small caps and equity like products.

The only other equity exchange in Switzerland is BX Swiss AG (BX Swiss). BX Swiss is much smaller than SIX and mainly targets small and medium-sized Swiss enterprises.

Law stated - 17 March 2026

Mandatory filings

4 What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?

Under the prospectus rules introduced by Financial Services Act (FinSA) and Financial Services Ordinance (FinSO), a company seeking to carry out an equity offering (IPO

or follow-on) in Switzerland must complete two separate, but coordinated, approval procedures in order for its shares to be listed:

- First, the prospectus must be reviewed and approved by a FINMA licensed prospectus review body (currently SIX Exchange Regulation or BX Swiss) before it can be published, in accordance with FinSA; and
- Second, the issuer must obtain approval for the admission of its securities to trading on the relevant Swiss trading venue from the competent listing authority of that exchange, such as SIX Exchange Regulation in the case of SIX Swiss Exchange.

In connection with the introduction of the prospectus regime, the Swiss exchanges adapted their listing rules so that the prospectus approval process and the listing approval process can run concurrently.

In principle and subject to certain applicable exemptions and limited regulatory relief for select issuers and financial instruments, under FinSA, any person in Switzerland who makes a public offer of securities or any person who seeks the admission of securities to trading on a trading venue in Switzerland must publish a prospectus. To prepare the prospectus and to ensure that it meets the requirements of FinSA, the issuer is assisted by its legal counsel, the underwriting banks and other (financial) advisers.

The key disclosure document for any Swiss IPO is the prospectus. The primary purpose of the prospectus is to enable prospective investors to make an investment decision on an informed basis. To this end, the prospectus on its own must contain all material facts so as to provide investors with sufficient information to make an informed assessment of the issuer and the risks associated with investing in its shares. The disclosure must comply with the requirements of tFinSA and FinSO.

The issuer's legal counsel drafts the prospectus, based on the outcome of the (ongoing) due diligence, the equity story developed by the issuer and the underwriting banks, and several drafting sessions held amongst all parties. They also communicate with, and submit the prospectus on a confidential basis to, SIX Swiss Exchange in its capacity as a "review body" licensed by FINMA under FinSA. The underwriting banks and their legal counsel, and the issuer's auditors, review and comment on the prospectus.

The key sections of a Swiss prospectus include:

- Summary. This is a summary of the key information relating to the issuer. The summary must be written in a comprehensible manner, be specifically marked as such and be visually distinguishable from the other sections of the prospectus.
- Risk Factors. This is a description of the material risks relating to the issuer, its shares, its business, and the market and industry in which it operates.
- Business Overview. This is the presentation of the issuer's equity story, containing the material aspects of its operations and business activities (such as products and services), its competitive strengths and its strategy.
- Operating and Financial Review (OFR) or Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A). While not required under Swiss law, it is market practice in Switzerland (particularly in the case of a concurrent marketing of the offering to US qualified institutional buyers (QIBs) under rule 144A) to include an OFR or MD&A section in a Swiss prospectus.

- Financial information. This comprises the historical financial statements of the issuer covering the last three financial years and any interim financial statements since the end of the latest financial year. These financial statements must be drawn up in accordance with an eligible financial accounting standard (currently, IFRS, US GAAP and Swiss GAAP FER) and be audited by the issuer's auditors. In addition, the issuer's statutory financial statements must be included if they are relevant for the distribution of profits or for other rights of the shareholders. Under certain circumstances, pro forma financial statements may be required.
- Information regarding the issuer. The description of the issuer is usually divided into two main sections:

- one section concerns the members of the issuer's board of directors and executive committee and, in particular, their own shareholdings in the issuer and their compensation; and
- the other section is a description of the issuer's share capital and shares, including the form of the shares and the rights associated with the shares (such as voting rights, general meetings of shareholders, dividends and shareholders' inspection rights).

Additional sections of a Swiss prospectus include:

- The market, industry, and competitive environment in which the issuer operates.
- The issuer's regulatory environment.
- The issuer's principal shareholders and any related-party transactions.
- A general description of the stock exchange on which the issuer's shares will be listed and traded, and its rules.
- The offering of the shares, including a description of any offering and selling restrictions in foreign jurisdictions.
- A description of certain tax consequences of investing in, holding and selling the offered shares, including, in the case of an offering to US QIBs under rule 144A, certain US tax consequences.

While a Swiss prospectus can be published in English or one of the official languages of Switzerland (German, French or Italian, but not Romansh), in a cross-border IPO, it is usually drafted in English. A summary in German, French or Italian is not required by law and not typically included.

In parallel to the preparation of the prospectus, the issuer and the underwriting banks develop an equity story to market the shares.

A key element is the confidential early-stage marketing meetings between the issuer's management and the underwriting banks on the one hand and a small number of potential key investors (for example, large, institutional, sector-specific and other targeted investors) on the other hand. At these meetings, the issuer's management and the underwriting banks present key aspects of the issuer and its business to test the waters, receive feedback, and assess investor appetite for the contemplated IPO. Based on these meetings (known as pilot fishing or early-look meetings), the issuer and the underwriting banks can tentatively

determine the valuation and an appropriate offer price, or the issuer can abort the IPO at an early stage, without having incurred significant costs.

The development of the equity story results in the issuer's management presenting itself to the underwriting banks' research analysts, sometimes accompanied with site visits and follow-up Q&As. This takes place around 10 to 12 weeks before the first day of trading. Based on this presentation, the research analysts prepare comprehensive research reports about the issuer, its business, the contemplated IPO and a prospective valuation of the issuer and its shares.

Before its publication, the prospectus must be reviewed and approved by the review body with respect to its completeness, coherence, and understandability. The disclosure in the prospectus must comply with the requirements of FinSA and FinSO, which are similar to EU standards. Contrary to many other jurisdictions, the Swiss regulatory architecture is characterised by the principle of self-regulation in several respects. In particular, although the review body acts in its capacity as a governmental agency, both the prospectus review body and the listing authority are bodies of SIX Swiss Exchange, which is privately organised and has considerable discretion regarding the individual case.

The preparation process usually starts several months before the first submission of the prospectus to the review body. At the first submission, the prospectus must be substantially in its final form, as required by FinSA and FinSO.

Under FinSA, the prospectus must be approved by the review body prior to its intended publication. Although the review body is legally bound to review a prospectus within 20 calendar days from its filing, it is customary for the issuer to file the prospectus at least one month (or six weeks to be safe) before its intended publication. This is because when the review body comments on the initial draft, the issuer must submit a revised prospectus addressing the comments. Afterwards, the review body has another 20 calendar days to review it, although this second review period is often shortened on an informal basis. The IPO timeline should allow for sufficient time to address any comments received from the review body and to resubmit the prospectus. If the review body does not respond within the applicable period, this does not mean that the prospectus is deemed approved. Following approval, the prospectus is valid for 12 months.

Once approved by the review body, the issuer must submit the prospectus to the review body by which it has been approved and publish it no later than the commencement of the offering or admission of trading. In the case of a traditional IPO, the prospectus is published at the beginning of the roadshow. In the case of a direct listing without an underwritten offering, the prospectus is published on the first day of trading. FinSA sets out various permissible publication media, including in an electronic format on the website (which may need to be equipped with a geo-blocking website filter for foreign regulatory purposes) of the issuer or trading venue.

Law stated - 17 March 2026

Review of filings

5 What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

Before its publication, the prospectus must be reviewed and approved by the review body with respect to its completeness, coherence and understandability. The disclosure in the prospectus must comply with the requirements of FinSA and FinSO. The preparation process usually starts several months before the first submission of the prospectus to the review body. At the first submission, the prospectus must be substantially in its final form, as required by FinSA and FinSO.

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Supplements: Under the FinSA/FinSO prospectus framework, an obligation to prepare and publish a supplement arises if, after the prospectus has been approved but before the public offer has been completed or trading has commenced on a trading venue, new circumstances or information emerge that could materially affect how the securities are assessed. As a rule, such supplements must, like the original prospectus, be submitted to the competent reviewing body for approval before publication and must be made available to the public in the same manner and format as the approved prospectus. In addition, as a general principle (except in the case of pure pricing supplements), once a supplement has been published, investors must be granted a right to withdraw their subscriptions or purchases. Practically, this means either keeping the offer period open for at least two days after publication of the supplement or, alternatively, allowing investors to exercise a withdrawal right during a period of at least two days following the final closing of the offering.

Pricing supplements: Circumstances that are already foreseen and described in the prospectus (such as corporate or regulatory approvals) and the final commercial terms of the offer (for example, the final offer price or the number of securities actually issued) do not trigger a requirement to publish a prospectus supplement and, consequently, do not require prior approval by the reviewing body or affect the transaction timetable. FinSA explicitly recognises that, where the final offer price and the definitive issue volume are not yet known at the time the prospectus is prepared, the prospectus may instead disclose a maximum price and describe the parameters and methodology for determining the final issue volume. To inform the market once these final terms are set, issuers will generally

publish a separate pricing supplement. This document is not subject to prior approval by the reviewing body, but it must be filed with that body upon publication.

Prospectus supplements: By contrast, new developments or information that were not anticipated or disclosed in the original prospectus and that are capable of materially affecting investors' decisions must be disclosed through a prospectus supplement. Such a supplement must be prepared without delay and submitted to the competent reviewing body. Subject to defined exceptions, prior approval by the reviewing body is required. The reviewing body generally has seven calendar days to complete its review. If changes to the draft supplement are requested, the issuer is allowed up to three calendar days to revise it in the case of a public offer and up to seven calendar days in the case of an admission to trading. Once approval has been granted, the supplement must be published immediately and in the same format as the original prospectus.

To ensure that certain categories of information can be disclosed swiftly, FinSA requires the reviewing bodies to maintain a catalogue of events or facts that, by their nature, do not require prior approval. Under these catalogues, no review or approval is needed for supplements that simply inform the market about new facts which, under the rules of the relevant Swiss or foreign trading venue on which listing is sought, must be publicly disclosed and may be price sensitive. In such cases, the information must be notified to and filed with the reviewing body at the same time as the supplement is published.

This facilitation, however, does not extend to supplements relating to new facts that cause or result in changes to already published annual, semi-annual or quarterly financial statements of the issuer, even if these facts are also ad hoc relevant and potentially price sensitive. For such supplements, the regular review deadlines described above continue to apply.

Exemptions from the obligation to publish a prospectus: Although of limited relevance in a classic IPO context, FinSA sets out a number of explicit exemptions from the duty to publish a prospectus in connection with public offerings in Switzerland or admissions to trading on a Swiss venue. For public offerings, these exemptions include, among others, offers that are restricted to investors qualifying as professional clients within the meaning of FinSA, as well as offers directed to fewer than 500 investors.

Additional exemptions may apply depending on the type of security being offered or the specific transaction context, and further reliefs exist in relation to the admission of securities to trading on a Swiss trading venue. Importantly, FinSA stipulates that even where an offer or admission falls within an exemption and no prospectus is required, offerors and issuers must still ensure that investors are treated equally with respect to access to essential information regarding the offering.

Separately, the issuer must appoint a listing agent (which must be a licensed bank in the case of an IPO or a direct listing). The listing agent is responsible for applying on the issuer's behalf for the shares to be listed and admitted to trading on SIX Swiss Exchange. Indeed, the admission of equity securities to trading on SIX Swiss Exchange requires the submission of a formal listing application to SIX Exchange Regulation by a recognised representative, in accordance with the SIX Listing Rules.

For first time issuers the application must be filed no later than 20 trading days before the start of the book building period; for issuers that are already listed, the deadline is generally 10 trading days.

The listing request must briefly describe the securities to be listed, specify the intended first trading date and refer to the annexes required under the regulations of the SIX Regulatory Board. When preparing the application, the issuer must also indicate the regulatory standard under which it seeks admission and show that it complies with the corresponding eligibility criteria (the individual standards are described in more detail below). If one or more of the listing requirements are not fulfilled, the application must include a substantiated request for a waiver.

Alongside the duly signed listing application, the following documents must be submitted to SIX:

- proof that the issuer has a prospectus that has either been approved by a reviewing body in accordance with FinSA or is deemed approved under FinSA;
- a recent extract from the issuer's entry in the commercial register;
- a copy of the issuer's current articles of association;
- where applicable, an original, duly signed confirmation by the issuer that any printed share certificates comply with the printing standards of SIX SIS AG (SIX SIS); for book entry securities, an explanation of how investors can obtain evidence of their holdings;
- evidence that the issuer's statutory auditors meet the requirements for auditors of public companies as set out in articles 7 and 8 of the Federal Act on the Licensing and Oversight of Auditors;
- an original, duly signed statement by the issuer's lead manager confirming that the free float of the relevant equity securities is sufficient;
- for listings in the Sparks regulatory standard pursuant to article 89 of the Listing Rules, a duly signed declaration by the lead manager confirming that, at the time of listing, the issuer's equity securities have a market capitalisation of no more than 500 million Swiss francs;
- an official notice in accordance with articles 40a and 40b of the SIX Listing Rules;
- a duly signed issuer's declaration under article 45 of the SIX Listing Rules confirming that:
  - the issuer's competent corporate bodies consent to the listing;
  - the issuer has read and acknowledges the SIX Listing Rules, any applicable additional rules and implementing provisions, as well as the SIX rules of procedure and sanction regulations, and expressly accepts them in the form of the declaration of consent. The issuer recognises the arbitration board designated by SIX and agrees to be bound by any related arbitration agreement. The issuer also accepts that the continued listing is conditional on its agreement to be bound by the legal framework as amended from time to time; and
  - the issuer will pay the applicable listing fees.

Ideally, all annexes should be filed together with the listing application. Where this is not feasible, draft versions may be submitted initially, with final documents to follow later. Evidence of prospectus approval (or deemed approval) under FinSA must be provided

to SIX Exchange Regulation by 7.30am on the first trading day. The remaining finalised annexes must be submitted by 4.00pm at the latest on the exchange day immediately preceding the first trading day, subject to certain exceptions, in particular for transactions involving a book building process.

Law stated - 17 March 2026

Publicity restrictions

6 What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?

FinSA and FinSO stipulate, as a general rule, that any form of advertising relating to financial instruments (that is, investor facing communications intended to draw attention to particular financial instruments) must be clearly recognisable as advertising, for example through an appropriate disclaimer. Such advertising must also refer to the existence of a prospectus for the relevant financial instrument and indicate where that prospectus can be obtained (including the relevant contact details of the issuer, the offeror or the underwriting banks). As a basic rule, the content of any advertising or other information materials concerning the financial instruments must be consistent with the information contained in the prospectus.

When preparing marketing materials, it is also crucial to consider article 69 FinSA (Liability). This provision states that any person who, without exercising the required level of care, makes inaccurate, misleading or unlawful statements in a prospectus or in comparable communications (for example, press releases, press conferences or other marketing publications) is liable to investors for any resulting loss. The notion of “comparable communications” broadens the scope of FinSA beyond the formal offer prospectus and may attach liability to misleading marketing statements connected with a securities offering, irrespective of the medium used.

If these principles are respected and complied with, and subject to any applicable foreign securities law restrictions, an issuer of equity securities in Switzerland is generally free to engage in a broad range of public relations and marketing activities, including the promotion of its products and services and the announcement or advertising of an upcoming equity offering.

As IPO preparations begin, the issuer's legal counsel prepare publicity guidelines and the underwriting banks' legal counsel prepare research guidelines.

The publicity guidelines aim to prevent the issuer from inadvertently triggering a public offering for its shares before the offer period, and ensure consistency between publicly disclosed information and information contained in the prospectus. They list rules and restrictions relating to public relations activities and the release of information in connection with the contemplated IPO (for example, media releases, interviews, investor presentations, roadshows, and communications by employees). The publicity guidelines apply until the later of:

-

completion of the offering (once the underwriting banks confirm that all shares, including any over-allotment shares, have been sold and delivered to the investors); and

- 40 calendar days after the closing of the offering.

The research guidelines set out rules and restrictions relating to the preparation and distribution of research reports by the underwriting banks concerning the issuer, ensuring that these reports are independently prepared and distributed in compliance with applicable laws.

Law stated - 17 March 2026

Secondary offerings

7 | Are there any special rules that differentiate between primary and secondary offerings?

In the case of a primary offering (the issuance of new shares by the issuer), the issuer conducts a capital increase to create the new shares (usually on the business day immediately preceding the first day of trading). For issuers incorporated in Switzerland, for the new shares to be validly created, the capital increase must be registered with the commercial register. In the case of an IPO, the issuer usually makes use of the "hyper-express procedure", accelerating the registration process with the commercial register so that the capital increase is registered and becomes legally effective on the same day the application is submitted to the commercial register. However, the registration process may take longer under certain circumstances (for example, if the registration or the underlying corporate resolution is challenged).

Secondary offerings of equity securities in Switzerland broadly follow the same regulatory framework as primary offerings. The FinSA prospectus regime does not distinguish in principle between an offer of newly issued shares and an offer of existing shares; the key question is whether there is a public offer or an admission to trading on a Swiss trading venue and whether an exemption from the duty to publish a prospectus is available. In practice, many secondary offerings (for example, block trades to qualified or professional investors, accelerated book builds or purely institutional placements) are structured to fall within one or more FinSA exemptions and can therefore be executed without a full FinSA prospectus and, in some cases, on a very short timetable. Where a FinSA prospectus is required, the same content, approval and supplement rules apply as for a primary offering, although certain issuer specific disclosures (such as use of proceeds) are typically less prominent or adapted to the secondary context.

Law stated - 17 March 2026

8 | What are the liability issues for the seller of equity securities in a secondary offering?

From a liability perspective, the seller in a secondary offering may be exposed on several levels. If a prospectus or other offering document is prepared, the seller will usually be

involved – contractually or de facto – in the preparation or approval of the disclosure and can therefore incur statutory prospectus liability under FinSA for inaccurate, misleading or incomplete information. In addition, if the seller is an existing major shareholder, board member or member of management, any misstatements or omissions in market communications, ad hoc announcements or marketing materials may give rise to personal liability risks and, in extreme cases, market abuse allegations. Where no FinSA prospectus is required (for example, in a purely private placement qualifying for an exemption), the seller remains subject to general civil law liability for misrepresentation and to the overarching Swiss rules on market abuse and insider dealing, but the specific FinSA prospectus liability regime will not apply. In market practice, underwriting and placement agreements for secondary offerings therefore tend to include representations, warranties and indemnities by the seller that mirror, in a simplified form, those used in primary offerings, with the allocation of liability between the issuer, the selling shareholder and the underwriters being governed by contract.

Law stated - 17 March 2026

Settlement

9 What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?

As settlement, the shares are usually delivered to the investors within one or two trading days after the first day of trading against payment by the investors of the offer price and by the underwriting banks of the (typically net) proceeds from the offering to the issuer or selling shareholders (or both).

Law stated - 17 March 2026

PRIVATE PLACINGS

Specific regulation

10 Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?

Switzerland does not have a standalone private placement statute for equity or equity linked securities. Instead:

- A placement is typically treated as “private” if it falls within one or more Financial Services Act (FinSA) exemptions from the duty to publish a prospectus (for example, offers addressed exclusively to professional clients, or to fewer than 500 investors, or with a minimum investment per investor).
- If the offer qualifies for such an exemption and no admission to trading on a Swiss trading venue is sought, no FinSA prospectus will be published.

To effect a valid private placement in Switzerland, issuers and banks typically:

- Structure and document the offer so that distribution is limited to exempt investor categories (eg, professional or institutional investors) and/or within numerical or minimum investment thresholds.
- Use offering memoranda and selling restrictions that clearly describe the target investor universe and restrict onward distribution.
- Ensure that Swiss corporate law requirements on capital increases, pre emptive rights, board and shareholder approvals are respected, and that any existing listing related obligations (ad hoc publicity, management transactions, significant shareholdings) are observed.

Law stated - 17 March 2026

Investor information

11 What information must be made available to potential investors and the public in connection with a private placement of equity securities?

Where a FinSA prospectus is not required (because a private placement exemption applies), there is no prescribed Swiss statutory disclosure template for equity private placements. Nonetheless:

- Investors are usually provided with an offering memorandum or term sheet setting out the key terms of the securities, the risk factors and material information about the issuer.
- The issuer and any placing banks remain subject to general Swiss civil law liability for misleading or incomplete information and to market conduct rules (insider dealing, market manipulation). In practice, the liability standard and risk allocation are addressed through contractual representations, warranties and disclaimers in the offering documentation and engagement letters.

No information needs to be made available to the general public solely because a private placement is conducted. However, if the issuer is listed in Switzerland, the usual ongoing disclosure regime continues to apply independently of the placement (in particular, ad hoc announcements for price sensitive facts and, where thresholds are crossed, disclosure of significant shareholdings).

Law stated - 17 March 2026

Transfer of placed securities

12 Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?

Lock-up agreements with major shareholders, and directors and managers of the issuer, preventing them from selling their shares in the first months following the placement (to the extent not already included as part of the transaction agreements) might apply.

Law stated - 17 March 2026

OFFSHORE OFFERINGS

Domiciled issuers

13 What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?

For equity offerings made exclusively outside Switzerland by a Swiss incorporated issuer, Swiss law focuses primarily on corporate aspects rather than on a separate Swiss offering regime.

On the regulatory side, no Financial Services Act prospectus is required if the offer is not made in Switzerland and the securities are not being admitted to trading on a Swiss trading venue. However, the issuer remains subject to:

- Swiss corporate law, including rules on capital increases, creation and use of capital range or conditional capital, observance (or valid exclusion) of pre emptive rights, and the required board and, where applicable, shareholder approvals; and
- ongoing obligations linked to any listing, such as compensation approval and reporting, as well as annual and financial reporting.

In practice, a Swiss issuer conducting an offshore equity offering will structure the transaction to comply with the foreign securities laws and listing rules governing the offer, while ensuring that Swiss corporate approvals are properly obtained.

Law stated - 17 March 2026

Non-domiciled issuers

14 What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?

Foreign companies whose securities are listed on SIX generally benefit from a comparatively flexible regulatory framework and from regulators that are considered accessible and pragmatic. Over time, Swiss lawmakers have progressively aligned key elements of Swiss capital markets regulation with European standards, while maintaining a liberal stance and a strong tradition of self regulation.

So far, political and regulatory discussions around the European Union's recognition of Swiss stock exchange regulation have not, in practice, materially reduced the appeal of the Swiss exchanges as a listing venue. Nonetheless, future developments in this area will need to be monitored.

Foreign issuers with a Swiss listing should note that they, as well as their shareholders, are in particular subject to Swiss rules on the disclosure of significant shareholdings, to Swiss market abuse provisions, and to Swiss takeover law and related regulations.

Law stated - 17 March 2026

PARTICULAR FINANCINGS

Offerings of other securities

15 What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

Offerings of exchangeable or convertible securities, equity linked instruments and warrants are generally subject to the same Financial Services Act prospectus regime and stock-exchange rules as straight equity offerings but raise a number of additional structuring and disclosure considerations. In particular, the terms of the conversion, exchange or exercise mechanics must be described with sufficient precision, including the underlying shares, adjustment provisions (for example, in the case of capital measures, dividends or corporate events), any cash settlement features and the potential dilutive impact on existing shareholders. Where the underlying equity is, or will be, listed on a Swiss trading venue, the listing, free float and ongoing obligations for the underlying shares must be taken into account, including any need for a separate listing of the underlying or of the newly issued shares created upon conversion or exercise.

From a liability and disclosure perspective, the issuer must ensure that the prospectus or deal documentation clearly explains the risk profile of the instrument, including the interaction between the debt like and equity linked components, subordination or bail in features (where relevant) and any complex payoff structures.

Corporate law aspects, such as conditional capital for convertible bonds and warrants and shareholders' (advance) pre emptive rights, must also be observed. In practice, the documentation for such offerings tends to be more technical than for plain equity, and the timetable must allow for corporate approvals and stock exchange formalities relating both to the hybrid instrument and to the underlying equity.

Law stated - 17 March 2026

UNDERWRITING ARRANGEMENTS

Types of arrangement

16 Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

The issuer, any selling shareholders and the underwriting banks enter into an underwriting agreement. This agreement sets out the contractual terms and conditions for the

underwriting banks to underwrite and place the issuer's shares with the investors in the initial public offering (IPO).

Key provisions of the underwriting agreement include:

- the services to be performed by the underwriting banks regarding underwriting, placement and settlement;
- fees to be paid by the issuer to the underwriting banks;
- conditions precedent (including regulatory approvals and listing);
- representations and warranties by the issuer and selling shareholders, if any;
- covenants (for example, conduct of business and information undertakings);
- liabilities and obligations, in particular indemnification of the underwriters by the issuer and each of the selling shareholders; and
- lock-up obligations of the issuer and the selling shareholders, if any.

Swiss IPOs are usually "soft underwritings". This means that the underwriting obligations by the banks are subject to the execution of the supplement to the underwriting agreement concerning the determination of the final offer price of the shares (pricing agreement).

Additional agreements are usually required, for example:

- an agreement among the underwriting banks (agreement among managers);
- lock-up agreements with major shareholders, and directors and managers of the issuer, preventing them from selling their shares in the first months following the IPO (to the extent not already included as part of the underwriting agreement);
- cornerstone investor agreements with larger investors to whom allocations of shares in the IPO are guaranteed before the commencement of the offering; and
- share lending agreements for the sourcing of the over-allotment option (greenshoe).

Law stated - 17 March 2026

Typical provisions

17 What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

Underwriting agreements in Swiss IPOs typically allocate risk and responsibilities between the issuer, any selling shareholders and the underwriting syndicate in a way that is broadly consistent with international practice, while reflecting Swiss law.

As regards indemnity, it is customary for the issuer (and, where applicable, significant selling shareholders) to agree to indemnify the underwriters and certain of their affiliates and individuals against losses arising from inaccurate or incomplete information in the prospectus and other offering materials, and from breaches of representations, warranties or covenants given in connection with the offering.

Underwriting agreements also contain detailed termination rights in favour of the underwriters, typically framed as force majeure, market disruption and material adverse change provisions. These cover events such as severe deterioration in market conditions, trading suspensions, significant political or economic shocks, or material adverse developments relating to the issuer group that could jeopardise the success or orderly settlement of the offering. In recent deals, these clauses have become more granular, with express references to public health emergencies, sanctions regimes and extended periods of market volatility.

Commercial economics are generally reflected in a fee structure that distinguishes between a base management and underwriting fee and a discretionary success fee. The base fee compensates the syndicate for its firm commitment and distribution work, while the success fee is typically contingent on successful execution and closing of the transaction and is sometimes further linked to objective criteria, such as achieving a minimum offer size or free float. In more challenging market environments, the relative weight of the success linked component has tended to increase and its payment conditions have been framed with greater precision.

Overallotment options and stabilisation arrangements are a standard feature of Swiss IPO underwriting documentation. The underwriters are usually granted an option, commonly up to 15% of the base offer size and exercisable for 30 days from the first trading day, to purchase additional shares at the offer price for the purpose of covering short positions created in connection with stabilisation. The agreement sets out the mechanics for short sales, securities lending and stabilisation transactions and provides that any stabilisation must be carried out in compliance with Swiss rules on market abuse and the relevant stock exchange regulations.

Law stated - 17 March 2026

Other regulations

18 What additional regulations apply to underwriting arrangements and the provisions typically contained therein?

Not applicable.

Law stated - 17 March 2026

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation

19 In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?

Under Swiss law, ongoing reporting obligations arise primarily in connection with a listing on a Swiss stock exchange and the crossing of certain shareholding thresholds. For

issuers, the most important ongoing reporting duties are triggered when their equity securities are admitted to trading on a Swiss trading venue (typically SIX Swiss Exchange or BX Swiss). From that point, the issuer becomes subject, in particular, to:

- Ad hoc publicity: the duty to disclose price sensitive facts that are not in the public domain and that are apt to result in a significant change in the price of its listed securities, in accordance with the relevant (SIX) listing rules and directives.
- Periodic reporting: publication of annual and interim (at least semi annual, and in some cases quarterly) financial statements and, corporate governance and other reports, such as the compensation report.
- Management transactions disclosure: for SIX listed issuers, trades in the issuer's equity securities and related instruments by members of the board of directors and executive management must be reported by the issuer to the exchange and, in part, published.
- Compliance with other continuing obligations under the listing rules (eg, reporting of changes in share capital, significant corporate events, listing of new share, etc).

Other parties are also subject to ongoing disclosure duties.

Significant shareholders (including individuals, companies and, in certain cases, acting in-concert groups) must notify the issuer and the relevant exchange whenever their holdings in voting rights in a Swiss listed company reach, exceed or fall below specified thresholds (starting at 3% and then at higher levels). The issuer must then publish these notifications in accordance with the applicable rules.

Directors and members of the executive management of a SIX listed issuer must report their own dealings in the issuer's equity securities and related financial instruments to the issuer within the prescribed time frame; the issuer in turn reports these transactions to the exchange, which publishes summarised information.

All market participants, including insiders and major shareholders, remain subject to the general prohibitions on insider dealing and market manipulation; breaches can trigger regulatory, civil and criminal consequences in addition to any specific reporting rule infringements.

If the issuer is not listed on a Swiss trading venue and its securities are offered exclusively abroad, these stock exchange specific ongoing reporting duties do not apply, but Swiss corporate law, financial reporting and market conduct rules may still be relevant depending on the circumstances.

Law stated - 17 March 2026

Information to be disclosed

20 | What information is a public company required to make available to the wider public?

A Swiss company whose equity securities are listed on a Swiss stock exchange (mainly SIX Swiss Exchange or BX Swiss) must make a broad range of information publicly available. In summary, this includes:

Periodic financial reporting includes:

- audited annual financial statements and the annual report; and
- interim financial statements (at least semi annual; some market practice leads to quarterly disclosure).

Ad hoc disclosures: Price sensitive facts that are not public and that are likely to result in a significant change in the price of the company's listed securities must be disclosed without delay (subject to narrowly defined grounds for temporary postponement). These announcements are typically disseminated via recognised news channels and published on the issuer's website.

Information on capital structure such as changes in share capital, creation or use of the capital range or conditional capital, share splits or consolidations or the admission of new shares or other equity securities to trading.

Significant shareholdings: Notifications by shareholders who reach, exceed or fall below statutory or voting rights thresholds in a Swiss listed company (starting at 3%) must be published. The competent disclosure office (for SIX: SIX Exchange Regulation) maintains a public register of such holdings.

Management transactions: Transactions in the issuer's equity securities and related instruments by members of the board of directors and executive management must be reported to the issuer and then notified to the exchange, which publishes anonymised or summarised data on a public platform.

Articles of association and organisational documents: The company's articles of association are publicly accessible; listing rules and corporate governance regimes also require that additional information (such as details on the board and board committees, executive management and compensation systems) to be disclosed in the annual report and on the company's website.

General meeting information: Notices convening shareholders' meetings, agenda items and proposals, as well as the resolutions adopted, must be made available in accordance with Swiss corporate law. Listed companies generally publish this information in a way that is accessible to the wider public (for example, via their website and electronic publication channels).

Law stated - 17 March 2026

ANTI-MANIPULATION RULES

Prohibitions

21 What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

The Financial Market Infrastructure Act provides for market abuse rules such as insider dealing and market manipulation, including safe harbour rules in connection with the prohibition of insider trading and market manipulation. Under Swiss insider rules, inside

information is a confidential fact, which, if it becomes known, could significantly affect the price of securities trading on the SIX Swiss Exchange. Swiss insider rules provide for a prohibition for all insiders (1) to deal in securities while possessing inside information, (2) to disseminate inside information and (3) to recommend or induce a third party to deal in the relevant securities. Sanctions are administrative and criminal in nature and against the insider and potentially the issuer

Law stated - 17 March 2026

PRICE STABILISATION

Permitted stabilisation measures

22 What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

For a period of 30 days following the first day of trading, one of the underwriting banks acts as stabilisation agent. When placing shares during the book building process, the underwriting banks usually allot and sell more shares to investors than they purchase from the issuer or any selling shareholders (typically up to 15% of the base size of the offer), so that, if necessary, they can buy (back) these shares to stabilise the market price of the issuer's shares and counteract any selling pressure (over-allotment option, also known as greenshoe).

Law stated - 17 March 2026

LIABILITIES AND ENFORCEMENT

Bases of liability

23 What are the most common bases of liability for an equity securities transaction?

Under the Swiss prospectus regime, the prospectus requirements are set forth in the Financial Services Act (FinSA) and its implementing ordinance, the Financial Services Ordinance (FinSO). The initial public offering (IPO) prospectuses must follow the information requirements set out in FinSA and FinSO.

In respect of prospectus liability, article 69 FinSA stipulates (unofficial translation):

> (1) Any person who fails to exercise due care and thereby furnished information that is inaccurate, misleading or in violation of statutory requirements in prospectuses, key information documents or similar communications is liable to the acquirer of a financial instrument for the resultant losses.
>
> (2) With regard to information in summaries, liability is limited to cases where such information is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus.

(3) With regard to false or misleading information on main prospects, liability is limited to cases where such information was provided or distributed against better knowledge or without reference to the uncertainty regarding future developments.

To establish a cause of action for prospectus liability under article 69 FinSA, the claimant must show that the following elements are fulfilled: (1) false, misleading or incomplete disclosure in a prospectus or similar communications; (2) absence of required care by persons who make statements in prospectus; and (3) damage caused by such defective disclosure.

Generally, it may be noted that prospectus liability litigation is very rare in Switzerland. Swiss rules of civil procedure do not permit American-style class actions and know a rather strict burden of proof for the relevant claimants with respect to the relevant aspects of the claim.

To successfully establish a cause of action for prospectus liability, the prospectus must be either inaccurate, misleading or not conforming with the statu tory disclosure requirements:

- *Factually inaccurate disclosure statements* form the primary basis for potential prospectus liability, but only if such factually false information is material in the context of the issue of the relevant securities. A factually incorrect statement is only "material" in this sense if it has or may (by itself or in combination with other relevant information) objectively have a decisive influence on the investor's decision to buy a particular security.
- *Forward looking* statements, prospects or forecasts, may qualify as "false" statements if they are made "against better knowledge "or without reference to the uncertainty regarding future developments. Conversely, the fact that prospects or forecasts do not materialise is in itself not sufficient as basis for a prospectus liability claim.
- *Misleading statements* are statements that (1) are not factually incorrect but framed, put in an order, or worded in such a way that they disguise the true or the relevant facts or (2) omit to state a material fact. The *omission to state a material fact* is not explicitly mentioned in Swiss statutory law as a basis for prospectus liability. However, legal writing as well as case law finds that omissions of material facts must lead to prospectus liability as well.

In connection with the above, the plaintiff has to prove defect of the relevant prospectus.

Any relevant shortfall in the disclosure document must cause monetary damage in order to give rise to a liability claim. Damages are generally understood to be the difference in value of the securities before and after the false or incomplete disclosure has come to light and become known to the market. However, general market fluctuations must not be accounted for. Accordingly, it may not suffice to compare the price for which the investor purchased the securities with the actual price or value of the securities in order to quantify the damages to be recouped.

Swiss law requires not only causation between the defective disclosure and the damage but rather *proximate causation* between the two. Furthermore, the claimant is required to establish the existence of such proximate causation.

Pursuant to prevailing doctrine, for a prospectus liability claim to prevail an investor does not need to prove that she or he actually relied on the defective disclosure. Rather it is sufficient to show that she or he would most likely not have purchased the security if she or he had been aware of the false statement(s), the omission of statement(s) or the otherwise defective disclosure. The defendant, on the other hand, does not have available the defence that the claimant did not actually read the prospectus.

Law stated - 17 March 2026

24 What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

FinSA establishes criminal sanctions for deliberate infringements of the prospectus regime. This includes situations where a person knowingly provides incorrect information or omits material facts in a prospectus, or where a prospectus is not published despite a legal obligation to do so under FinSA. For example, anyone who intentionally fails to publish a prospectus as required by article 3 FinSA before the launch of a public offer may be subject to a fine of up to 500,000 Swiss francs. Supervised institutions within the Swiss Financial Market Supervisory Authority's remit are excluded from these specific criminal provisions, although they remain subject to other, comparable rules and sanctions.

If the SIX Listing Rules or any supplementary rules or regulations issued by SIX are violated, SIX Exchange Regulation and the SIX Sanctions Commission may, depending on the circumstances, impose one or more of the following measures on issuers, guarantors or recognised representatives:

- a warning;
- a reprimand;
- a monetary penalty of up to 1 million francs in cases of negligence or up to 10 million francs in cases of intentional misconduct;
- suspension of trading or of a particular listing/registration;
- issuance of a new listing decision, potentially subject to conditions or requirements;
- delisting or transfer to another regulatory standard;
- exclusion from future listings; and
- withdrawal of a recognition or registration.

In addition, and subject to the applicable procedural rules, SIX Exchange Regulation may notify the competent supervisory authorities and, where appropriate, the relevant criminal prosecution authorities if it suspects legal violations or other misconduct by market participants.

Law stated - 17 March 2026

UPDATE AND TRENDS

Recent and proposed changes

25 Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?

At the time of writing, there are no imminent, transaction specific reforms that would fundamentally overhaul the statutory framework for equity securities offerings in Switzerland comparable to the introduction of the Financial Services Act (FinSA) and Financial Services Ordinance (FinSO). Equity capital markets transactions continue to be governed primarily by FinSA, FinSO, Financial Market Infrastructure Act, the implementing ordinances and the self regulatory framework of SIX Swiss Exchange.

Law stated - 17 March 2026

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LEGAL AND REGULATORY FRAMEWORK

Laws and regulations

1 What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

The legislation governing securities offerings is the Securities and Exchange Act (SEA), its enforcement rules and various regulations and rules issued by the Financial Supervisory Commission (FSC) authorised under the SEA. The SEA and its enforcement rules can be found online.

Law stated - 30 March 2026

Regulator

2 Which regulatory authorities are primarily responsible for the administration of those rules?

The FSC is primarily responsible for the administration of securities laws and regulations in Taiwan.

The FSC delegates certain powers to the Taiwan Stock Exchange and the Taipei Exchange for the implementation and supervision of securities listing and trading.

Law stated - 30 March 2026

PUBLIC OFFERINGS

Securities exchanges

3 What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

Taiwan has two securities markets: the TWSE and the TPEx.

- TWSE commenced operations in 1962. Currently, its products include stocks, exchange-traded funds (ETFs), exchange-traded notes (ETNs), warrants, beneficiary securities (real estate investment trusts (REITs)), Taiwan depositary receipts (TDRs), and government bonds and foreign bonds. A domestic company seeking a primary listing on TWSE must, among others, have been incorporated for at least three years, have a minimum paid-in capital of NT$600 million (around US$20 million) and at least 30 million publicly offered shares, meet specific profitability thresholds, and ensure sufficient shareholding dispersion with at least 1,000 shareholders, of whom at least 500 must hold 20% of the total issued shares or 10 million shares. Companies in regulated industries, such as food, must comply with additional listing requirements. Special listing criteria apply to technology-based

and cultural or creative enterprises, key businesses engaging in national economic development or participating in major national public construction projects that the government encourages.

- TPEx, which was previously established to complement TWSE, offers a market for the trading of securities of companies that do not qualify for listing on TWSE. TPEx has the Mainboard, Emerging Stocks Board (ESB) and Go Incubation Board (GISA Board). Like listing on TWSE, a company seeking to list on the Mainboard of TPEx should also satisfy the Mainboard's listing criteria, but compared to listing on TWSE, these criteria are less stringent (for instance, the existence period since incorporation being two years and the minimum paid-in capital of the domestic applying company being NT$50 million (around US$1.67 million)). TPEx also provides special listing criteria for technology-based and cultural or creative enterprises.

The ESB was established for investors to trade unlisted stocks efficiently in a well-regulated environment. There are no conditions of trading on the ESB, such as the requirement of the applicant company's profitability and dispersion of shareholding, and the review procedures at the ESB are simpler and are not similar to those for TWSE or TPEx Mainboard listing of stocks. A company that has been recommended by two or more recommending securities firms (registered sponsoring firms) will be eligible for ESB registration.

The GISA is designed as the platform for small and medium-sized non-public innovative companies with creative ideas, and to offer entrepreneurship counselling and capital raising functions, but not trading functions. Micro and small innovative enterprises can raise funds through the GISA Fundraising System, with the cumulative increase in share capital not exceeding NT$30 million (around US$1 million) within the past year. However, this cap does not apply to companies with a recommendation letter from a recognised entity or an "Innovation and Creativity Opinion Letter" from approved recommending units, including government agencies, research institutes, certified public accountant firms and venture capital associations. The main condition for a company to be eligible for GISA registration is that it must prove that it has innovation, creative ideas and future development potential.

TPEx has a very active bond market. Most publicly offered debt securities are traded on TPEx. In addition, its products include ETF and ETN, warrants, TDRs and open-ended funds. TPEx also provides a platform for securities token offerings and equity crowdfunding.

Foreign issuing companies (other than People's Republic of China companies) seeking a primary listing of stock in Taiwan generally follow the same framework as domestic issuing companies. Like domestic issuers, they must meet criteria related to duration of existence, amount of paid-in capital, profitability, number of shareholders and the dispersion of shareholding, and corporate governance, although certain details differ.

Foreign issuers may also list their bonds on TPEx. The eligibility criteria and issuance requirements vary depending on whether the bonds are offered exclusively to professional investors or also include retail investors.

Law stated - 30 March 2026

Mandatory filings

4 What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?

With the exception of government bonds or other securities exempted by the competent authority (Financial Supervisory Commission (FSC)), a public offering of securities in Taiwan must be approved or successfully registered with the FSC. The FSC has promulgated the required documents or information to be filed for different applications of public offering of securities. If the public offering is a primary offering, such as an initial public offering (IPO), a review by the Taiwan Stock Exchange (TWSE) or Taipei Exchange (TPEx) is also required.

For a public offering of equity securities, the documents or information to be filed with the FSC or its designated agents may include an application, a statement of no misrepresentation, fraud, or misleading information in the filed documents, basic information on the securities to be offered, a prospectus, an evaluation report issued by the lead securities underwriter, a legal opinion and checklist issued by a lawyer, a statement of no relationship of connected persons between issuer and the underwriters, and other documents or information requested by the FSC or its designated agents. The prospectus must include the disclosures requested by the regulations promulgated by the FSC, including offering terms, and risk factors that could affect the securities being issued.

For a public offering of debt securities, the documents or information to be filed with the FSC are similar to those required for equity offerings. However, certain straight bonds offered to professional investors only may be exempt from the filing with the FSC, such as Formosa bonds offered to professional investors only.

Prospectus must be publicly disseminated to investors before they subscribe the securities.

Law stated - 30 March 2026

Review of filings

5 What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

A domestic company seeking listing on TWSE or TPEx must undergo multiple regulatory stages.

The process starts with pre-listing preparation, where the issuer engages two registered sponsoring firms (RSFs) for compliance assessment. If needed, restructuring is conducted to meet listing standards. In addition, the company must obtain public issuance status by submitting an application to the FSC, which typically grants approval within 12 business days. After the issuer becomes a public company, unless otherwise exempted by relevant regulations, it must register on the ESB and trade for six months before formally applying for listing.

Once the ESB phase is completed, the company applies for listing, undergoing documentary and substantive reviews by the securities listing review committee of the TWSE or TPEx. After approval of that committee, the TWSE or TPEx board of directors ratifies the application.

After the application for listing is approved by the TWSE or TPEx, the company then applies for issuance of new shares with the TWSE or TPEx, which will be in effect registered seven business days after submission if no objections arise. Once the application for issuing new shares is successfully registered, the company may proceed with IPO underwriting, price-setting and roadshows.

Once all requirements are met and shares are distributed, the company's securities are officially listed. The process from the official filing of the application for listing on the TWSE or TPEx to the listing would take about four to six months. However, the above process does not include the pre-listing preparation and listing on the ESB.

In Taiwan, unless otherwise provided by law or exempted by the FSC, the public offering or issuance of securities without having obtained the approval of, or successfully registered with, the FSC is prohibited. Therefore, a company cannot commence an offering while regulatory review is in progress.

Law stated - 30 March 2026

Publicity restrictions

6 What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?

A public offering of stock must comply with relevant underwriting regulations, and the issuer and the underwriters should not provide any materials to the public in any manner unless permitted by the underwriting regulations. The Rules Handling Underwriting or Resale of Securities by Securities Firms issued by the Taiwan Securities Association require that a securities underwriter shall, from the date of public announcement of underwriting until the day on which the stock are listed, publish a public underwriting announcement on the underwriting securities firm's website, and in a clear and concise form in daily newspapers, and the underwriting announcement should have the contents required by the Rules Governing the Particulars to be Recorded by Securities Underwriters in Securities Underwriting Announcements issued by the Taiwan Securities Association. In addition, the prospectus should be published on the website of the securities underwriters, and be provided to investors upon request.

The Securities and Exchange Act prohibits citation of the approval of a public offering in promotional material as substantiating matters contained in the filing documents or as a guarantee of the value of the securities, which should be printed in a conspicuous manner in the prospectus. The prospectus should also state in a conspicuous manner that if the prospectus contains false or omitted information, the issuer and its responsible person and all other persons who sign or affix their seals on the prospectus shall be held liable in accordance with laws.

When a securities firm's underwriting department underwrites securities, its brokerage department should refrain from recommending trading such securities during the period from the signing of the underwriting agreement with the listing company to the deadline for payment of the subscription price for the underwritten securities. In addition, when the underwriting department acquires securities on a firm commitment basis, the brokerage department of the same securities firm should not recommend the purchase of such securities before the underwriting obligations have been completed in accordance with regulations.

Law stated - 30 March 2026

Secondary offerings

7 | Are there any special rules that differentiate between primary and secondary offerings?

Similar to a primary offering that is mainly an offering of newly issued shares, a secondary offering, which, to our understanding, is an offering of existing shares, also requires successfully registering with the FSC. Although a prospectus containing the required items should still be prepared by the offeror in a secondary offering, the filing documents in a secondary offering are simpler than those in a primary offering.

Additionally, according to the Company Act, when a Taiwanese company issues new common shares for cash, unless otherwise approved by the central competent authority, 10 to 15% of the issue must be offered to its employees. In addition, the Securities and Exchange Act and the relevant securities regulations require that, if a public company listed on the TWSE or traded on the TPEx intends to offer new shares for cash, at least 10% of the issue must be offered to the public, except under certain circumstances or when exempted by the FSC. This percentage can be increased by a resolution passed at a shareholders' meeting. Existing shareholders who are listed on the shareholders' register as from the record date have a preemptive right to acquire the remaining portion of the issue. The shares not subscribed for by the employees and shareholders at the expiration of the period for the exercise of their rights may be sold to the public or specified persons at the direction of the board of directors.

Law stated - 30 March 2026

8 | What are the liability issues for the seller of equity securities in a secondary offering?

The seller of securities in a secondary offering must certify in a statement filed with the FSC that the information contained in the application and other filing documents (including the prospectus) is not false, concealed or misleading. If there is any misrepresentation, fraud, or any other act sufficient to mislead other persons in the application or filing documents, the seller of the securities would be subject to criminal sanctions.

Law stated - 30 March 2026

Settlement

9 What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?

The TWSE serves as the clearinghouse for all trades executed in its market, including stocks, TDRs, warrants, ETFs, beneficiary securities, closed-end funds, convertible bonds and government bonds.

The clearing and settlement between the securities firm and its clients, and between the securities firm and TWSE operate separately in accordance with the principle of two-tiered settlement. All the securities that were sold by investors will be ready for settlement before the deadline two days after the transaction (T+2 day). TWSE implements multilateral net settlements on a daily basis. The settlement day is T+2. The unsettled position cannot be deferred to the next day.

Settlement of securities is handled by the Taiwan Depository & Clearing Corporation, with fund settlement being processed through the Central Bank of the Republic of China (Taiwan)'s Electronic Interbank Funds Transfer and Settlement System (CIFS). Investors must deliver funds or securities payable by them to securities firms by T+2, 10am. Securities firms must complete settlement of securities payable by them to TWSE by T+2, 10am and complete settlement of funds payable to TWSE by T+2, 11am. Once payment obligations (both securities and funds) are met, TWSE then transfers securities and funds to securities firms based on the settlement sequence.

Law stated - 30 March 2026

PRIVATE PLACINGS

Specific regulation

10 Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?

Articles 43-6 to 43-8 of the Securities and Exchange Act (SEA) and relevant regulations (including the Directions for Public Companies Conducting Private Placements of Securities (Directions)) provide for the private placing of securities.

According to the Directions, a public company with a net profit and no accumulated deficit for the most recent fiscal year may only conduct a private placement under the following circumstances:

- the company is a public company formed by one single government or juristic-person shareholder;
- the capital raised through private placement is to be used entirely in the introduction of a strategic investor; or
- where the company is unable to make a public offering based on the relevant regulations and, for a justifiable reason, unable to achieve the reasonable

improvement of the situation necessary for a public offering to be conducted, but the company is in urgent need of capital, the company has been granted approval by the Taiwan Stock Exchange (TWSE) or Taipei Exchange (TPEx) to conduct a private placement. Nevertheless, in no event may a placee under such private placement be an insider or related party of the company.

A public company may conduct a private placement only to:

1. qualified institutional investors such as banks, bill finance companies, trust companies, securities firms, insurance companies or other entities approved by the Financial Supervisory Commission (FSC);
2. individuals, corporations or funds meeting the FSC-defined financial criteria; and
3. directors, supervisors and managerial officers of the company or its affiliates. The total number of offerees in categories (2) and (3) cannot exceed 35.

Except for private placements of straight bonds for which only the approval of the board of directors is required, a private placement of securities with an equity nature should be approved by the shareholders' meeting of the issuer, with the quorum of the majority of issued shares and approval of two-thirds of the shares present at the shareholders' meeting. In addition, the following particulars should be enumerated and explained in the subjects to be discussed set forth in the notice of the shareholders' meeting and should not be raised as extemporary motions:

- the basis and rationale for the setting of the price;
- the means of selecting the specified persons subscribing new shares in the private placement. If the placees have already been arranged, the relationship between the placees and the issuer shall be described; and
- the reasons necessitating the private placement.

No general advertisement or public solicitation is allowed in a private placement. In addition, the restrictions on transfers of privately placed securities set forth in the SEA should be conspicuously annotated on a company's share certificates and should be stated on the relevant written documentation delivered to the placee or purchaser. Furthermore, the issuer must submit relevant documents to the FSC within 15 days of receiving payment of the proceeds from the private placement.

Law stated - 30 March 2026

Investor information

11 What information must be made available to potential investors and the public in connection with a private placement of equity securities?

If the potential investors are individuals, corporations, or funds meeting the FSC-defined financial criteria, the SEA requires that upon their reasonable requests, the company

is obliged to provide financial, business, or other information in relation to the private placement before completing the transaction.

Other than the above, there are no prescriptive disclosure requirements for private placement transactions conducted in Taiwan.

Law stated - 30 March 2026

Transfer of placed securities

12 Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?

Privately placed securities may not be resold except under the following circumstances:

- transfers to qualified financial institutions, provided no identical listed security is publicly traded;
- after one year of delivery of the privately placed securities and for up to three years, such securities may be transferred to qualified investors (excluding directors, supervisors and managerial officers of the company or its affiliates), subject to holding period and volume restrictions prescribed by the FSC;
- after three years of delivery of the privately placed securities, securities may be freely transferred;
- transfers mandated by law;
- direct private transfers between individuals, limited to one trading unit per transaction with at least a three-month gap between consecutive transfers; or
- other transfers approved by the FSC.

These restrictions must be recorded on stock certificates and disclosed to the transferees in relevant documents.

In general, privately placed securities have no liquidity except for the permitted transfers as provided above. There are no mechanisms to enhance the liquidity of securities sold in a private placement under current Taiwan law.

Law stated - 30 March 2026

OFFSHORE OFFERINGS

Domiciled issuers

13 What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?

The Regulations Governing the Offering and Issuance of Overseas Securities by Issuers are the main regulations applicable to offerings of securities outside Taiwan made by

a Taiwanese issuer. Under these regulations, after approval of the Central Bank of the Republic of China (Taiwan) (CBC) and effective registration with the Financial Supervisory Commission (FSC), a Taiwanese issuer may offer and issue depositary receipts, bonds or shares to investors outside Taiwan. After completion of the offering, the Taiwanese issuer has certain filing and reporting obligations to the CBC and FSC. However, the issuance, sale, listing and disclosure requirements should follow the laws and regulations of the jurisdictions where the securities are offered or sold, listed and traded. Given these securities are offered and sold outside Taiwan, they should not be offered or sold directly or indirectly in Taiwan, or to, or for the account or benefit of, any Taiwanese person.

Law stated - 30 March 2026

Non-domiciled issuers

14 What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?

The main regulations applicable to offering equity securities in Taiwan made by an issuer incorporated outside of Taiwan are the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers and relevant listing rules of Taiwan Stock Exchange (TWSE) or Taipei Exchange (TPEx). After approval of TWSE or TPEx and effective registration with the FSC, an issuer incorporated outside of Taiwan may list, offer and sell shares or Taiwan depositary receipts (TDR) to investors in Taiwan. A foreign issuer offering shares or TDR in Taiwan must comply with the disclosure requirements under the Securities and Exchange Act and relevant TWSE or TPEx rules.

Law stated - 30 March 2026

PARTICULAR FINANCINGS

Offerings of other securities

15 What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

Exchangeable or convertible securities, depositary shares and stock in rights offerings can be issued by companies listed on the Taiwan Stock Exchange (TWSE) or Taipei Exchange (TPEx), but warrants can only be issued by securities firms. According to the Regulations Governing the Issuance of Call (Put) Warrants by Issuers (Warrant Issuance Regulations), a call (put) warrant should be issued by a third party, other than the company of the underlying security, that is concurrently engaged in the following three businesses: securities underwriting, proprietary dealing and brokerage or intermediary services. To issue call (put) warrants, an issuer must satisfy the conditions set forth in the Warrants Issuance Regulations and first apply to the Financial Supervisory Commission (FSC) for accreditation as a qualified issuer of call (put) warrants. In addition, the underlyings to which call (put) warrants are linked are limited to the following:

- stocks, baskets of stocks, exchange-traded securities investment trust funds, active exchange-traded funds, futures exchange-traded funds, offshore exchange-traded funds and Taiwan depositary receipts that are listed on the TWSE or TPEx and meet conditions prescribed by the TWSE or the TPEx;
- indexes as publicly announced by the TWSE or TPEx;
- foreign securities markets designated by the FSC, and, furthermore, the foreign securities or indexes thereof that meet the requirements set forth by the TWSE or the TPEx; and
- other linked underlyings as approved by the FSC.

After obtaining the warrant issuer qualification, the issuer should issue a call or put warrant within one year, otherwise, the FSC can cancel its warrant-issuer qualification. The approval of TWSE or TPEx is required for listing of the warrants.

In relation to exchangeable bonds and convertible bonds, under the Securities and Exchange Act, the total issue amount of the convertible bonds offered by a public company may not exceed 200% of the company's total assets less total liabilities. In addition, if the issuer is a TWSE-listed or TPEx-listed company, an underwriter must be engaged to fully underwrite the issuance of such bonds on a firm commitment basis. The exchange price or conversion price should be announced to the public before the bonds are sold. Furthermore, the par value of exchangeable bonds or convertible bonds is limited to NT$100,000 (around US$3,333) or multiples thereof, and the repayment period may not be longer than 10 years. Those bonds in the same issuance shall have the same repayment period. For issuing exchangeable bonds, the stocks to be exchanged should be listed on TWSE or TPEx and held by the issuer for more than two years.

To issue Taiwan depositary receipts (TDR) in Taiwan, the stock of the foreign issuer should already be listed for trading on an approved overseas securities market, and TDR should be approved for exchange-listed or over-the-counter-listed trading, respectively, by the TWSE or the TPEx and successfully registered with the FSC.

Law stated - 30 March 2026

UNDERWRITING ARRANGEMENTS

Types of arrangement

16 Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

Under Taiwan law, securities underwriting can be conducted through firm commitment or best-efforts underwriting. In a firm commitment underwriting, the underwriter assumes financial risk by guaranteeing the purchase of the issuer's securities. This can take the form of either full commitment, where the underwriter subscribes to all unsold securities after the underwriting period, or partial commitment, where a portion of the securities is reserved for the underwriter's own account before being placed for sale. Local underwriting regulations have provided the percentage of the new issue that should be reserved for the underwriters' subscription. Best-efforts underwriting allows the underwriter to return any

unsold securities to the issuer at the end of the underwriting period without obligation to purchase them.

Law stated - 30 March 2026

Typical provisions

17 What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

Underwriting agreements in Taiwan must contain the items required by the guidelines promulgated by the Taiwan Securities Association and are highly standardised, leaving little room for customisation. Indemnity clauses typically hold each party liable for damages resulting from negligence, contractual breaches, or failure to fulfil obligations. If the underwriter or issuer incurs losses due to the other party's misconduct, the responsible party should compensate the other party for damages.

Common force majeure triggers include regulatory changes affecting the listing or offering, stock market crashes, economic crises or natural disasters (such as earthquakes, typhoons). If a force majeure event occurs, the issuer may terminate the agreement, releasing the underwriter from its obligations; the underwriter is not liable for underwriting obligations if termination occurs before settlement, and any expenses already incurred must be settled according to the contract.

Taiwan law has specific requirements in relation to overallotments. If overallotment is adopted, the lead underwriter should enter into an overallotment agreement with the issuer and request the issuer to coordinate with its shareholders to provide existing shares amounting to 15% of the publicly underwritten shares for overallotment, although the actual allotment amount depends on market demand. If the lead underwriter conducts overallotment and the number of shares subscribed exceeds the publicly underwritten shares, the proceeds from overallotment must be held in a designated escrow account and may only be used for share buybacks or settlements with the issuer. If overallotment is adopted and there is any stabilisation activity, no dividend or rights distributions may be processed during the stabilisation period.

Underwriting agreements must specify the calculation and payment day of the underwriting fees. The underwriter is required to undertake in the underwriting agreements that no payments would be reimbursed or refunded to the issuer or related parties under any circumstances. Likewise, the issuer and its relevant personnel should also represent and undertake in the undertaking agreements that they have not requested or received any form of reimbursement from the underwriters.

Law stated - 30 March 2026

Other regulations

18 What additional regulations apply to underwriting arrangements and the provisions typically contained therein?

Underwriting of securities is strictly regulated in Taiwan. The Financial Supervisory Commission, Taiwan Stock Exchange, Taipei Exchange and Taiwan Securities Association have promulgated different rules, guidelines and self-disciplinary rules governing underwriting of securities. The main rules are the Taiwan Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms (Underwriting and Resale Rules). A securities underwriter shall determine the offering price and allocation of the securities, as well as distribution of the securities, in accordance with the methods provided in the Underwriting and Resale Rules.

Law stated - 30 March 2026

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation

19 In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?

Any issuer who becomes a publicly issuing company (including Taiwan Stock Exchange (TWSE)-listed and Taipei Exchange (TPEx)-traded companies) in accordance with the Securities and Exchange Act is subject to ongoing reporting obligations. Directors, supervisors, managerial officers and shareholders holding more than 10% of the total issued shares of a TWSE-listed company or TPEx-traded company should report to the company the status of their shareholding in the preceding month before 5th day of each month and should report to the company within five days of the creation of a pledge over his/her/its shares of the company.

Law stated - 30 March 2026

Information to be disclosed

20 What information is a public company required to make available to the wider public?

Under Taiwan law, publicly issuing companies must comply with periodic and non-periodic reporting requirements. They must publicly announce and file their annual financial report and quarterly financial reports with the Financial Supervisory Commission (FSC) within three months of the close of the fiscal year and within 45 days after the end of each quarter, respectively. Additionally, companies must disclose their operating revenue for the preceding month within the first 10 days of each calendar month.

In addition, a publicly issuing company is required to prepare an annual report containing the details required by the Regulations Governing Information to be Published in Annual Reports of Public Companies, and upload it onto the Market Observation Post System (MOPS), maintained by the Taiwan Stock Exchange.

A company, after becoming publicly issuing under the Securities and Exchange Act, must announce and file with the FSC the class and number of shares held by its directors,

supervisors, managerial officers, and shareholders holding more than 10% of the total shares (each an "insider"). Any changes in the shareholding of any insider must be reported monthly, and share pledge by an insider should be disclosed within five days of the creation of the pledge over the shares of the company owned by such insider.

A publicly Issuing company that has conducted cash capital increases or corporate bond issuances must, within 10 days of the end of each quarter, update their plan of use of proceeds on the MOPS. TWSE-listed and TPEx-traded companies must also obtain an assessment from the original underwriter or attesting CPA on the reasonableness of proceeds utilisation and whether any deviations have occurred. Companies that issue new shares in connection with a merger, share acquisition or demerger must, within 10 days of the end of each quarter in the first year following the transaction, submit an assessment from the original lead underwriter regarding the financial, business and shareholder equity impact. If publicly issuing companies have issued global or American depositary receipts or corporate bonds denominated in foreign currency, they must report the outstanding amount of such securities on the MOPS and with the Central Bank of the Republic of China (Taiwan) twice a month.

In addition to periodic disclosures, publicly issuing companies must comply with non-periodic reporting requirements. For TWSE-listed and TPEx-traded companies, any event that materially affects shareholders' rights and interests or securities prices or has material impact on the business, financial, operation, corporate governance or others of the company, as well as other material information stipulated in the procedures governing disclosure of material information promulgated by the TWSE and TPEx, must be publicly announced and filed relevant information with the competent authority in accordance with those procedures of the TWSE and TPEx. Such disclosures must be made no later than two hours before market opening on the next business day following the occurrence of such events (or at the time of the press release if one was issued earlier).

Law stated - 30 March 2026

ANTI-MANIPULATION RULES

Prohibitions

21 What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

The main rules prohibiting manipulative practices in securities offering and secondary market transaction are set out in the Securities and Exchange Act (SEA), which prohibits the following acts:

- market manipulation:
    - spreading rumours or false information with the intent to affect the trading prices of securities;
    - intentionally failing to perform settlement after the trade is executed;
    - conspiring with another person to match orders with the intent to inflate or deflate the trading price of that security;

- continuous transactions with the intent to inflate or deflate the trading price of that security; or
- wash sale with the intent to create an impression of brisk trading; and

- insider trading:
  - the SEA prohibits certain insiders obtaining information which might have impact on the share price or payment ability of the issuer (inside information) from engaging in securities transactions before the insider information is disclosed to the public and within 18 hours of the disclosure of the Inside Information.

Violations of the above prohibition may result in administrative fines, civil liability and criminal prosecution, including imprisonment and monetary penalties.

Law stated - 30 March 2026

PRICE STABILISATION

Permitted stabilisation measures

22 What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

In order to successfully accomplish the offering and issuance of securities, if the newly issued shares or existing shares are wholly offered for underwriting and placement via book building, the bookrunner and joint bookrunner are allowed to conduct stabilisation and purchase the same securities from the market during the period when stabilisation of trades is permitted.

The purchase price of a stabilisation arrangement shall not be higher than the offering price. Securities firms acting as bookrunners and joint bookrunners shall not sell the same securities to be underwritten by them during the period when stabilisation is permitted, except when the selling price is higher than the offering price.

The bookrunner should submit a report about certain details of the stabilisation to the Taiwan Stock Exchange (TWSE) with copy to the Financial Supervisory Commission one day before commencement of the stabilisation period and should report to the TWSE the amount and price of the securities purchased by it on a daily basis during the stabilisation period.

Law stated - 30 March 2026

LIABILITIES AND ENFORCEMENT

Bases of liability

23 What are the most common bases of liability for an equity securities transaction?

The most common bases of liability in securities transactions arises from fraud, untrue information, insider trading and market manipulation.

- Fraud: the Securities and Exchange Act (SEA) prohibits any misrepresentation, fraud, or misleading act in offering, issuance, private placement or sale or purchase of securities, for the purpose of maintaining the integrity of securities markets. Violation of the above provision would be subject to criminal liabilities (imprisonment and fines) and face civil liability in investor lawsuits. The proceeds of the above crime will be confiscated, unless they shall be returned to a victim, third person, or person who is entitled to claim damages.
- Untrue information: to ensure investors obtain true and accurate information, the SEA prohibits any misrepresentation, concealment or untrue statement of material information in the financial reports and financial and business documents filed or publicly disclosed by an issuer. Violation of the above provision would be subject to criminal penalties, including imprisonment and fines and face civil liability in investor lawsuits.
- Insider trading: the SEA prohibits an insider from trading securities based on material non-public information. An insider is defined to include directors, supervisors, managerial officers, major shareholders and anyone who has learned the information based on occupation or a control relationship and tippees. Violators may face civil liability, including investor compensation claims and criminal prosecution, which can result in imprisonment and fine.
- Market manipulation: the SEA prohibits market manipulation activities, including spreading rumours or false information with the intent to affect the trading prices of securities, intentionally failing to perform settlement after the trade is executed, conspiring with another person to match orders with the intent to inflate or deflate the trading price of that security, continuous transactions with the intent to inflate or deflate the trading price of that security, wash sale with the intent to create an impression of brisk trading. These activities undermine market integrity and are subject to civil claims, trading suspensions and, in severe cases, criminal charges, which may result in imprisonment and fine.
- Disgorgement of short-swing profit: the SEA requires a company to disgorge the profits obtained by its directors, supervisors, managerial officers, shareholders holding more than 10% of issued shares, or their respective spouse, minor children and (or) nominees from selling the company's listed stock within six months after acquiring it, or repurchasing the company's listed stock within six months after selling it. If the company fails to make such claim, any shareholder may request directors or supervisors to make such claim within 30 days. After such 30-day period, the requesting shareholder will have the right to make a claim for such recovery, and the directors or supervisors will be jointly and severally liable for damages suffered by the company as a result of their failure to exercise the right of claim.

Law stated - 30 March 2026

24 What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

Legal actions for improper securities activities include civil litigation, administrative proceedings and criminal prosecution. Investors affected by fraud, untrue information, insider trading or market manipulation may seek damages through civil litigation by class action, with courts awarding compensation if it is proven that the investor relied on fraudulent, untrue or misleading information or suffered losses due to improper activities. The Financial Supervisory Commission may initiate administrative proceedings, which could include imposing fines, ordering corrective measures, or suspending trading activities. In cases of serious misconduct, such as fraud, misrepresentation, insider trading or market manipulation, criminal prosecution may lead to imprisonment and substantial financial penalties.

Law stated - 30 March 2026

UPDATE AND TRENDS

Recent and proposed changes

25 Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?

Currently, there are no proposals to change the regulatory or statutory framework governing securities transactions.

Law stated - 30 March 2026

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LEGAL AND REGULATORY FRAMEWORK

Laws and regulations

1 What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

Equity securities offerings in the United Kingdom (UK) are governed by a multi-layered statutory and regulatory framework, significantly reformed post-Brexit. The key elements are as follows.

The Financial Services and Markets Act 2000 (FSMA) is the primary legislation underpinning financial services and markets regulation in the UK, establishing the framework within which the Financial Conduct Authority (FCA) exercises its supervisory, enforcement and rule-making powers regarding (among other things) equity securities offerings and admissions to trading. Section 19 of FSMA imposes a "general prohibition", making it an offence for any person to carry on a regulated activity in the UK unless authorised or exempt. Section 21 of FSMA restricts financial promotions, prohibiting any person from communicating, in the course of business, an invitation or inducement to engage in investment activity unless that person is an FCA-authorised person, the content has been approved by an authorised person or an exemption under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 applies. FSMA was materially amended by the Financial Services and Markets Act 2023, which, among other things, inserted a new Part 5A establishing the concept of "designated activities" subject to FCA rule-making – the legislative mechanism through which the Public Offers and Admissions to Trading Regulations 2024 (POATRs) operate.

The POATRs came into force on 19 January 2026, replacing the onshored UK version of the EU Prospectus Regulation (UK PR). The POATRs fundamentally restructured the regime by: (1) imposing a general prohibition on public offers of relevant securities in the UK unless an exception applies, thereby decoupling the public offer trigger from the prospectus requirement; and (2) designating the requesting or obtaining of admission of transferable securities to trading on a regulated market or primary Multilateral Trading Facility (MTF) as a designated activity, granting the FCA broad rule-making powers, including through the new Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM).

The UKLRs, effective from 29 July 2024, govern admission to the FCA's Official List. The 2024 reforms replaced the previous "premium" and "standard" listing segments with a single Commercial Companies (Equity Shares) category (ESCC), featuring reduced barriers to listing and more flexible dual-class structure rules.

The FCA's DTRs impose ongoing transparency and periodic disclosure obligations on listed issuers, including requirements for annual and half-yearly financial reports, notification of changes to total voting rights and corporate governance disclosures.

UK MAR (the onshored EU Market Abuse Regulation) prohibits insider dealing, unlawful disclosure of inside information and market manipulation. Key considerations for offerings include the approach to pre-marketing, stabilisation transactions and the timing and content of public announcements. Further UK reforms are expected.

The UK Corporate Governance Code 2024 applies on a "comply or explain" basis to all companies listed on the ESCC and closed-ended investment funds categories. Effective for financial years beginning on or after 1 January 2025, the Code sets out overarching principles and provisions governing board leadership, composition and independence, accountability, remuneration and stakeholder engagement. Areas of non-compliance must be disclosed and explained and robust governance positioning is a material factor in both deal execution and aftermarket performance.

UK MiFID II (as transposed) governs how securities transactions occur, how UK markets are organised and how financial intermediaries are regulated. It includes rules directly relevant to offerings, including those on allocations, product governance and conflicts of interest.

The Companies Act 2006 (the Act) provides the foundational company law framework, including governing the creation and issuance of equity securities, nominal value of shares, share allotment and pre-emption rights. For listed companies undertaking equity offerings, the Act's requirements operate alongside the Pre-Emption Group's Statement of Principles, which provides guidance on the acceptable parameters for non-pre-emptive issuances.

Law stated - 1 April 2026

Regulator

2 Which regulatory authorities are primarily responsible for the administration of those rules?

The FCA is primarily responsible for administering the rules that govern the UK securities offering process.

Law stated - 1 April 2026

PUBLIC OFFERINGS

Securities exchanges

3 What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

The London Stock Exchange (LSE)'s Main Market is the UK's flagship market, supporting listings of over 1,300 companies with a combined market capitalisation exceeding £4.5 trillion. It is a UK Recognised Investment Exchange, authorised and regulated by the Financial Conduct Authority (FCA). Issuers with securities listed on the Main Market are generally subject to the broadest requirements under UK law and regulation.

Following the July 2024 listing reforms, the former standard and premium listing segments of the LSE Main Market have been replaced with a single segment for listed securities, divided into a number of categories, including for equity securities:

1. The Commercial Companies (Equity Shares) category: the flagship listing category for domestic and international commercial companies seeking a UK share listing.
2. The Closed-Ended Investment Funds category.
3. The International Secondary Listings (Equity Shares) category: for non-UK companies with a primary listing on a non-UK market and a secondary listing in the United Kingdom.
4. The Equity Shares (Transition) category: for commercial companies previously listed on the standard listing segment.
5. Shell Companies (Equity Shares) category.

Only companies listed in Categories 1 and 2 above are eligible for UK FTSE indexation (subject to meeting certain other requirements).

Other categories have been retained, largely unchanged, including (among others) categories for open-ended investment companies; depository receipts; warrants, options and other miscellaneous securities.

The LSE also operates AIM (formerly known as the Alternative Investment Market), which is the other main UK exchange.

Law stated - 1 April 2026

Mandatory filings

4 What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?

Regulatory and Stock Exchange filings

The Public Offers and Admissions to Trading Regulations 2024 (POATRs) impose a general prohibition on offering securities to the public in the UK unless an exemption applies (Regulation 12). For example, for publicly traded issuers, a key exemption permits offers of securities that are admitted to or conditional upon admission to, trading on a UK regulated market or primary multilateral trading facility (MTF) (Schedule 1, paragraph 6).

The PRM requires an FCA-approved prospectus to be filed with and approved by the FCA before securities may be admitted to trading on a UK-regulated market such as the LSE Main Market. For admission to a primary MTF (eg, AIM), an MTF admission prospectus is required, which is reviewed and approved by the MTF operator rather than the FCA. Admission to trading on the relevant stock exchange must also be applied for separately under the exchange's own rules or standards (eg, the LSE Admission and Disclosure Standards).

The threshold at which a prospectus is required for further issuances of equity securities already admitted to trading has been raised from 20% to 75% of existing share capital over any 12-month period. Voluntary prospectus publication remains permitted.

Required content

A prospectus must contain the "necessary information" material to an investor for making an informed assessment of the issuer's assets, liabilities, profits, losses, financial position, prospects, the rights attaching to the equity securities and the reasons for and impact of the issuance (Regulation 23). The prospectus comprises a registration document, securities note and summary (maximum 10 pages, with cross-referencing permitted). Content requirements are prescribed in the annexes to the PRM and remain broadly aligned with the prior UK PR.

Public dissemination requirements

IPOs: For an IPO involving a retail offer, the prospectus must be made available to the public at least three working days before the offer period ends (reduced from six working days). Where the offer is conditional on admission, the prospectus must be published before the offer period ends.

Supplements: If a significant new factor, material mistake or material inaccuracy arises between prospectus approval and the later of the closing of the offer and commencement of trading, a supplementary prospectus must be published without undue delay. Withdrawal rights will primarily apply to offers conditional on admission to trading on a UK-regulated market or primary MTF, which is most relevant for retail investors. The right of withdrawal must be exercised within two working days after publication of the prospectus.

Law stated - 1 April 2026

Review of filings

5 What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

Where (1) a public offer is either not prohibited under the POATRs or else benefits from an exception and (2) admission to trading on a regulated market is sought, the key procedural steps are as follows:

- A draft prospectus (comprising registration document, securities note and summary) is submitted to the FCA via its Electronic Submission System, together with the prescribed Form A, PRM cross-reference checklists, the applicable fee and, where a sponsor is required under UKLR 4.2, the relevant sponsor declarations.
- The FCA allocates a review team (on the day of receipt if submitted before 4pm) and issues comments within its published turnaround windows.
- The issuer and its advisers respond to comments and submit revised drafts until the document is cleared. These drafts are confidential and never become public.

- Once cleared, formal approval is granted on an agreed date upon delivery of a final form prospectus, signed Form A and executed sponsor declarations.

IPO prospectus reviews typically involve multiple rounds of comments and take several months from initial submission to final approval, depending on the complexity of the issuer's business and disclosure.

Under the PRM, transferable securities may not be admitted to trading on a regulated market without a prior published, FCA-approved prospectus, unless an exemption applies. The offering cannot close and admission cannot occur until the FCA has approved the prospectus. However, marketing activities such as investor education, pilot-fishing and wall-crossing may proceed in advance of approval, subject to the PRM advertisement regime (which carries forward the prior rules with updated references), the market sounding regime under UK MAR and the financial promotion restriction under section 21 of the Financial Services and Markets Act (FSMA).

Law stated - 1 April 2026

Publicity restrictions

6 What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?

PRM advertisements

The PRM imposes publicity requirements as to the form and content of offer-related communications. Under PRM 12, any "advertisement" (defined in regulation 3 of the POATRs as a communication that (1) relates to a specific public offer of relevant securities to the public or an admission or proposed admission to trading on a regulated market or primary MTF, (2) aims specifically to promote the potential subscription for or acquisition of securities and (3) is not itself a prospectus or MTF admission prospectus) must comply with PRM 12 before it is issued.

Advertisements disseminated to potential retail investors must prominently include the word "advertisement" and cautionary statements specified in PRM 12.1.8R. Information in any advertisement must be accurate, not misleading and consistent with the prospectus. Where a supplementary prospectus renders an existing advertisement materially inaccurate or misleading, the advertisement must be amended and re-disseminated through (at a minimum) the same means as the original (PRM 12.1.11R–12.1.12R), except where the original was orally disseminated.

Research report restrictions

Dissemination of research by connected analysts (ie, in underwriting banks' research functions) to institutional clients as part of an investor education process is a common feature of UK equity listings. Under the FCA's Conduct of Business Sourcebook (COBS), connected analyst research for an IPO on a UK-regulated market may not be disseminated until after publication of an FCA-approved prospectus or registration document. The

minimum gap is one day (if unconnected analysts receive joint management access) or seven days (if given separate access). Typically, a registration document is published a week before the intention to float announcement, along with an "expected" intention to float announcement. COBS 12.2 further restricts analysts from interacting with an issuer while syndicate mandates remain unsettled, to mitigate conflicts of interest. Issuers and syndicate banks must also ensure compliance with the UK Market Abuse Regulation (UK MAR) regarding disclosure of inside information to analysts.

Law stated - 1 April 2026

Secondary offerings

7 | Are there any special rules that differentiate between primary and secondary offerings?

In the UK, the principal distinction between primary offerings (new shares issued by the company) and secondary offerings (sales of existing shares by selling shareholders) arises from the statutory pre-emption regime under sections 560–577 of the Companies Act 2006 (the Act).

For issuers listed in the Equity Shares (Commercial Companies) segment, UKLR 9.2.1 also provides that further issuances must be made on a pre-emptive basis unless disapplied in accordance with UKLR 9.2.2.

Law stated - 1 April 2026

8 | What are the liability issues for the seller of equity securities in a secondary offering?

Market abuse

The key concern for selling shareholders is the prohibition on insider dealing under UK MAR. A seller must ensure it is not in possession of inside information at the time of sale. Breach may give rise to civil sanctions by the FCA and criminal liability under the Criminal Justice Act 1993 (section 52) and Financial Services Act 2012 (sections 89–90).

Common law and other liability

A selling shareholder may face potential liability at common law for deceit or negligent misstatement if false or misleading representations are made to purchasers. Financial promotions restrictions under section 21 of FSMA apply to any communication constituting an invitation or inducement to engage in investment activity. While an FCA-approved prospectus benefits from an exemption under section 21, an unapproved offering document or circular does not and would require either an applicable financial promotion exemption or approval by an authorised person. While it is more challenging for an action to proceed against a selling shareholder on the basis of a prospectus prepared by an issuer, selling

shareholders should remain involved throughout the process and satisfy themselves as to the preparation and procedures being followed for the preparation thereof.

Law stated - 1 April 2026

Settlement

9 What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?

Equity securities in a UK public offering settle electronically through CREST, operated by Euroclear UK & International, the UK's central securities depository. CREST operates a Model 1 Delivery v Payment (DvP) settlement mechanism, effecting simultaneous transfer of securities to the buyer and cash payment to the seller. Under article 5(2) of the UK Central Securities Depositories Regulation (UK CSDR), the standard settlement cycle is currently T+2. The UK is mandating T+1 settlement from 11 October 2027, pursuant to a forthcoming UK CSDR amendment. Non-UK issuers may require a “depositary interest” structure for CREST settlement (foreign shares cannot settle directly) or a “global depositary receipt” structure.

Settlement for equity-linked securities (eg, convertible bonds) follows substantially the same CREST DvP mechanics where such instruments are admitted to trading on a UK-regulated market or MTF, although specific settlement parameters and any clearing arrangements may differ depending on the instrument's characteristics and venue.

Law stated - 1 April 2026

PRIVATE PLACINGS

Specific regulation

10 Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?

A valid private placement is structured by ensuring the transaction falls within one of the statutory exemptions to the general prohibition on public offers of relevant securities introduced by the Public Offers and Admissions to Trading Regulations 2024 (POATRs).

The principal exemptions relied upon for private placements are set out in Schedule 1 of the POATRs and include: (1) offers made solely to qualified investors; (2) offers addressed to fewer than 150 persons in the UK (excluding qualified investors); (3) offers where the denomination per unit is at least £50,000 (replacing the former €100,000 threshold); and (4) offers below £5 million in any 12-month period. No prescribed disclosure document is required for a private placement relying on these exemptions; in practice, issuers typically prepare a non-regulated information memorandum.

Already-listed issuers undertaking private placements will also need to consider their compliance with the Market Abuse Regulation (UK MAR) (including the potential need

for announcements if the private placement is material or the potential need for UK MAR-driven market sounding procedures).

Law stated - 1 April 2026

Investor information

11 What information must be made available to potential investors and the public in connection with a private placement of equity securities?

Since 19 January 2026, the POATRs and the Prospectus Rules: Admission to Trading on a Regulated Market (PRM) govern the UK's public offers and admissions to trading regime. Under the POATRs, all public offers of securities in the UK are prohibited unless a Schedule 1 exception applies. Private placements are typically structured to fall within the qualified investors exception or the fewer-than-150-persons exception, as carried forward from the prior regime.

No prescriptive disclosure obligation arises for an exempt private placement itself.

Law stated - 1 April 2026

Transfer of placed securities

12 Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?

There are no UK regulatory restrictions on the transferability of securities acquired in a private placement. However, subsequent resales of privately placed securities may themselves constitute a separate "offer to the public" under the POATRs and must therefore be independently structured within an applicable Schedule 1 exception (eg, the qualified investors or fewer-than-150-persons exceptions). In practice, the breadth of available exceptions means resale flexibility is rarely a binding constraint and US-style registration rights mechanisms are uncommon in UK transactions.

The principal transfer restrictions encountered in practice are contractual, not regulatory. Issuers routinely impose lock-up arrangements under subscription or placing agreements, restricting initial investors from disposing of shares for a specified period following allotment.

Law stated - 1 April 2026

OFFSHORE OFFERINGS

Domiciled issuers

13 What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?

The UK's public offer and prospectus regime is territorial in scope. The general prohibition on public offers of securities introduced by the Public Offers and Admissions to Trading Regulations 2024 (POATRs) applies only to offers of relevant securities to the public in the United Kingdom.

Although there are other statutes with wider extraterritorial effect and potential relevance to a non-UK securities offering, their relevance in practice is often limited (eg, Market Abuse Regulation, may impact whether, when and how an already UK-listed company discloses details of non-UK securities offerings in progress).

Law stated - 1 April 2026

Non-domiciled issuers

14 What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?

The POATRs and the FCA's PRM sourcebook are generally domicile-agnostic in their application.

Disclosure flexibility: Under the FCA's consultation paper, CP25/2 (finalised in policy statement PS25/9), historical financial information prepared in accordance with the issuer's national law and national accounting standards is acceptable in a prospectus for non-equity securities, easing the position for non-UK issuers. The IFRS-or-equivalent requirement for equity prospectuses is substantively unchanged.

FTSE UK indexation: More challenging for non-UK incorporated issuers, which currently require a higher, 25% free float compared to 10% for UK-incorporated companies, though FTSE Russell is consulting on aligning the non-UK free float to 10%. Non-UK incorporated issuers must also publicly adhere to UK Corporate Governance Code principles, pre-emption rights and the Takeover Code (as far as practical) and be incorporated in a "developed" or "low taxation" jurisdiction as classified by FTSE Russell. All issuers must satisfy FTSE Russell's liquidity screen, minimum investable market capitalisation thresholds and the requirement that greater than 5% of voting rights be held by public shareholders.

Law stated - 1 April 2026

PARTICULAR FINANCINGS

Offerings of other securities

15 What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

Active markets exist for convertible and exchangeable securities and listed warrants in the UK. These securities are not generally offered to the public.

Convertible and exchangeable securities, equity-linked notes and warrants are classified under the PRM as "securities with a derivative element", attracting additional disclosure requirements under PRM Annex 12, beyond the standard non-equity annexes. They are excluded from the "Plain Vanilla Listed Bond" (PVLB) category, so cannot benefit from the lighter product-governance, DTR financial-reporting or other alleviations available to PVLBs. For non-equity securities representing or linked to an underlying asset, the Public Offers and Admissions to Trading Regulations 2024 "necessary information" test requires disclosure of information material to assessing the underlying assets, not only the issuer's creditworthiness.

PRM 1.4.5R exempts from the prospectus requirement shares resulting from conversion or exchange of other transferable securities or from the exercise of rights conferred by warrants, provided those shares are fungible with shares already admitted to the same regulated market and represent, over any 12-month period, less than 75% of the number of shares already admitted (raised from 20%). A corresponding exemption under PRM 1.4.7R covers securities arising from conversion or exchange under the special resolution regime.

Law stated - 1 April 2026

UNDERWRITING ARRANGEMENTS

Types of arrangement

16 Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

Where a company making an equity securities offering requires certainty regarding proceeds, it will usually arrange for the offer to be underwritten. Underwriting is common practice for significant equity transactions. Most underwritten equity offerings entail a firm commitment, where underwriters commit to purchase or subscribe for the securities at closing, although in initial public offerings the underwriting obligation only crystallises once the deal has priced (ie, underwriters take only settlement risk). “Best efforts” or “reasonable endeavours” underwriting may also be used in certain circumstances (typically secondary offerings).

In offerings with a retail tranche, a retail cascade mechanic is commonly used, whereby underwriters on-sell securities to retail distributors, who in turn on-sell to retail investors within their client base. Retail tranches are not typically underwritten.

Secondary offerings may also be contractually “backstopped” (ie, a minimum price guaranteed) by the banks marketing the deal in the block trade agreement signed at the launch of the transaction.

Law stated - 1 April 2026

Typical provisions

17

What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

The underwriting agreement governs the relationship between offeror and underwriting banks, under which the underwriters commit either to purchase the securities for resale to investors or to procure investors for the offering, failing which the underwriters will purchase the securities themselves.

Indemnification provisions are a typical feature of underwriting arrangements, ranging from indemnification for material misstatements/omissions in disclosure, to broader coverage of breaches of representations, warranties and undertakings, to fuller transactional indemnification for all losses suffered, subject to customary limitations.

Termination events typically include material breaches of representation, warranty or undertaking, a material adverse effect in the business of the offeror and a material adverse change in relevant financial markets and certain force majeure events.

Success fees can feature in certain transactions. In Main Market equity listings, underwriting fees routinely comprise both a fixed and a discretionary component. Success fee criteria and calculation mechanics should be tightly defined, including treatment of VAT and other taxes. Key issues include treatment of option shares (greenshoe or brownshoe) and stabilisation profit sharing.

Stabilisation mitigates post-offering volatility, typically for up to 30 days under UK and EU rules, commencing on the date of trading or conditional dealing where permitted (as is the case in the UK). A greenshoe structure is common in the UK (up to 15% of the base offer size).

Law stated - 1 April 2026

Other regulations

18 What additional regulations apply to underwriting arrangements and the provisions typically contained therein?

The UK implementation of Markets in Financial Instruments Directive (MiFID) II contains notable rules relating to underwriting and placing. These operate across several key areas:

- Allocation: Underwriting banks are required to establish, implement and maintain effective arrangements in respect of their allocation activities. Banks must also establish and maintain an allocation policy, provide it to the issuer before agreeing to underwrite, involve the issuer in discussions about the placing process, obtain the issuer's agreement to any proposed allocation and keep records of the content and timing of instructions received from the issuer.
- Product Governance: The Financial Conduct Authority's Product Intervention and Product Governance Rules, representing the UK implementation of MiFID II's product governance regime, impose obligations on UK underwriters that constitute manufacturers, requiring them to identify the target market for each financial

instrument, ensure the instrument's design does not adversely affect end clients and provide distributors with their target market assessments. Distributors are in turn required to adopt or refine those assessments and both manufacturers and distributors are subject to ongoing obligations including periodic target market reviews.

- Conflicts of Interest: Detailed rules govern the identification, disclosure and management of conflicts of interest.

Law stated - 1 April 2026

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation

19 In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?

In the UK, an issuer becomes subject to ongoing reporting obligations primarily when its securities are admitted to trading on a public market. Issuers on a UK regulated market (eg, the LSE's Main Market) must comply with the Disclosure Guidance and Transparency Rules, UK Market Abuse Regulation and UK Listing Rules, including periodic financial reporting and disclosure of inside information.

Issuers on AIM are also subject to the UK Market Abuse Regulation (UK MAR) as well as the AIM Rules, which impose a lighter but still meaningful disclosure regime. Connected parties, such as directors, senior executives and other Persons Discharging Managerial Responsibilities (PDMRs), have separate obligations under UK MAR to report transactions, observe closed periods and comply with insider-dealing restrictions.

Law stated - 1 April 2026

Information to be disclosed

20 What information is a public company required to make available to the wider public?

Public companies whose securities are admitted to trading on the UK regulated market are subject to a comprehensive disclosure framework. The principal obligations are as follows.

Inside information

Under UK MAR, issuers with securities admitted to trading on a UK regulated market or primary multilateral trading facility (MTF) must disclose inside information as soon as possible. "Inside information" means precise, non-public information that would be likely to have a significant effect on the price of the relevant securities, capturing anything a reasonable investor would use as part of the basis of investment decisions. Disclosure may be delayed only where immediate disclosure would prejudice the issuer's legitimate

interests, delay would not mislead the public and confidentiality can be maintained. Disclosed inside information must be posted on the issuer's website for at least five years.

Financial reporting

Under the Disclosure Guidance and Transparency Rules (DTRs), listed commercial companies must publish an annual financial report within four months of the financial year end, comprising audited financial statements, a management report and responsibility statements. A half-yearly financial report must be published within three months of the half-year end, describing important events during the period and the principal risks and uncertainties for the following six months. Both reports must remain publicly available for at least 10 years.

Major shareholding notifications

Under the DTRs, shareholders acquiring or disposing of interests that cross specified voting rights thresholds are required to notify the issuer, which must in turn make that information public. A UK-incorporated company must notify a regulatory information service (RIS) by the end of the trading day after receipt of such a notification, while a non-UK incorporated issuer must do so by the end of the third trading day after receipt. In the case of UK issuers, the relevant thresholds start at 3% (and at each whole 1% thereafter) up to 100%; for non-UK issuers, the thresholds are 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. Issuers must also publish monthly total voting rights disclosures where a change has occurred and notify within one business day where a change of 1% or more arises.

PDMR transaction reporting

PDMRs and their closely associated persons must notify the issuer and the Financial Conduct Authority of transactions conducted on their own account in the issuer's shares, debt instruments or related financial instruments. Such notifications must be made no later than three working days after the transaction date. Upon receipt of a PDMR notification, the issuer must make the information public, via an RIS, within two working days.

Law stated - 1 April 2026

ANTI-MANIPULATION RULES

Prohibitions

21 What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

The main rules are set out in the Market Abuse Regulation (UK MAR), which broadly seeks to prohibit the following:

- Insider Dealing: Insider dealing arises where a person possesses inside information and uses that information by acquiring or disposing of, for their own or a third party's

account, directly or indirectly, financial instruments to which that information relates. The prohibition extends to attempts to commit insider dealing and to the cancellation or amendment of orders placed before the person possessed the inside information. UK MAR does not require an intention to commit market abuse.

- Recommending or Inducing Insider Dealing: A person possessing inside information and, on the basis of that information, recommending that another person acquires or disposes of or cancels or amends an order in respect of, financial instruments to which that information relates will also breach UK MAR.
- Unlawful Disclosure: Inside information is unlawfully disclosed if disclosed by a person other than in the normal exercise of their employment, profession or duties.
- Market Manipulation: UK MAR prohibits behaviours, including entering into transactions or disseminating information, that give false or misleading signals as to the supply, demand or price of a financial instrument. The prohibition expressly extends to manipulative high-frequency and algorithmic trading and the manipulation of benchmarks and spot commodity prices.

The Financial Conduct Authority may censure or impose unlimited fines on any person who contravenes UK MAR and may order injunctions or prohibit regulated firms or approved persons from carrying on regulated activities.

In addition to UK MAR, criminal liability may arise under the Financial Services Act 2012 for making false or misleading statements or impressions and under the Criminal Justice Act 1993 for insider dealing and tipping off, offences that are separate from the UK MAR prohibitions. Criminal sanctions can result in custodial sentences of up to 10 years and unlimited fines.

Civil liability may additionally arise under sections 90A and Schedule 10A of the Financial Services and Markets Act where an investor suffers loss in reliance on false, misleading or incomplete published information.

Law stated - 1 April 2026

PRICE STABILISATION

Permitted stabilisation measures

22 What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

Stabilisation is aimed at mitigating post-offering volatility, typically for a period of up to 30 days starting on the date of commencement of trading or the date of conditional dealing where that is permitted by the relevant exchange (ie, pricing).

In the UK, the principal permitted price-support measure in connection with an equity offering is stabilisation within the safe harbour in article 5 Market Abuse Regulation (UK MAR). Stabilising purchases may be made for a limited period as noted above, subject to strict conditions on timing, price, disclosure, reporting and the appointment of a stabilisation manager; for shares, purchases may not be made above the offer price.

Ancillary stabilisation, including greenshoe and brownshoe options, is also permitted under UK MAR, subject to conditions including a 15% cap on the greenshoe and a 5% cap on any uncovered overallotment position.

Law stated - 1 April 2026

LIABILITIES AND ENFORCEMENT

Bases of liability

23 | What are the most common bases of liability for an equity securities transaction?

The principal bases of liability in an equity securities transaction vary by participant but usually arise from misleading disclosure, market abuse, regulatory breaches and contractual failures. Issuers face the broadest exposure: statutory civil liability may arise under section 90 of the Financial Services and Markets Act (FSMA) for offering/admission documents within its scope, under the Public Offers and Admissions to Trading Regulations 2024 responsibility regime for prospectuses and under section 90A of FSMA for misleading statements or dishonest omissions in published information.

Issuers may also face liability for negligent misstatement, under the Misrepresentation Act 1967 and under Market Abuse Regulation (UK MAR), including failure to disclose inside information.

Criminal liability may arise under Part 7 of the Financial Services Act 2012 for misleading statements or misleading impressions. Banks/underwriters may be liable where they are persons responsible for offering documents (which is unusual), owe investors a duty of care or breach Financial Conduct Authority (FCA) rules (including the Conduct of Business Sourcebook and, where relevant, sponsor rules).

Law stated - 1 April 2026

24 | What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

Improper activities involving equity securities in the UK, such as insider dealing, market manipulation and misleading disclosures, may give rise to remedies and sanctions through regulatory enforcement, administrative proceedings, criminal prosecution and private civil litigation. These mechanisms often operate concurrently to ensure effective deterrence, market integrity and investor protection. The FCA has dedicated enforcement and market oversight functions and broad investigatory and enforcement powers, including authority to prosecute certain criminal offences.

Investors may pursue private civil actions. The most significant statutory remedies arise under sections 90 and 90A of FSMA. Section 90 provides a cause of action where prospectuses or listing particulars contain untrue or misleading statements or omit required information, subject to reasonable belief and due diligence defences. Section 90A allows investors to claim losses resulting from misleading statements or omissions in other

published information, although the fault standard is higher, generally requiring knowledge or recklessness.

Large-scale securities class actions are relatively limited in the UK.

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UPDATE AND TRENDS

Recent and proposed changes

25 Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?

The Financial Services and Markets Act 2023 (Private Intermittent Securities and Capital Exchange System Sandbox) Regulations 2025 came into force on 5 June 2025, establishing a five-year financial market infrastructure sandbox for PISCES. The Financial Conduct Authority published its final PISCES rules in policy statement PS25/6. PISCES is a multilateral system for the intermittent secondary trading of shares in private companies (and PLCs not admitted to trading on any public market in the UK or abroad); it does not facilitate primary issuances. PISCES sits outside the MTF, OTF and regulated market regimes and bespoke pre-/post-trade transparency and market abuse rules apply within a "private perimeter". Eligible buyers are restricted to professional clients, high-net-worth individuals, self-certified sophisticated investors and, in limited circumstances, employees of PISCES companies.

HM Treasury must report to Parliament by 5 June 2029 on the sandbox's outcomes, following which the regime may be made permanent, extended or wound down. Any permanent PISCES regime would require fresh primary or secondary legislation and the regulatory parameters, including possible broadening of retail investor access, remain subject to the sandbox review.

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