

London loses Arm wrestle with New York as tech giant heads to the US in blow to the City

The failure of the London [stock market](#) to secure the multi-billion dollar re-listing of [Arm Holdings](#) left the [City](#) reeling today, from its second hammer blow in days.

Arm, once one of the FTSE 100's biggest tech stocks, became the second major company this week to shun London in favour of New York, after Irish building products giant [CRH](#) turned its back on the UK.

The brace of big-name setbacks sent shockwaves through the Square Mile and Westminster, raising questions about the decline in fortunes of the UK stock market as a venue for major listings.

Arm's embrace of New York defied a fierce lobbying campaign from politicians and regulators to restore the Cambridge-based firm's stock to the UK, although it said it would consider a "subsequent listing" in the UK.

There were even reports last month that the main market watchdog, the Financial Conduct Authority, was locked in talks with Softbank to change the rules in order to secure the deal, which is likely to raise about \$40 billion (£33 billion). City insiders said the talks centred on easing reporting requirements over "related party transactions" with Softbank, which will retain a stake in the firm.

Read More

- [The simple solution to London's undervalued market: buy](#)

[some shares](#)

- [FTSE 100 Live: Pearson and Rightmove post results, bitcoin price slides](#)
- [London set for summer tourist wave but hotels fear high cancellations](#)
- SPONSORED

[Top UK schools and educational centres to consider this year](#)

The failure to secure even a dual listing for London alongside the New York underlines the decline in the capital's stock market's once untouchable reputation as a venue for multinationals seeking to raise funds from investors.

Russ Shaw Founder of Tech London Advocates and Global Tech Advocates, said: "Arm's decision must be upheld as a case study for the UK Government of how 'not to do it'. It is a significant blow to the UK tech sector. It's disappointing news for the London Stock Exchange and the heritage and future of the UK semiconductor industry."

London was home for Arm's shares until 2016 when Japanese investment powerhouse Softbank bought the chip designer, whose tech is used in a range of mobiles and digital devices, and played a major role in the smartphone revolution. Softbank announced plans to re-float Arm after a series of losses on stakes in other companies, including Uber and WeWork, meant it needed to shore up its own finances.

Only yesterday, the £30 billion Irish building materials group confirmed plans to move its listing over the Atlantic, in part due to tax breaks there for infrastructure investments. Three quarters of the company's business is now done in the US.

But the timing of the two announcements stoked concern at why the pool of capital in New York has become so much deeper.

Worries have centred on a decline in investments in shares from UK pension funds and other major financial institutions.

The government has been keen to ease rules to make it easier to list shares in London, and sees such moves as a key potential advantage to Brexit. After a bleak week for the City, investors will be keeping watch for signs of progress.

Arm's chief executive, Rene Haas, said it was "proud of its British heritage", adding: "We will continue to invest and play a significant role in the British tech ecosystem. Arm also intends to consider a subsequent UK listing in due course."