

# MARKETS RESEARCH

Evaluating Post-Brexit Corporate Finance: A  
Comparative Study

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## Abstract

This paper examines how Brexit has affected the performance of UK-listed firms and their ability to raise capital by comparing these outcomes against key European Union counterparts, namely France, Germany, and the Netherlands. Utilising a moving-average time-series model alongside secondary financial datasets spanning from 2010 to 2025, this paper assesses market performance, initial public offering (IPO) activity, and mergers and acquisitions (M&A) across pre-Brexit, transition, and post-transition phases. Our findings indicate that while headline equity indices such as the FTSE 100 demonstrated a strong post-Brexit rebound, this resilience was largely driven by internationally diversified firms benefiting from global macroeconomic conditions and a weaker sterling, rather than a broad-based improvement in domestic market competitiveness. Conversely, our findings reveal that the UK capital-raising environment has remained significantly constrained; IPO activity and M&A deal counts persistently underperformed relative to EU markets that did not experience similar regulatory disruptions. Ultimately, this paper concludes that the regulatory autonomy granted by the Financial Services and Markets Act (FSMA) has yet to offset Brexit-related frictions in corporate finance. Therefore, targeted policy interventions are required to strengthen domestic institutional demand for UK equities and accelerate listing reforms in order to restore the UK's position as a leading global financial hub.

# Evaluating Post-Brexit Corporate Finance: A Comparative Study

Oliver Hulme, Sara Riziq, Alanna Lewis, George Palmer, Zaya Zorigtbat, Francis Jackson

## Policy Recommendations:

Our analysis shows that while the FTSE 100 has demonstrated slight resilience in the post Brexit period, this performance has been driven largely by internationally diversified firms rather than improvements in the UK's capital-raising environment. IPO activity has remained weak, M&A deal counts have declined relative to EU peers, and the benefits of post-Brexit regulatory autonomy under the Financial Services and Markets Act (FSMA) have yet to fully materialise. Policy should therefore focus on strengthening market participation and reducing Brexit-related frictions.

- 1. Strengthen Domestic Institutional Demand for UK Equities:** A key constraint on UK capital markets is the limited participation of domestic pension funds in equity investment. HM Treasury and the FCA should expand incentives for long-term investment in UK-listed firms by easing solvency constraints, scaling up Long-Term Asset Funds, and introducing targeted tax incentives for UK equity holdings. Increased domestic demand would improve liquidity, support valuations, and enhance the attractiveness of London as a listing venue, directly addressing the persistent weakness in IPO activity identified in the analysis.
- 2. Accelerate FSMA-Based Listing Reform and Regulatory Clarity:** While FSMA provides the legal framework for regulatory flexibility, slow and uncertain implementation has limited its impact. The FCA should expedite the implementation of simplified listing requirements, reduce disclosure burdens for growth firms, and provide clear guidance on dual-class share structures. Faster, more predictable rulemaking would reduce uncertainty, lower listing costs, and increase confidence among issuers considering London over EU alternatives.

Together, these measures would help restore the UK's capital-raising capacity and reinforce the effectiveness of post-Brexit regulatory reform.

# Introduction

This paper estimates the impact of Brexit on market performance and capital-raising activity throughout the EU, as well as the implications for firms based in the United Kingdom (UK). The focus of the study will be on analysing data based on comparisons within UK-listed firms and those positioned in the European Union (EU) that are not singularly impacted by Brexit (France, Germany, Netherlands).

Within the UK, Brexit has created friction, resulting in significant uncertainty about regulatory divergence that has led to new trading activity in EU financial centres. In this context, from 2021 onwards, Amsterdam overtook London in European share-trading volumes, signalling how market infrastructure can shift in response to regulatory changes (Stafford, 2021). This raises the question of whether UK firms have underperformed their EU counterparts.

Our choice of country is justified by the size of the capital markets of France, Germany and the Netherlands, founding members of the Union. Additionally, these countries exhibit strong alignment in terms of financial market integration, regulatory standards, and active M&A and IPO markets. These locations are also considered primary destinations for financial activity relocating from London. Furthermore, the regulatory frameworks of these countries remained unchanged due to their position within the EU Single Market and the Capital Markets Union, meaning they did not experience the regulatory shock that Brexit brought to the UK (Koester et al., 2023). Therefore, they provide a strong counterfactual when assessing whether the UK-specific changes affected market performance and capital raising.

Prior to the 2016 Brexit referendum, the United Kingdom occupied a central position within European and global financial markets. London's status as the EU's leading financial centre was underpinned by full access to the EU Single Market and financial passporting rights, which allowed UK-authorized firms to operate freely across member states (House of Commons Library, 2021). This regulatory integration supported deep capital markets, high trading volumes, and strong capital-raising activity for UK-listed firms.

The Brexit referendum in June 2016 marked a decisive break from this framework.

Although the UK did not legally leave the EU until January 2021, the referendum immediately generated prolonged political and regulatory uncertainty. Between 2016 and 2020, firms faced uncertainty regarding future market access, regulatory alignment, and cross-border financial activity, which impacted investment decisions, IPO activity, and mergers and acquisitions, even as EU law continued to apply during the transition period (House of Commons Library, 2020).

The end of the transition period on 31 December 2020 represented the point at which Brexit's legal and regulatory effects fully materialised. From 2021 onwards, the UK lost automatic passporting rights and began operating under a distinct domestic regulatory regime, while EU member states remained integrated within the Single Market and Capital Markets Union (HM Treasury, 2021). This divergence created a UK-specific regulatory shock, increasing frictions in cross-border finance and encouraged some financial activity to relocate to EU centres such as Amsterdam, Paris, and Frankfurt. Notably, Amsterdam overtook London as Europe's largest equity-trading venue from 2021, illustrating how regulatory access can reshape market infrastructure (Stafford, 2021).

In response, UK policymakers sought to leverage regulatory autonomy to sustain the UK's competitiveness as an international financial centre. Central to this strategy was the Financial Services and Markets Act 2023 (FSMA 2023), which empowers UK regulators to revoke retained EU financial law and replace it with a domestic framework that emphasises flexibility, growth, and international competitiveness (UK Parliament, 2023; FCA, 2023). FSMA therefore provides the key institutional backdrop for assessing post-Brexit market outcomes.

This study seeks to play a crucial role for institutions, policymakers, and market participants who rely on the UK as a capital-raising hub, making the dynamics of Brexit particularly important. If Brexit materially weakened the performance of UK firms or hindered their ability to raise capital, it would provide evidence that regulatory or market reform would be needed. Overall, our study provides value in its contributions both academically and for policymakers, as it provides a comparative, data-driven analysis of how Brexit has impacted the UK's market position in Europe.



# Literature Review

The post-Brexit period coincided with major global shocks, including the COVID-19 pandemic, elevated inflation, and rapid monetary tightening (Bank of England, 2023). These extraneous factors complicate attribution, making a comparative approach essential for accurate analysis. By comparing the UK with France, Germany, and the Netherlands, large EU capital markets that did not experience regulatory disruption, this study isolates Brexit-specific effects on market performance and capital-raising activity (Koester et al., 2023).

A substantial volume of research papers was produced following the 2016 referendum, in which the UK voted to leave the EU by a narrow margin. The majority of the papers explored the impact of Brexit on macro and micro-economic aspects of the UK economy such as trade (Van Reenen, 2016; Bloom et al., 2019; McGrattan and Waddle, 2020), labour market (Costa et al, 2019), output (Born et al, 2019) and investment (Bloom et al, 2019; Hassan et al, 2021). However, to date, there has been insufficient exploration of the corporate financial implications of Brexit.

This literature review examines existing research on how the UK's departure from the EU contributed to a decline in M&A and IPO activity (Di Luo, 2022) and shifts in the UK's trading activity to other European financial hub cities such as Amsterdam, Paris and Frankfurt that remained within the EU (L. Jan Reid, 2022). This review will also discuss the FCA's regulatory response to mitigate losses following the UK's exit from the European single market.

Broadly, the academic consensus is that the Brexit referendum has generated significant market uncertainty, not just in the UK but also globally. This negatively affected foreign investors' confidence in the UK's financial markets and shifted expectations. Moreover, due to uncertainty and regulatory changes, it is suggested that the UK's competitive edge in the financial market has been declining in terms of the value of total financial services exports. (Mustapha Douch et al., 2025).

There are investigations on similar financial domains, including financial markets (Davies and Studnicka, 2018; Schiereck et al., 2016; Hudson et al., 2020; Koch et al., 2024), loan markets (Berg et al., 2021), and private equity (Wright et al., 2016; Kellard et al., 2021). In general, they conclude that market performance has declined due to Brexit-related uncertainty and lower investor expectations. However, the literature lacks direct evidence on the causal link between Brexit and the UK's other financial activities, particularly in M&A deals and IPO listings.

Most existing papers focus on the uncertainty shock created by the 2016 referendum within the period from 2016 to 2020. There is very limited research on actual observed outcomes after 2020, when the UK officially left the EU. Secondly, while there are several dedicated research studies on the shift in the number of UK M&A deals as a consequence of Brexit, there is very limited research directed at investigating the impact of Brexit on IPO activity that is not speculative.

The IPO market is central to the UK's competitiveness as a global financial centre. However, post-Brexit, several factors have arisen, including the loss of passporting rights, regulatory divergence from the EU, and increased competition from the EU, which will directly impact the ability of UK firms to raise equity and the attractiveness of the UK as a financial hub. Yet, no dedicated empirical academic work has been produced to explore the shifts in IPO activity. Between 2016 and 2020, IPO activities shifted from London to Frankfurt or New York, with Brexit listed as one of the main reasons (Dennis, 2020). Both EY and PwC stated that Brexit has affected business decisions and would continue to do so later in 2021 (EY UK, 2019; PwC Europe, 2018). As of 2025, we have yet to see conclusive evidence to support their claim, given the lack of supporting literature.

Furthermore, there is also a lack of subsequent research on how changes in FCA regulations, for example, reforms in listing, in response to expected weaker demand for UK equities, have led to changes in IPO activity.

# Methodology

Our empirical analysis utilises secondary financial datasets from the Bloomberg Terminal, providing standardised, internationally comparable information on equities, IPO activity, and corporate transactions. As the study evaluates the impact of post-Brexit regulation on the performance and capital-raising activity of UK-listed firms relative to those in France, Germany, and the Netherlands, the selected data emphasise indicators that reflect market-level reactions, fundraising capacity, and cross-border financial integration.

Market performance is assessed using weekly data for the FTSE 100 (UK), CAC 40 (France), DAX 40 (Germany), and AEX 30 (Netherlands), which serve as comparators. This approach facilitates direct comparison between the UK and major European markets. These indices represent the largest and most liquid markets in Europe, providing consistent benchmarks for changes in valuation, sentiment, and sector performance.

The dataset spans 2010 to 2025, encompassing pre-Brexit trends, the post-referendum shock in 2016, and regulatory divergence from 2021 onwards. The daily frequency supports analysis of short-term reactions to significant political events within the event-study framework. Quarterly IPO data for all four markets, including the number of listings, proceeds raised, and exchange venue, were collected to examine capital-raising activity. These data capture shifts in firms' willingness and ability to raise equity during the negotiation period and following the UK's exit from the EU Single Market. Given that IPO markets are sensitive to regulatory clarity and investor expectations, they are directly relevant for identifying structural changes in London's appeal as a listing venue.

Mergers and acquisitions (M&A) data were also sourced from Bloomberg, encompassing both domestic and cross-border transactions. Variables include the number and value of announced deals involving firms in the UK, France, Germany, and the Netherlands. Since M&A flows are shaped by regulatory stability, financing conditions, and international integration, they serve as an additional indicator of how Brexit may have influenced the UK's position within European capital markets.

Data on corporate delistings were included to evaluate whether firms increasingly exited the London Stock Exchange in the post-Brexit period through acquisitions, migration to EU exchanges, or voluntary withdrawal.

France, Germany, and the Netherlands were selected as comparison markets due to their size, structural similarity, and stability. These countries represent the European Union's major financial centres, maintained consistent regulatory conditions during the analysis period, and became primary destinations for financial activity relocating from London. Their ongoing membership in the Single Market and Capital Markets Union positions them as appropriate counterfactuals for isolating the effects of UK-specific regulatory changes.

All datasets span the period from 2010 to 2025 and are organised into three literature-based phases: the pre-Brexit baseline (2010–2016), the referendum and negotiation period (2016–2020), and the post-implementation phase (2021 onwards).

This structure facilitates comparison of short-term uncertainty during the referendum phase with longer-term regulatory consequences after implementation. Gaps in delisting records were cross-checked against Bloomberg's corporate actions fields to ensure sample consistency.

To examine the impact of Brexit on UK-listed firms' ability to raise capital, quarterly IPO data for the period 2010–2025 will be obtained from the Bloomberg Terminal. The dataset will include the number of UK IPOs and will be treated as a reliable source of financial market information.

Additionally, data on trends in business mergers and acquisitions involving UK companies will be obtained from the Office for National Statistics (ONS). This dataset will complement the IPO analysis and provide broader insight into how Brexit will have influenced corporate financing and restructuring decisions.



Chancellor of the United Kingdom, Rachel Reeves (Wikimedia Commons)

For the empirical analysis, the sample will be divided into three periods: pre-Brexit (2010-2016), transition (2016-2020), and post-transition (2021-2025). This classification will allow the model to capture changes in IPO activity associated with the referendum, negotiation phase, and the post-Brexit environment.

For data processing, a time-series approach will be employed, utilising a moving-average (MA) model to capture trends in IPO activity. This approach would allow assessment of the impact of two specific Brexit-related shocks. To quantify these effects, two dummy variables will be included in the model: one representing the transition period (2016–2020) and another representing the post-Brexit period (2020–2025). These variables would allow the analysis to isolate shifts in IPO activity attributable to Brexit-related events.

The MA(2) model with dummy variables is specified as:

$$IPO_t = \mu + \theta_1 \varepsilon_{t-1} + \theta_2 \varepsilon_{t-2} + \delta_1 \text{Transition Period}_t + \delta_2 \text{Post-Brexit}_t + \varepsilon_t \quad (1)$$

A Moving-Average time-series approach, specifically an MA(2) model, is employed to effectively capture the trends and volatility in quarterly UK IPO activity. Because IPO markets are highly sensitive to short-term changes in regulatory clarity and investor expectations, an MA(2) specification is highly appropriate, as it accounts for unobserved market shocks that persist and influence listing decisions over a two-quarter horizon.

Within this framework,  $IPO_t$  serves the dependent variable representing the number of UK IPO listings in a given quarter. The intercept, denoted by  $\mu$ , establishes the baseline expected number of IPOs per quarter in a stable environment.

The moving average terms  $\theta_1 \varepsilon_{t-1}$  and  $\theta_2 \varepsilon_{t-2}$ , capture the lagged impact of unobserved market shocks ( $\varepsilon$ ) from the preceding two quarters, accounting for the delayed effect that accumulated uncertainty or sudden market confidence can have on the volume of firms executing an IPO.

To isolate and quantify the structural shifts in capital-raising activity directly attributable to Brexit-related events, the model integrates two specific dummy variables.

The coefficient  $\delta_1$ , quantifies the impact on IPO activity during the 2016–2020 transition period, a phase characterised by heightened regulatory uncertainty that constrained listings. Similarly,  $\delta_2$ , quantifies the shift in IPO activity from 2021 onwards, capturing the rebound effect as the post-Brexit environment stabilised and delayed listings were finally brought to market.

Finally,  $\varepsilon_t$  serves as the residual error term for the current quarter, capturing any variance in IPO activity not explained by the moving average components or the specific Brexit-related shocks.

# Results and Analysis

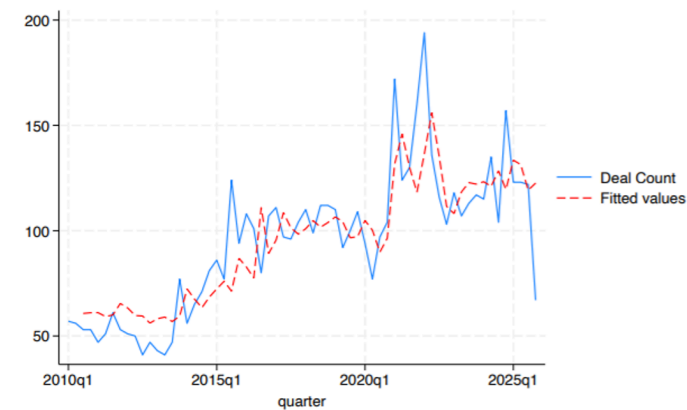
**Table 1: Model Results**

Variable	Coeff.
L1.ehat	0.403** (-0.15)
L2.ehat	0.289* (-0.151)
postbrexit	58.156*** (-6.263)
transbrexit	31.379*** (-6.477)
Constant	66.884*** (-4.195)
Observations	62
R <sup>2</sup>	0.6585

Standard errors in parentheses, \*  $p < 0.10$ ,  $p < 0.05$ , \*\*\*  $p < 0.01$ .

For the analytical model, the MA(2) regression was estimated, and all variables were found to be statistically significant. Both the Transition Period and Post-Brexit dummy variables had a significant positive impact on IPO activity. However, the coefficient for the Transition Period was smaller than that of the Post-Brexit period, suggesting that uncertainty during the transition period constrained the potential amount of IPOs, while activity increased once the post-Brexit environment stabilised.

**Figure 1: Estimated Model Contributions of the Transition Period and Post-Brexit Dummy Variables**



## Pre-Referendum

From the beginning of 2010 to the end of 2015, the FTSE 100 grew an impressive 89.6% at a CAGR of 14.93%. This period of strong performance was driven by several factors. 2010 marked the gradual recovery from the financial crisis, during which investor confidence was recovering.

Ultra-loose monetary policy, with interest rates held at 0.5% throughout (Bank of England, 2025), facilitated cheap borrowing and prompted many bondholders to shift into equities. By the end of August 2015, the Bank of England had purchased £375 billion of Assets through its asset purchase programme (Bank of England, 2015), which increased asset prices. Relative political stability in the UK allowed increased confidence in the UK's future.

## Transition

From the beginning of 2016 to the end of 2020, the FTSE 100 grew at an underwhelming rate. From the Brexit referendum in June 2016 to the end of 2020, the FTSE 100 significantly underperformed its pre-referendum trajectory, rising 26.5% at a CAGR of 5.3%. Although the post-referendum depreciation of sterling initially supported the index by boosting the overseas earnings of multinational firms, this effect was short-lived and rapidly priced in.

Prolonged uncertainty over the UK's future relationship with the European Union, repeated negotiation delays, and domestic political instability increased risk premia and weakened investor confidence. Structural factors further weighed on performance, as the FTSE 100's heavy exposure to financials, energy, and mining left it vulnerable to low interest rates and commodity price volatility. These pressures were exacerbated in 2020 by the COVID-19 pandemic, which disproportionately affected cyclical and capital-intensive sectors. Consequently, the FTSE 100 failed to sustain the growth achieved prior to the referendum during the period from 2016 to 2020.

Our data analysis shows a divide between the transition and the post-Brexit period. Our regression model yields a baseline regression coefficient of 67 deals per quarter. During the transition period, the coefficient is +31.38, demonstrating that we expect 98 deals per quarter. This increase indicates a strong recovery following the Financial Crisis; however, it is significantly lower than our coefficient for the post-Brexit period. This indicates that during the transition period, there was a constraint on the number of firms listed in the United Kingdom.

Compared with the global economy, which saw an increase in IPOs in foreign markets, the UK's market confidence was low due to uncertainty surrounding negotiations on Article 50 (Frost, 2019). As uncertainty increased, many firms chose to wait until a more certain time with lower risk, creating a buildup of firms seeking to list.

## Post-Brexit

Following the UK's formal exit from the European Union in 2021, the FTSE 100 rebounded strongly, rising by 74% from our data. This recovery coincided with the introduction of the UK's post-Brexit regulatory framework, formalised through the Financial Services and Markets Act (FSMA), alongside a challenging macroeconomic environment. Inflation rose sharply, from around 2.5% in 2021 to nearly 8% in 2022, prompting a rapid tightening of monetary policy, with the Bank of England raising the base rate from 0.1% to over 5% by 2023 (Bank of England, 2025). Despite these headwinds,

FTSE 100 performance was supported by its sectoral composition: elevated inflation and higher interest rates favoured energy and financial stocks, while elevated commodity prices boosted earnings in oil and gas firms. Rising policy rates improved bank profitability, supporting index-level earnings and dividend yields. Additionally, the FTSE 100's high exposure to overseas revenues benefited from a persistently weaker pound, thereby enhancing earnings in sterling terms.

Overall, the index's post-Brexit gains reflected the resilience of large, internationally diversified firms operating under the FSMA framework, rather than a broad-based improvement in domestic economic conditions. Our data shows that the regression coefficient almost doubles to +58.16, suggesting that we expect around 125 deals per quarter. However, this value is heavily distorted by the build-up of firms from the transition period, as well as those waiting for an increase in market confidence after the lockdowns, the finalisation of legislation, including the Trade and Cooperation Agreement, and global post-pandemic liquidity, which arrived via fiscal stimuli. (GOV.UK, 2021)

However, as these tailwinds faded, so did listings. YTD as of October 2025, there were only 12 listings on the UK main market. This motivated a legislative response: the government introduced the Financial Services and Markets Act 2023 (FSMA), which aimed to encourage international competition (FCA, 2023).

In addition, the Edinburgh Reforms (FCA, 2024) were also implemented to make it easier for UK firms to list by simplifying eligibility and requirements. At the time of writing, the FSMA has yet to be fully implemented (Legislation.co.uk, 2023), and it remains to be seen whether these policies are effective in offsetting the decline in offerings.

## M&A Activity

To analyse the effect of Brexit on capital-raising activity via Mergers and Acquisitions, we collected data from the Bloomberg terminal to assess the frequency and volume of deals and investigated the impact of Sterling depreciation.

## Transition (Deal Count & Volume)

Just before the transition period, in Q1 of 2016, we had a deal count of 596. At the end of the transition period, this fell to 483, representing an 18.96% decrease. This fall can also be attributed to high market uncertainty, which has led firms to delay acquisitions and mergers.

Whilst deal count fell drastically during the transition period, the volume, which is the sum of the merger and acquisition deal values, fell only marginally, from £32.8bn to £30.7bn. This illustrates a divergence between the number of deals and their volume.

On the eve of the referendum, the Sterling-to-Euro rate, GBP/EUR, fell from €1.30 to €1.10 later that year. The Dollar-Euro rates also fell, with GBP/USD dropping from \$1.48 to \$1.21 later in the year.

These depreciations represent a nearly 20% decline in the price of UK assets for foreign firms. This depreciation presented a buying opportunity for foreign investors looking to acquire or merge in the UK.

### Cross-Country Comparison

We analyse the cost Brexit has had on the UK compared to European peers who have remained in the European Union, using data from the Bloomberg Terminal.

Figure 2 below illustrates the deal count for the UK, Netherlands, France, and Germany from 2010 to 2025. Indexed at 100, using 2010 as a baseline.

Using this index, a decoupling of the UK and its peers is evident after the referendum. The EU nations all ended this period at a similar level to the one at which they began. However, for the UK, a general decline in deal count is evident.

**Figure 2: Relative M&A Performance by Deal Count**

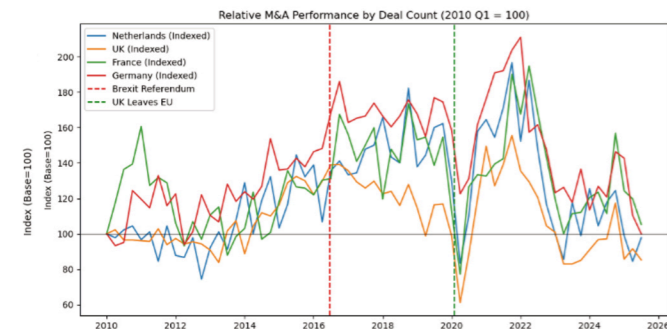
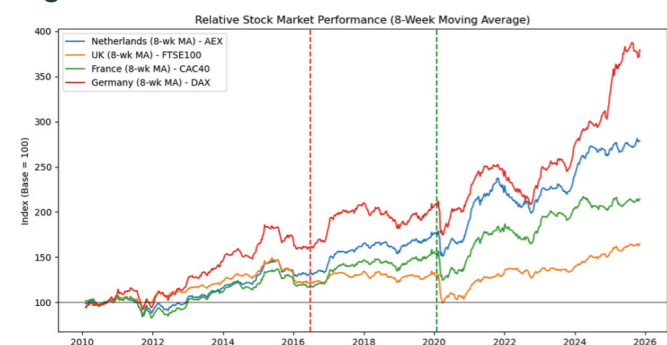


Figure 3 below shows the volume for the UK, Netherlands, France and Germany between 2010 and 2025. Indexed at 100, using 2010 as a baseline. Using this index, there is no divergence between the UK's relative performance compared to its EU peers.

**Figure 3: Relative Stock Market Performance**



This strongly suggests Brexit was a UK-specific shock, with relatively poor performance in the number of mergers and acquisitions involving UK firms. This also demonstrates that, despite a decline in mergers and acquisitions, there is no divergence in performance between the UK and its peers, highlighting the impact of sterling depreciation on deals.

With the FSMA 2023 Act, the UK aims to simplify listing and encourage international competition, thereby attracting foreign investment to the United Kingdom. However, the relatively strong performance of deal counts in other European markets suggests that firms may be favouring listings and doing deals outside the UK. (FCA, 2024)

Figure 3 illustrates the relative stock market performance of the UK, Netherlands, France, and Germany between 2010 and 2025, indexed to 2010 = 100 and smoothed using an 8-week moving average. Prior to the 2016 Brexit referendum, all four markets followed broadly similar trends, indicating no significant divergence in performance. Following the referendum, however, the FTSE 100 began to underperform its European peers, reflecting heightened political uncertainty and reduced investor confidence during the transition period.

While Germany and the Netherlands continued to grow, the UK market experienced a slower recovery and greater volatility. After the UK's formal exit from the EU in 2021, the FTSE 100 rebounded, supported by global post-pandemic conditions and regulatory clarity. Nevertheless, its relative performance remained weaker than that of key EU markets. Overall, the figure suggests that Brexit constituted a UK-specific shock to equity performance that was not fully offset by post-Brexit regulatory reforms under the Financial Services and Markets Act (FCA, 2023)



# Conclusion

This report assessed the impact of Brexit on the performance and capital-raising ability of UK-listed firms, using France, Germany, and the Netherlands as counterfactual comparators. The evidence suggests that Brexit has not significantly undermined headline equity performance; rather, it has weakened the UK's capital-raising environment relative to key European peers.

While the FTSE 100 rebounded strongly after the UK's formal exit from the EU in 2021, this recovery was primarily driven by large, internationally diversified firms that benefited from global macroeconomic conditions, favourable sectoral exposure, and currency effects. It does not reflect a broad-based improvement in the UK's domestic market competitiveness. By contrast, IPO activity and M&A deal counts remained subdued relative to EU markets, suggesting persistent Brexit-related frictions in corporate finance and cross-border investment.

Post-Brexit regulatory autonomy under the Financial Services and Markets Act has yet to translate into sustained improvements in market participation. Slow implementation and continued uncertainty have limited its effectiveness, while competing EU markets have benefited from regulatory stability and continued access to the Single Market.

These findings highlight the need for targeted policy action. Strengthening domestic institutional demand for UK equities and accelerating FSMA-based listing reforms directly address the structural weaknesses identified in the analysis. Without decisive implementation, the UK risks further erosion of its role as a leading European capital-raising hub. Conversely, effective reform could enhance market depth, restore issuer confidence, and support the UK's long-term competitiveness in post-Brexit financial markets.

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