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Capital Markets Rules: Dual Class Share Structures May be a Step Too Far in Race for Modernisation

Investment Week

WRITTEN BY

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London Partner [Sean Page](#) authored an article examining Lord Hill's UK Listing Review and the key proposal on the functioning of London's premium listing category allowing dual-class share structures (DCSS). Page notes that the changes propose that DCSS are permitted on the premium segment, subject to certain conditions, including being for a maximum of five years and having a maximum weighted voting ratio of 20:1. He also queries whether the 'transition period' could be shortened to an initial period of two years with a shareholder vote at that point on whether the DCSS should be extended.

Page ultimately concludes, "It seems inevitable that some form of DCSS will be incorporated into the rules for the LSE's premium segment. It is vital that market participants respond to the FCA's consultation to ensure that these structures are limited, with checks and balances beyond those set out in the Hill Review and which truly reflect the tradition of high corporate governance on which London has traded for so long. Not to do so will damage London's competitiveness, not enhance it."

To read the full article, click [here](#).

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