

THE TAKEOVER PANEL

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

A new edition of the Code and the SARs is being published today.

The main changes include:-

- 1 A substantial revision of the Introduction to the Code including an explanation of the relationship between the Panel and other regulatory bodies such as the Securities and Investments Board and the self regulating organisations.
- 2 A re-structuring of and some changes to Rule 8, the dealing disclosures rule, including a more detailed account of the responsibilities of stockbrokers, banks and others who deal in relevant securities on behalf of clients. This will be of major importance to all those whose responsibility it is to ensure that dealings are disclosed correctly and at the right time. The Code also now contains copies of the forms to be used for disclosure of dealings.
- 3 Increased and more prominent references to relevant legal requirements throughout the Code.
- 4 The incorporation of the essence of a number of statements made by the Panel in recent months dealing with such issues as directors' responsibilities (new Appendix 3); announcements of offers (Rule 2); the recent revision of Rule 6 on the level of

the offer; and the importance the Panel attaches to advisers ensuring that their principals are made aware of the restrictions and requirements of the Code (introduction to the General Principles).

5 Requirements for disclosure of information in highly-leveraged offers (Rule 24.2).

6 A fuller account of the Panel's approach to conflicts of interest affecting multi-service financial organisations (Appendix 3).

Some of the amendments have been in force since the publication of the relevant Panel statements. The new changes should, where practicable, be applied with effect from 8 February 1988.

The format of the Code is such that changes can usually be made simply by the issue of replacement pages: however, on this occasion, many improvements of wording and technical alterations have been incorporated so that a completely new edition has been produced.

26 January 1988