Key Takeaways From the Reform of the UK Public and Private Capital Markets Summit 2026

The Reform of the UK Public and Private Capital Markets Summit 2026, held on 5 October 2026 in London, brought together senior leaders from across the capital markets industry to discuss key trends and challenges shaping UK capital markets. Fried Frank partners joined in the discussions, with Ashar Qureshi, managing partner of Fried Frank's London office and head of our EMEA Global Transactions Practice, serving as summit chair and delivering the opening remarks, and with partner Aseet Dalvi moderating a panel exploring what more needs to be done to make London the natural home for growth companies. The prevailing outlook was one of cautious optimism, with speakers highlighting the many ways in which the UK remains a compelling place to start, scale and list a business, but with optimism tempered by a growing realisation that more is needed on the tax and regulatory fronts to arrest the structural decline in the UK's public equity markets.

Below are five key takeaways from the summit:

#1: The Listing and Capital-Raising Reforms Help – but They Aren't Enough.

A number of speakers noted the ways in which the listing and capital-raising reforms of recent years had improved the UK equity capital markets' "plumbing" and helped remove long-standing irritants and disadvantages to being a London-listed company against alternatives like remaining privately owned and/or listing elsewhere. These reforms have included, among other things, doing away with mandatory shareholder votes and costly circulars on major acquisitions and disposals, introducing more flexibility for dual-class share structures and increasing flexibility for secondary capital raisings by listed companies. In the same breath, however, many speakers stressed that these reforms, although helpful, were not nearly enough to resolve the core issues that continue to plague the UK's equity markets — namely, the sharp decline in the number of listed companies (with only 1,522 companies remaining listed as of mid-2026, and delistings continuing to meaningfully outpace new listings) and persistent valuation discounts — since those issues, fundamentally, are driven by inadequate domestic demand and the deeply rooted incentives in tax, pension and other regulatory regimes that structurally perpetuate that.

#2: The Central Role of Pension Funds in Rebuilding Domestic Demand.

The summit's opening session as well as a number of its panels highlighted the extraordinary disinvestment by UK pension funds from the UK public equity markets that has taken place in recent decades — with, e.g., defined benefit funds reducing the portion of their assets held in UK equities from around 50% in 2000 to nearly zero today, defined contribution funds today investing only 8% of their assets in UK equities and the halving of UK equity allocations by public sector funds over the past 10 years. The factors that have contributed to this decline are complex and were discussed throughout the day, including, e.g., historic accounting changes, tax changes, regulatory changes that have disincentivised equity risk for defined benefit schemes and a rigid focus on cheap fees that has pushed defined contribution schemes towards passive index strategies, as well as the (over time, self-reinforcing) hollowing out of institutional in-house capacity to analyse and make growth investments. Speakers also discussed the policy initiatives already underway, including the "megafund" requirements for defined contribution schemes and the consolidation of local government pension scheme pools (both intended to build deeper investment pools with greater in-house capacity, along the lines of the Canadian and Australian models), and regulatory changes to shift the culture of defined contribution schemes from lowest cost to higher net returns. They also pointed to further levers that could be pulled, such as removing stamp duty on UK share purchases (to level the playing field between investing in UK-listed and non-UK-listed companies), addressing the short-termism encouraged by the triennial valuation cycle for defined benefit schemes and building more institutional capacity to "anchor" London listings. Although various ideas were proffered, the overarching consensus among the speakers was that unlocking greater pension fund investment in UK public equities, in some fashion, was critical to a broader revitalisation of the UK markets.

#3: Great at Starting Companies, Weaker at Scaling Them.

More than one panel noted that the UK is excellent in many ways when it comes to the early stages in a company's lifecycle — great at producing innovative startups and helping them grow up to a certain point, and noted that it has an outstanding track record at producing innovative unicorns. Equally though, those panels also stressed that the UK has a rather poor track record at helping those same companies scale past a certain size. Indeed, and mirroring the domestic institutional investor hesitation to invest in public equities noted above, one of the panels dwelt on a significant funding cliff that some of the most promising UK growth companies face in tapping the UK institutional investor base for Series C (and later) funding rounds — with funding for those later-stage rounds typically coming disproportionately from US and other overseas investors — and noted that over time this can help solidify a preference to list abroad. Panellists also observed that this equity funding gap finds a parallel in insufficiently available debt financing, in particular for SMEs outside the sectors and regions that venture capital favours that are also still too small for private credit. Although there was a measure of optimism that recent policy initiatives (such as the recently expanded Growth Guarantee Scheme to help banks expand SME lending, and the Mansion House Accord and its related initiatives) had the potential to address these funding gaps, the broad takeaway was that there was still more to do. In addition to funding gaps, panellists highlighted other areas where the UK could do more to help its promising businesses scale (and eventually list), including through the use of public procurement, better access to external markets, more effective R&D tax relief, and better measures to ensure that founders, senior hires, and employees are appropriately incentivised to build their businesses and live and work in the UK.

#4: A Strong Home Market Still Matters.

One speaker noted that the trend in recent years of London-listed companies migrating their listings to (or dual listing in) the US has not always yielded positive outcomes for them (with many such companies since plagued by poor valuations and liquidity in their US listings, as well as relative market obscurity) — highlighting that, for many promising domestic companies (and particularly those that are not global enough or in the right sectors to successfully list abroad), a domestic listing option is itself often essential to scale past a certain point. A number of speakers stressed, however, that the UK market (with its deep pools of global institutional capital, broad and varied financial markets, international investor base and deep bench of advisers) still compared favourably in many ways to most other international exchanges. They expressed cautious optimism that these enduring strengths, paired with some successful new offerings and longer-term work to address structural demand challenges (nearer-term through more risk-tolerant institutional investors, but over time —through initiatives like the "Invest for the Future" mass retail investment campaign that was the focus of a summit session and a wider more risk-tolerant investment culture — through retail investors as well), could help revitalise the UK's public equity markets and reopen a traditional path to listing that, for too many domestic companies for too long, has felt closed.

#5: Economic Security Without Losing Openness.

The summit highlighted the growing influence of economic security on business and investment decisions. Greater scrutiny of foreign investment, supply-chain resilience and concerns about dependence on other countries are affecting where companies operate and how investors assess transactions. Speakers were clear that the UK needs to protect important domestic capabilities while preserving access to international capital. The wider message was that the UK must adapt to a more contested global economy without abandoning the high standards that remain a strength of its financial markets. The key risk for the UK, speakers felt, was failing to seize the opportunity to build on a strong foundation and develop in groundbreaking areas (including innovative digital market infrastructure, fintech, AI and other rapidly growing or developing sectors) and allowing itself to be outpaced by other jurisdictions.

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