

27 May 2011

The Secretary to the Code Committee
The Takeover Panel
10 Paternoster Square
LONDON
EC4M 7DY

By e-mail to: supportgroup@thetakeoverpanel.org.uk

Dear Sir

PCP 2011/1: Review of certain aspects of the Regulation of Takeover Bids

The IMA represents the asset management industry operating in the UK. Our members include independent fund managers, the investment arms of retail banks, life insurers and investment banks, and the managers of occupational pension schemes. They are responsible for the management of £3.4 trillion of assets, which are invested on behalf of clients globally. These include authorised investment funds, institutional funds (e.g. pensions and life funds), private client accounts and a wide range of pooled investment vehicles. In particular, our members represent 99% of funds under management in UK-authorized investment funds (i.e. unit trusts and open-ended investment companies). The IMA's Asset Management Survey 2009-10 recorded that IMA member firms were managing 40% of the UK equity market.

We welcome the opportunity to comment on your consultation paper. We appreciate the safeguards afforded by the Code and the Panel, and agree that it is important that the Panel reviews the workings of the Code periodically to ensure it is still effective. Please find our comments set out below.

- Broadly, we commend the Code Committee in its process from the consultation last year, and approve the issues it has chosen to take forward and agree with its decision to drop other changes which had been proposed.
- We recognise the reasons given for the proposal to shorten the virtual bid period to 28 days. We note that offeree companies may apply to extend this period should they be in serious negotiations with an offeror.
- We also approve of the Code Committee's proposals to prohibit deal protection measures and inducement fees (other than in very narrow circumstances). We support these proposals, and the ability of the Panel to grant derogations.

65 Kingsway London WC2B 6TD
Tel: +44(0)20 7831 0898 Fax: +44(0)20 7831 9975

www.investmentuk.org

- We support the proposals to increase the transparency and improve the quality of disclosure of offer-related fees and expenses.

We note that the Code only applies to companies domiciled in the UK and whilst companies domiciled overseas may seek to act in accordance with its provisions, they are not covered by the Code. In this regard, we believe that the Panel should work more closely with equivalent bodies in other jurisdictions to ensure that similar standards of shareholder protection apply. We would also welcome the Code Committee addressing the issue of the application of takeover controls to those companies listed in London but whose registered offices are overseas. Having a level playing field for UK offeror and offeree companies would do little, otherwise, to help when the offeror is not based in the UK.

If there is any clarification that you would find useful on the points we have raised then please do contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Adrian Hood', written in a cursive style.

Adrian Hood
Regulatory Adviser