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## **Email only**

15 December 2020

Dear Simon,

Thank you for your letter sent on 30 November 2020 regarding the Pre-Emption Group's reflections and experiences from the Covid-19 pandemic in the past year. Thank you also for your offer of a meeting to explore possible reforms for equity capital markets for listed companies.

Firstly, I would like to take this opportunity to say that we welcome the Pre-Emption Group's ongoing constructive dialogue with stakeholders in responding to the Covid-19 crisis. This has provided much needed flexibility and helped facilitate rapid capital-raising to support businesses and the economy.

Secondly, it is interesting to hear about the initial discussions you have been having, your ideas for both structural and legislative reform, and the good practices you have observed this year. We welcome the opportunity to discuss these with you in more detail, which is timely as we intend to explore policy issues around the existing regulatory framework for primary markets and public offers during 2021-22.

As you mention, more immediately, Lord Hill's Listings Review is also very relevant to this subject. I encourage your members to engage with his review and feed in their experiences to that forum. We will carefully consider the final recommendation from Lord Hill's review to inform our further policy thinking.

You also mention considerations around the rights offer process. As you may be aware, some aspects of this process were considered in 2008 by *the Rights Issue Review Group* (RIRG) and its subsequent [Report](#). This resulted in a number of changes being made linked to rights issues between 2009-10 by both the FSA and the Government. One factor in the timetable for pre-

emptive rights issues remains subject to legislative requirements in the Companies Act. I would therefore encourage you to engage with the Department for Business, Energy, and Industrial Strategy (BEIS) on this aspect of your members' feedback. You may also wish to talk to the Law Commission, following their [scoping study on intermediated securities](#) published in November this year, which explores legal and structural barriers that reduce the ability of shareholders to exercise their rights effectively.

We will be in contact shortly to arrange a call. Wishing you a Merry Christmas and Happy New Year.

Your sincerely,

A handwritten signature in dark ink, reading "Nikhil Rathi". The signature is written in a cursive, slightly slanted style.

**Nikhil Rathi**  
**Chief Executive**