

The background of the slide is a dark blue gradient overlaid with various financial market data visualizations. It includes multiple candlestick charts in green and red, several blue and red moving average lines, and a prominent red dashed trend line that slopes upwards from the bottom left towards the top right. The overall aesthetic is high-tech and professional, typical of a financial institution's branding.

Financial Regulation Monthly Breakfast Webcast

LATHAM & WATKINS

14 October 2026

Today's Topics

The FCA's final rules on UK SRS-aligned disclosures for listed issuers	Jonathan Ritson-Candler
--	-------------------------

Corporate Finance – FCA feedback on compliance functions	Rob Moulton
--	-------------

The FCA's findings on firms' governance arrangements	Rob Moulton
--	-------------

The latest expectations on non-financial misconduct	Nell Perks
---	------------

An update on the FCA's transaction reporting plans	Becky Critchley
--	-----------------



The background of the slide is a dark blue gradient overlaid with various financial market data visualizations. These include multiple candlestick charts in green and red, several moving average lines in blue and red, and a prominent red dashed trend line that slopes upwards from the bottom left towards the top right. The overall aesthetic is technical and data-driven.

The FCA's final rules on UK SRS-aligned disclosures for listed issuers

Jonathan Ritson-Candler

UK SRS (PS26/19): UK Listings

- On 9 October 2026, FCA issued its final rules on sustainability disclosure standards for UK PLCs
- UK SRS are the UK-endorsed version of the International Sustainability Standards Board (ISSB) IFRS S1 and S2 standards, and comprise General Requirements for Disclosure of Sustainability-Related Financial Information (UK SRS S1) and Climate-related Disclosures (UK SRS S2)
- Reflecting on meaningful industry engagement, FCA decided to apply all of the rules on a 'comply or explain' basis
- Rules will also extend to international commercial companies with a secondary listing in the UK and depositary receipt issuers
- FCA has published a new technical note in Primary Market Bulletin 66 with supplementary guidance on the disclosures

UK SRS (PS26/19): UK Listings (cont.)

- The new disclosure rules will come into force for accounting periods beginning on or after 1 January 2027 (first reports in 2028), noting:
 - One-year transitional relief for non-climate and Scope 3 emissions
 - Two-year transitional relief for comply-or-explain UK SRS S1 requirements
- The disclosures will be contained in an issuer's annual report
- Cross-references can be used where permitted under UK SRS S1
- Asset managers, life insurers, and FCA-regulated pension providers in scope of the UK Listing Rules sourcebook may cross-refer to their UK SRS S2 disclosures in their TCFD entity report
- FCA is keen to remind issuers of their wider obligations to disclose the principal risks and uncertainties they face. Consequently, if climate or wider sustainability risks are among an issuer's principal risks and uncertainties, they should consider how those risks are appropriately reflected in their reporting if they are choosing not to comply with UK SRS S1 and UK SRS S2

Transition Planning & Assurance

- UK HM Treasury work on whether and how to implement transition plans remains ongoing. Issuers must disclose whether they have published a transition plan and if not, the reason why
- Where a listed company has received assurance over all or some of their disclosures or explanations, they must additionally disclose:
 - The name of the assurance provider
 - Which information has been assured and whether 'reasonable' or 'limited'
 - Which assurance standards are used
 - Where the assurance report can be located
- FCA has clarified that companies will not need to publish private assurance reports

The background of the slide is a complex financial chart. It features a dark blue background with various colored lines and candlestick patterns. A prominent blue line with a jagged, oscillating pattern runs horizontally across the middle. Above it, there are several green and red candlestick bars, some of which are grouped together. A red dashed line curves upwards from the bottom right towards the top right. Other lines in shades of blue, green, and red are scattered throughout the chart, creating a sense of dynamic movement and data analysis.

Corporate Finance – FCA feedback on compliance functions

Rob Moulton

FCA corporate finance compliance function review

- Health warning
 - Survey covered 382 firms
 - 64% had 9 or fewer employees and 89% had fewer than 50
 - 64% of firms did not have a compliance function solely dedicated to compliance
- So, feedback needs to be seen in the context of the small, part-time function that presumably produced much of the output

Things FCA did not criticise, having warned it might do

- Inability of compliance functions effectively to challenge the business
- Compliance functions being “adopted” by the business/“too close”
- Compliance functions that lacked experience, or were over-reliant on third-party support

FCA's findings

- Compliance functions must have enough presence, authority and access to exert influence and provide meaningful challenge
- Compliance functions must scale as a firm grows, or its activities become more impactful
 - FCA particularly calls out AIM nominated advisors, AQSE corporate brokers, and Sponsors, given their market integrity roles
- 90% of firms surveyed used “some form” of third-party compliance support
 - Important that responsibility remains with senior management, and that they understand the advice received
- FCA checklist includes
 - Compliance regularly reviews policies and procedures
 - Staff receive compliance related training
 - Compliance monitor complaint handling process (even in corporate finance firms)
 - Compliance sign off is required for some business actions
 - Firm has arrangements for disclosure of concerns by whistleblowers
 - Regulatory compliance forms part of staff performance assessment

The background of the slide is a complex financial chart. It features a dark blue background with various colored lines and candlestick patterns. A prominent blue line with a jagged, oscillating pattern runs horizontally across the middle. Above it, there are several red and green candlestick patterns, some of which are grouped together. A thick, solid blue line curves upwards from the bottom left towards the top right. Another thick, solid red line curves downwards from the top left towards the bottom right. The overall effect is one of dynamic financial data and market movement.

The FCA's findings on firms' governance arrangements

Rob Moulton

FCA governance review

- FCA reviewed governance at a sample of benchmark administrators, but lessons are not specific to the benchmarks sector
- Key observations include:
 - The most effective arrangements were not defined by a particular structure, rather, they were those that supported constructive challenge, maintained clear accountability, and enabled follow-through on agreed actions
 - Well-designed arrangements can reduce duplication, clarify ownership and help boards to focus on the matters where their judgement adds most value. This helps firms navigate strategic change and future opportunities with greater confidence
- Findings relate to five areas, as detailed on the following slides

Key findings

1. Board composition and capability

- Firms should consider whether the board continues to have the right collective capability, particularly in relation to areas such as technology, cyber resilience, data management and innovation
- Don't necessarily need to add directors or committees, but should consider whether overall board composition supports sufficient breadth of perspective and constructive challenge
- When individuals hold multiple roles, firms should consider whether this could concentrate decision-making, reduce independent challenge, create conflicts, or increase key-person dependency

Key findings (cont.)

2. Board engagement, challenge and decisions

- Dense agendas or limited meeting time can make it harder for boards to focus discussion on the issues requiring the most judgement. Firms may wish to consider whether meeting frequency, agenda design and time allocation are proportionate to the complexity, scale and risk profile of their business
- Governance records did not always clearly capture board decisions, challenge, decision rationale and resulting actions. Firms are not expected to produce verbatim minutes, but concise records can support accountability
- Important decisions made outside formal meetings should be brought into the formal governance record
- Board engagement appeared most valuable where challenge could be linked to clear resulting actions

Key findings (cont.)

3. Governance structure, delegation and escalation

- Shared group arrangements appeared most effective where the UK regulated entity retains clear visibility of its own risks and obligations
- There is no single preferred allocation of responsibilities, but firms should be able to explain: (i) where key risks are owned; (ii) how decisions are made; (iii) how matters are escalated; and (iv) how the UK regulated entity's obligations are reflected within wider group arrangements
- Clear communication channels and effective escalation pathways can help support stronger integration between local and group governance arrangements
- Where individuals hold responsibilities across several entities or governance bodies, firms should consider how potential conflicts are identified, discussed and managed in practice

Key findings (cont.)

4. Board packs and information flow

- The objective is not to provide the maximum amount of information and firms may wish to consider whether reports distinguish information provided for awareness from matters requiring discussion, decision, or escalation
- Firms should test reporting by asking whether it helped the board: (i) identify a change; (ii) challenge an assumption; (iii) make a decision; or (iv) track an agreed outcome
- Some firms improved board reporting through: (i) use of dashboards; (ii) clearer signposting; (iii) revised formats; and (iv) earlier circulation
- Management information appeared most effective where the connection between the underlying information and the question for the board was clear. Reporting also seemed more useful where it highlighted changes, exceptions and emerging trends, rather than relying mainly on static descriptions of current positions

Key findings (cont.)

5. Governance assurance and continuous improvement

- Firms may benefit from adopting a more structured approach to assessing governance effectiveness, as this helps firms identify practical improvements
- Reviews can be internal, although periodic independent reviews may also be useful
- Review should focus on outcomes, not just governance structures
- Assurance appeared most useful where findings resulted in clear actions, ownership and follow-through, and where firms could show how lessons had been incorporated into governance arrangements

The background of the slide is a complex financial chart. It features multiple candlestick price series in green and red, overlaid with various technical indicators. These include several moving average lines in blue, red, and white, as well as a prominent blue line that appears to be a volatility or volume indicator. The chart is set against a dark blue background with a grid of horizontal and vertical lines.

The latest expectations on non-financial misconduct

Nell Perks

Why NFM matters now

- NFM has been a growing area of FCA focus for some time: individuals in financial services must uphold high standards
- Firms have faced uncertainty about how the FCA expects them to monitor and approach NFM, and when it is truly relevant to fitness
- Real-life scenarios are complex and nuanced, and each case remains heavily fact-specific
- Recent Developments
 - New FCA guidance on NFM in COCON and FIT
 - Expanded COCON scope for non-bank firms
 - High profile enforcement cases
 - Employment law changes

What changed on 1 September 2026

- New FCA Handbook guidance on NFM: consulted on twice; in force from 1 September 2026
- Two regimes: COCON (Conduct Rules) and FIT (fitness and propriety) have different purposes and scope
- Expanded COCON for non-banks: serious misconduct such as bullying, harassment and violence between staff is now in scope, aligning with banks

COCON: what is caught?

- Relevant conduct
 - No formal definition of NFM
 - Unwanted conduct that violates dignity or creates an intimidating, hostile, degrading, humiliating or offensive environment — essentially serious bullying and harassment — plus violence
 - Not a closed list
 - Seriousness factors: repetition/pattern, duration, impact, seniority of the person responsible and the seniority gap
- Scope and grey areas
 - COCON does not cover private or personal life
 - Factors pointing to scope: firm premises, business context
 - Misconduct towards a colleague travelling to a meeting: likely in scope; Misconduct towards a member of the public when commuting: may not be
 - Post-work social events remain grey areas — reasonable judgement on the facts
 - Senior Managers: may be required to disclose private-life matters material to F&P

Scope of FIT: private life; social media; convictions

- Private life
 - No duty to actively monitor; investigate only if something comes to the firm's attention
 - Trivial, implausible, or police matters need not be investigated
- Social media
 - No expectation of active monitoring
 - Lawful views do not call F&P into question, even if controversial
 - Content suggesting or inciting misconduct may
- Risk of repetition
 - Firms must not assume private conduct will be repeated at work
 - Dishonesty, abuse of trust or exploiting vulnerability is likely relevant
 - Repeated minor misconduct may be relevant
- Criminal convictions
 - No blanket approach; consider passage of time and rehabilitation
 - Fraud, financial crime and company law offences are more pertinent

What should firms be doing?

- Update internal policies
- Train key personnel
- Consider additional Conduct Rules training
- Brief managers on their responsibilities
- Review regulatory reference processes
- Map out potential scenarios
- Prepare for difficult judgement calls
- Ensure consistency in outcomes
- Document retention with litigation in mind
- Revisit sexual harassment risk assessments
- Review exit and settlement practices

Case focus: the Odey decision

- Upper Tribunal agreed with the FCA's findings
- Upheld the ban. Set the fine at £1.53 million
- Focus of the case:
 - Underlying allegations: treatment of female members of staff
 - Basis of the FCA's case: Odey's response to those allegations
 - He twice dismissed the firm's Executive Committee to frustrate the internal disciplinary process
- Why it matters:
 - Not decided on the underlying NFM itself
 - FCA still lacks a clear enforcement win based squarely on NFM
 - New guidance may help the FCA bring more successful cases in future

“The judgment is therefore a powerful reminder that non-financial misconduct is not somehow separate from financial regulation. It sends a clear message to firms and senior managers that culture, conduct and the handling of misconduct allegations are all matters of regulatory significance”

The background of the slide is a complex financial chart. It features a dark blue background with multiple overlapping elements. There are candlestick charts with green and red bars, indicating price movements. Several line charts in various colors (blue, red, white) are also present, some showing trends and others showing more volatile data. A prominent blue line with a jagged, oscillating pattern runs horizontally across the middle. A red dashed line curves upwards from the bottom right. The overall aesthetic is high-tech and data-driven, typical of financial market analysis software.

An update on the FCA's transaction reporting plans

Becky Critchley

UK transaction reporting reform

- 2 October 2026 FCA consultation
 - Responses by 6 November 2026
- New rules are already set out in PS26/15, which come into force on 3 April 2028
- Consultation contains:
 - Guidance on areas where there is a change, including specific scenarios
 - The FCA's proposed approach to what goes into the new "TRUP"
 - The approach to the transitional regime
 - Consequential amendments to the MAR chapter of the FCA Handbook

UK transaction reporting reform (cont.)

- Respond if further examples would be useful
- EU instruments may be removed from FCA FIRDS ahead of 3 April 2028
- New TRUP consultation to follow in Q1 2027 with a final version to be published by 3 April 2027

Recent Thought Leadership

- [FCA Finalises UK SRS-Aligned Disclosure Rules for UK Listings](#)
- [In Focus: The FCA's New Guidance on Non-Financial Misconduct](#)



Monthly London Webcast Materials

Each month the UK and European Financial Regulatory lawyers at Latham & Watkins host a presentation and discussion covering recent changes to financial services regulation.

[VIEW](#)



Our Global Financial Regulatory Resources Page



Click to Access
Latham's Global
Financial Regulatory
Resources