

THE TAKEOVER PANEL

AMENDMENTS TO THE CITY CODE ON TAKE-OVERS AND MERGERS ("THE CODE") AND THE RULES GOVERNING SUBSTANTIAL ACQUISITIONS OF SHARES ("THE SARs")

A number of amendments are being published today: the principal ones relate to the validation of acceptances of an offer and of purchases by an offeror.

Following the Blue Circle Industries Plc/Birmid Qualcast Plc case, where certain shareholdings were counted twice, a Committee was set up by the British Merchant Banking and Securities Houses Association, to consider what steps should be taken to prevent any possibility of a recurrence. The Committee, under the chairmanship of Lord Rockley, consisted of representatives of the Take-over Panel, the Registrars Group of the Institute of Chartered Secretaries and Administrators, the Committee of London and Scottish Bankers and The Stock Exchange together with lawyers, stockbrokers and merchant bankers. The Committee has finished its work and has recommended a number of detailed changes to the Code in what is a very technical area. In addition, a guide for receiving agents has been produced and is included as Appendix 4 to the Code. Under Rule 10 the receiving agents will now be required to produce a certificate showing the numbers of acceptances received and of shares purchased by the offeror, all of which, at the last closing date of an offer, must be accompanied by the necessary documents to classify them as "up to registration standard". Copies of this certificate will then be given to the Panel and to other parties involved.

Further details of the changes and of a number of other minor amendments to the Code which are being incorporated at the same time are set out in the summary sheets issued with the new pages of the Code.

27 October 1988