

THE TAKEOVER PANEL

CODE COMMITTEE

THE BANK RECOVERY AND RESOLUTION DIRECTIVE

The Code Committee of the Takeover Panel has today published on the Panel's website [Instrument 2015/1](#), which introduces a new Note 19 on Rule 9.1 of the Takeover Code (the “**Code**”). The new Note 19 provides that, in the case of a company to which the Takeovers Directive applies, Rule 9.1 (the mandatory offer requirement) does not apply in relation to any change in interests in shares or other transaction which is effected by the use of resolution tools, powers and mechanisms (within the meaning given in article 216 of the Bank Recovery and Resolution (No. 2) Order 2014 (the “**Order**”)).

The new Note 19 on Rule 9.1 has been introduced as a consequence of article 219(2) of the Order, which provides that Part 28 of the Companies Act 2006 shall have effect as if a new subsection 943(1A) had been inserted after subsection 943(1). This requires that rules of the Code giving effect to Article 5.1 of the Takeovers Directive must provide that they do not apply in relation to any change in interests in shares or other transaction which is effected by “the use of resolution tools, powers and mechanisms”. Together, these changes implement the new final subparagraph of Article 4.5 of the Takeovers Directive, which has been introduced by Article 119 of the Bank Recovery and Resolution Directive. As the new Note 19 on Rule 9.1 is a consequence of changes to relevant legislation, the amendment to the Code has been made by the Code Committee without formal consultation.

The amendment set out in Instrument 2015/1 will take effect on Saturday, 10 January 2015. The electronic version of the Code on the Panel's website will be updated on Monday, 12 January and the relevant amended pages will be sent to Code subscribers.

5 January 2015