

CLIENT ALERT

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The Private Securities Market Explained: A Guide for Private Companies

What is the Private Securities Market (PSM)?

In February 2026, the London Stock Exchange (LSE) launched its Private Securities Market (PSM); the first Private Intermittent Securities and Capital Exchange (PISCES) in the UK.

The PSM unlocks a new channel of investment into private companies through intermittent auctions, marking a significant development in private capital markets. This is a higher risk venue that is open to qualified investors only, and follows rules that diverge from standard UK public market rules.

Investment opportunities for private companies in the London PSM

With Oxford Sciences Enterprises set to become the first company to trade on the new PISCES platform, the PSM is already attracting significant attention and curiosity. This article sets out an introductory guide for private companies seeking to explore the PSM's rules, take advantage of this new frontier in private capital markets, and how Curtis is well positioned to assist you along the way.

Is your company eligible to access the PSM?

A company seeking to access the PSM (PSM Company) must satisfy at least two of the following criteria: (a) £10 million raised by debt or equity in the last 3 years; (b) total assets of at least £20 million; (c) annual turnover of at least £10 million. The LSE may in its absolute discretion substitute these requirements based on other considerations.

The PSM Company must also demonstrate that its board and senior management are capable of complying with the PSM Rules, including by maintaining a board of at least two directors and ensuring that appropriate accounting and reporting expertise is held at board and/or senior management level.

Assuming the PSM Company has satisfied the eligibility requirements, it must then submit to the LSE a PSM Joining Application confirming that it has: (a) received shareholder approval; (b) amended its constitutional documents to comply with the PSM Rules; (c) sufficient resources, procedures and controls in place to ensure that it is able to comply with the PSM Rules; and (d) included in its application all information which the LSE may reasonably require in deciding the company's application.

What are your Disclosure Obligations for PISCES?

The Financial Conduct Authority (FCA) has established a bespoke disclosure regime for PISCES. Disclosures made on a PISCES platform are neither verified for accuracy nor approved by the platform operator or the FCA.

Upon joining the PSM, a PSM Company must publish and maintain on the PSM Disclosure Portal information required under the PSM Rules. These disclosures must consist of Core Disclosures – the minimum information required by the FCA pursuant to the PSM Rules, and can also include Voluntary Disclosures – additional information. Strict deadlines apply for publishing Core Disclosures and any Voluntary Disclosures prior to an auction.

Whilst Core Disclosure will be the primary source upon which investors make their investment decisions, investors are encouraged to probe companies for additional voluntary disclosure. Unlike public markets, neither the FCA nor the LSE oversees the quality of disclosures; therefore, investors must assess the information themselves and seek any further information they require through the Investor Q&A facility on the PSM Disclosure Portal.

Trading on the PSM via the Auction Process

Trading on the PSM takes place through intermittent auctions, of which there are two kinds: Open Auctions, which are open to all PSM investors, and Permissioned Auctions, which are restricted to PSM investors or Registered Auction Agents.

Given the private nature of the companies involved, neither the FCA nor the LSE regulates the quality of disclosure provided by the PSM Companies. Because PSM Companies retain considerable discretion over what they disclose, each investment decision and risk associated with it rests entirely on an investor's own assessment of those disclosures. In light of the heightened risks this entails, participation in the PSM is restricted to institutional investors, qualified individuals, and company insiders.

Your PSM Company's Ongoing Obligations

For so long as they remain admitted to the PSM, companies must ensure that they (a) remain capable of being regulated by the LSE; (b) maintain sufficient resources, procedures, and controls to enable compliance with these rules; and (c) procure that each of their directors accepts full responsibility for the company's compliance with these rules.

Termination of a PSM Company's Trading Platform

Where a PSM Company decides to cease participating in the PSM, it must inform the LSE and make a formal disclosure with at least 3 months' notice.

It is important to note that the LSE reserves the right to, at any moment, terminate a PSM Company's access to its trading platform.

LSE Oversight: Compliance and Enforcement of the PSM Rules

If the LSE believes that a PSM Company has contravened any of the PSM's Rules, the LSE may pursue a number of actions outlined in Rule A3 of the PSM Handbook; for example, directing a company to obtain professional advice, provide assurances to the LSE.

In response to a decision made by the LSE under Rule A3, a PSM Company may request a Decision Review (a review of an LSE decision pursuant to the PSM Handbook) or appeal. In determining a Decision Review, the Decision Review Committee may uphold the original decision, vary the original decision, or quash the original decision.

Next Steps

Whether you are managing your compliance obligations, preparing your first Auction or simply considering the PSM as an option for your investments, Curtis' attorneys are here to support you.

About Curtis

Curtis, Mallet-Prevost, Colt & Mosle LLP is a leading international law firm. Headquartered in New York, Curtis has 18 offices in the United States, Latin America, Europe, the Middle East and Asia. Curtis represents a wide range of clients, including multinational corporations and financial institutions, governments and state-owned companies, money managers, sovereign wealth funds, family-owned businesses, individuals and entrepreneurs.

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