2026 Horizon Scan

What General Counsel and Company Secretaries need to know for 2026

Discover the pivotal governance trends set to shape the corporate landscape in 2026 and learn how your organisation can stay ahead of the curve

Key Highlights

New obligations and liability for directors

- Companies can now be criminally liable for the fraudulent actions of their senior managers.

UK CGC 2024: Effectiveness of internal controls

- Directors must confirm the effectiveness of their material financial, reporting, operational and compliance controls.

More flexibility to raise equity in the UK – new UK public offers and admissions to trading regimes

- UK companies can now issue up to 75% of their share capital without a prospectus which will provide greater incentive for them to take full advantage of the Pre-Emption Group's thresholds for disapplication of pre-emption rights.

Change in remuneration options for NEDs

- The FRC has now made it clear that NED remuneration can be paid in the form of share options without any compromise on their independence.
- Companies should consider designing bespoke share option plans for these purposes.

Enhanced employer obligations and employee protections

- A number of impending reforms to UK employment law will bring about more significant employee protections.

Other emerging issues to keep on your radar:

- Simplification of the UK corporate reporting framework
- Digitalisation and reform of the UK shareholding ownership framework
- Major changes to the UK's approach on unfair dismissal

1 New obligations and liability for directors

One of the most significant legislative changes brought about by the Economic Crime and Corporate Transparency Act 2023 (ECCTA) is the new offence of "failure to prevent fraud". The fraudulent actions of an individual (acting with apparent authority) falling within the definition of "senior manager" within an organisation will now make the company liable for their actions. Whilst this part of ECCTA came into effect in September 2025, companies will need to ensure that their risk management frameworks are continually monitored for their effectiveness if they wish to be able to rely on the defence against corporate criminal liability by demonstrating that their organisation had "appropriate fraud prevention measures in place". In assessing their risk management frameworks, companies should take into account the UK Government's guidance, which sets out 6 principles that should underpin a fraud prevention framework, available here.

Separately, the mandatory identification verification regime as introduced by ECCTA is now live. It is estimated that between 6 and 7 million people will need to verify their identity, with around 1.5 million people having verified their identity to date. Whilst the mandatory requirement is being phased in over a 12-month period, existing directors will need to confirm that their identity has been verified when the next annual confirmation statement is filed. We note that an increasing number of companies are having proceedings brought against them to strike them off the register where confirmation statements are not filed.

There are a number of other largely administrative changes brought in by ECCTA, including new financial penalties for the failure to file or late filing of confirmation statements, annual accounts and other filings.

Failure to comply with the legislation may result in criminal liability for both the company and director in question.

2 UK Corporate Governance Code (CGC) 2024: Effectiveness of internal controls

Provision 29 of the UK CGC 2024 on internal controls is effective for financial years starting on 1 January 2026, with boards being required to carry out an annual review of their companies' risk management and internal control frameworks, and make a declaration of effectiveness as to their companies' material financial, reporting, operational and compliance controls.

When making the risk management and internal control disclosures, boards of directors should ensure that these are of a high quality, clear and succinct. The Guidance on the UK CGC 2024 notes that information concerning risk should be sufficiently specific (UK CGC 2024 Guidance, para 291).

Whilst companies with 31 December year-ends will not be required to report on their compliance until they publish their annual report in 2027, given the level of specificity required, directors should consider what steps they need to take in 2026 to ensure they have sufficient trust regarding the accuracy of the statements made next year.

3 More flexibility to raise capital in the UK – new UK public offers and admissions to trading regimes

The new UK public offer and admission to trading regimes (set out in the Public Offers and Admissions to Trading Regulations 2024 and the FCA's Prospectus Rules: Admission to Trading on a Regulated Market (**PRM**) sourcebook) come into force and supersede the existing UK Prospectus Regulation and FCA Prospectus Regulation Rules on **19 January 2026**. This represents the end of a 5-year reform journey, principally aimed at enhancing the ease, efficiency and flexibility of capital-raising in the UK.

From 19 January 2026, a UK prospectus will no longer be required for UK public offers of transferable securities that are admitted to trading on a UK-regulated market or where the offer is conditional on such admission. In addition, the threshold at which a commercial company must publish a UK prospectus for further issues of transferable securities will be raised from 20% to 75% of the number of existing fungible securities already admitted to trading. In light of this, we anticipate that more issuers will take full advantage of the 10% + 10% (and 2% + 2% for follow-on offers) thresholds for disapplication of pre-emption rights, as permitted by the 2022 Pre-Emption Group guidelines. For further information on the number of FTSE 350 companies choosing to adopt the full flexibility under the guidelines, see our most recent Snapshot here.

Also, from 19 January 2026, issuers will no longer need to apply to the FCA for admission to listing when issuing further securities in a class already admitted to listing, thus abolishing the current block listing regime and the need for block listing announcements. However, issuers will still need to apply to the LSE for admission to trading.

In addition, issuers will be required to announce any further issue of securities. The deadline to make such announcement will vary depending on the category to which the existing class of securities is admitted—within 60 days of admission where admitted to the equity shares (commercial companies) category; within 365 days of allotment or issue where admitted to another category. Where the new securities are not fungible with any existing securities, the announcement would have to be made on the same day as admission. This announcement will need to contain certain information as specified by the PRM (e.g., details and number of further securities admitted to trading).

4 Change in remuneration options for NEDs

It is well-established that non-executive directors (NEDs) of quoted companies may receive a portion of their fee in shares. Such shares are typically acquired by the NED on the public market or by the company issuing shares that are equal in value to their fee.

Recent FRC guidance on the remuneration of NEDs has clarified that NEDs may, in certain cases, now receive share options and other rights to acquire shares without compromising their independence. To provide share options, companies will need to design appropriate bespoke NED share option plans rather than relying on existing LTIPs, which in practice we expect to mirror existing plans for employees. Including NEDs in existing plans will potentially taint those plans and take them outside of the benefits of being categorised as an "employees share scheme" for the purposes of the Companies Act 2006.

Please see here for further commentary on the recent FRC guidance.

5 Enhanced employer obligations and employee protections

Significant reforms to UK employment law are set to take place during 2026, with the Employment Rights Act 2025 and related measures set to reshape employer obligations and employee protections. Employers should be aware of these changes to proactively manage risk, update policies and ensure compliance across their organisations.

A summary of the April 2026 reforms follows:

- Family leave: Paternity leave and parental leave will each become a "Day 1" employment right, meaning employees will be eligible from the start of their employment. Paternity leave may be taken after a period of shared parental leave without being lost.
- Sickness absence: Statutory sick pay (**SSP**) will become payable from the first day of sickness (rather than the fourth day) and the lower earnings limit will be removed, meaning employees, regardless of earnings, will qualify for SSP.
- Whistleblowing: Sexual harassment will become a standalone qualifying disclosure under whistleblowing law, meaning that an employee reporting sexual harassment will more clearly benefit from the relevant protections from dismissal and other detriment.
- Collective redundancy consultation: Protective awards (i.e., compensation payable to employees) for failure to consult collectively will double from 90 to 180 days' pay per employee. The collective consultation requirement currently arises where an employer proposes to make 20 or more employees redundant at one establishment within a period of 90 days or less.
- Trade unions: Certain reforms relating to trade union activity are taking place in February 2026, including the time needed to give notice of industrial action, which will reduce to 10 days, instead of 14 days. More trade union reforms aimed at simplifying union recognition will take effect in April.
- Fair Work Agency (**FWA**): A new government enforcement body will be established in April, although it may take some time before it is operational. The FWA will take over the enforcement of national minimum wage, labour exploitation and modern slavery, unpaid employment tribunal awards and gig economy rights. It will also enforce employment rights, such as holiday pay and statutory sick pay.

Please see here for further commentary from our Employment team, including details of the October 2026 reforms and the practical steps employers can take now to ensure they are prepared for the evolving landscape.

6 Virtual shareholder meetings

In October 2024, the UK Government confirmed plans to modernise corporate reporting, including examining the legal clarification for virtual annual general meetings, in particular to address ambiguities around the meaning of a "place". Additional clarity may be provided by the Government in 2026.

Following engagement with the Government, investor bodies and stakeholders, on 8 December 2025 the GC100 published guidance for virtual meetings which is intended to help listed companies in the UK conduct virtual shareholder meetings in a way that maintains shareholder rights, engagement and transparency. The guidance is designed to support the Government's digitisation reforms and ensure that virtual meetings are accessible, efficient and uphold the standards set by the Companies Act 2006 and the UK CGC. The guidance helpfully sets out the core rights of shareholders at general meetings, and contains 8 provisions to help companies organise and manage their virtual meetings.

The GC100 guidance notes that they do not expect any clarification from the Government around virtual meetings to override companies' articles. Accordingly, companies without such provisions will need to seek shareholder approval to amend their articles before holding virtual meetings, and we recommend that companies check whether their articles need updating.

Of particular note is the suggestion that if a company intends to propose a special resolution to amend existing articles or adopt new articles to permit virtual meetings, it should consider proposing a time-limited authority for these virtual meetings (after its articles have been amended). The guidance notes that a period of up to 5 years before seeking further approval for an indefinite period may be appropriate, as it gives companies sufficient time to invest in technology and processes to deliver high-quality virtual meetings, whilst also giving shareholders the opportunity to review and confirm that virtual meetings continue to meet their expectations on engagement and accountability.

There remains a general lack of support for virtual meetings from proxy advisors, so in light of this and the lack of legislative change, it remains to be seen whether there will be any shift in market approach.[1]

7 Companies to ensure transparency as to form of annual general meeting

Among 19 proposed policy changes globally by ISS, the only one with respect to the UK is in relation to general meeting formats. In particular, ISS has suggested that companies and other market participants would benefit from a clear definition of "in-person" shareholder meetings, to address recent practices observed of some companies seeking to introduce more restrictive in-person meetings which would hinder shareholder participation and opportunities for engagement with the board. We reported on the increasing trend for annual general meetings to be held under "studio conditions" where meetings are held at a physical place but shareholders are discouraged from attending in person, in our latest AGM Snapshot available here.

[1] **ISS** will generally vote against proposals allowing for the convening of virtual-only shareholder meetings. **Glass Lewis** will generally recommend that shareholders support amendments that allow for virtual shareholder meetings only in exceptional circumstances.

Other emerging issues to keep on your radar:

Simplification of the UK corporate reporting framework

The Department for Business and Trade is modernising and simplifying the UK corporate reporting framework as part of an ongoing drive to reduce the administrative burden of regulation on businesses. Some legislative changes to be expected are the removal of the requirement for companies to produce a Directors' Report as part of their Annual Report and Accounts, and the exemption of all wholly-owned subsidiaries from the need to produce the Strategic Report as long as their disclosure is included in the Annual Report of a UK parent. A broader, "ambitious and holistic" consultation is planned for 2026, which seeks to examine the entirety of the Annual Report and Accounts, and ultimately consider how corporate reporting should function in a digital age.

Digitalisation and reform of the UK shareholding ownership framework

We may see progress with regard to actioning the Government's accepted recommendations contained within the Digitisation Taskforce's final report, which aims to digitise and reform the UK shareholding ownership framework. Although the wider goal is to eventually move to an intermediated system of shareholding, in the first instance, we expect (1) legislation to be introduced to end the issuance of paper shares and require companies to replace paper share registers with digitised share registers; and (2) the amendment of legislation to enable shares in UK companies to be held on overseas branch registers in uncertificated form.

Major changes to the UK's approach on unfair dismissal

A late amendment to the Employment Rights Act 2025 removed the cap on the compensatory award (currently the lower of 52 weeks' pay and £118,223), substantially increasing potential liability, particularly for high earners. Coupled with the reduction in the qualifying period from 2 years to 6 months, we expect to see more claims and higher financial exposure, similar to discrimination and whistleblowing claims. The government has yet to announce the date on which the removal of the cap will take effect, but we consider it is likely to be at the same time as the reduction in the qualifying period, which is January 2027. With this timeframe in mind, there are steps employers will want to take in 2026 to ensure that they are prepared. Please see further commentary on this from our Employment team here.

White & Case UK Corporate Actions and Governance

Our UK Corporate Actions and Governance (CAG) team advises UK public and private companies outside their transaction cycles on their ongoing legal affairs, with extensive experience handling continuing obligations, corporate advisory and governance issues.

The CAG team has extensive experience in advising on complex, technical, multijurisdictional corporate advisory matters, including intra group reorganisations, returns of capital, demergers and joint ventures. The team also advises on listed company disclosure obligations, the implementation and operation of governance structures for corporates as well as different forms of unincorporated organisations in different jurisdictions.

The team is often called upon by companies to provide direct advice to their boards as and when needed and works hand in hand with the firm's market leading activism practice. The team works closely with the firm's wider international listed companies practice to ensure truly global coverage.

In addition to providing support to GCs and their legal teams, we also advise company secretaries and their secretariats on company secretarial matters and provide support directly to non-legal functions (e.g. finance and compliance and governance teams). We have successfully advised a wide range of clients, including newly-listed, mature, FTSE 100, small cap and global companies.

Please contact any member of our CAG team for any questions or queries and to see how they can assist.

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