

THE TAKEOVER PANEL

RULE 11 OF THE RULES GOVERNING SUBSTANTIAL ACQUISITIONS OF SHARES

There has been some uncertainty regarding the interpretation of Rule 11 of the Rules Governing Substantial Acquisitions of Shares issued by the Council for the Securities Industry. The Panel confirms that an investment manager, whether in the United Kingdom or abroad, and its discretionary clients will be regarded in the context of this Rule as persons who "act by agreement or understanding". A consequence will be that disclosure of the aggregate of the shareholdings of such clients under discretionary management (together with any holdings of the investment manager for its own account) will be required to be made when these holdings in total represent 15% or more of the voting rights of a company. It will not be necessary to name any of the clients concerned.

This requirement will take effect from 1 July and a Practice Note will be published before that date.

Where there is any doubt as to the application of the above the Panel executive should be consulted.

1 June 1984