

Lord Turner has to walk the talk or its just hot air

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The [FT has reported](#) (extensive quote due to the importance of the issue):

British companies will be allowed to list on the London Stock Exchange using a “light touch” set of rules previously only available to overseas companies as the UK seeks to bolster the City’s position as a financial centre.

The move, adopted by the Financial Services Authority, comes in spite of promises from the City watchdog to take a more heavy-handed approach to regulation following criticism of its “light touch” regime during the financial crisis.

Until now, UK-based companies could only list shares in London through a “primary” listing that requires them to comply with more stringent rules including issues such as capital raising, disclosure of a record and board composition.

By contrast, overseas companies — which the LSE aggressively courted in the boom years — can list their shares through a “secondary” listing that does not require them to respect pre-emption rights or adhere to the combined code on corporate governance.

Under the changes approved by the FSA’s board late on Friday, UK companies, beginning on October 6, can access this two-tier listing system and choose between a “premium” or less onerous “standard” listing.

This is outright folly. Lord Turner, as chairman of the FSA should be ashamed of himself.

The FSA is saying two key shareholder protections can be abandoned:

- 1) Abandoning pre-emption rights, which means shareholders can have their interest in a company diluted without their consent — so placing far, far too much power in the hands of management;
- 2) A commitment to sound corporate governance.

The latter is simply staggering. At a time when the corruption of the board room has

been amply demonstrated the FSA is condoning the abandonment of standards in this area.

I am amazed. And Lord Turner has shown words are not enough: he's failing to walk the talk.

Have we learned nothing?