

Galina Dimitrova
The Investment Association
Camomile Court
23 Camomile Street
London
EC3A 7LL

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

Submitted via email to: supportgroup@thetakeoverpanel.org.uk

Date: 29 March 2016

Dear Sirs,

RE: Communication and Distribution of Information during an Offer

The Investment Association is the trade body that represents UK investment managers, whose 200 members collectively manage over £5.5 trillion on behalf of clients. Our purpose is to ensure investment managers are in the best possible position to:

- Build people's resilience to financial adversity
- Help people achieve their financial aspirations
- Enable people to maintain a decent standard of living as they grow older
- Contribute to economic growth through the efficient allocation of capital

The money our members manage is in a wide variety of investment vehicles including authorised investment funds, pension funds and stocks & shares ISAs. The UK is the second largest investment management centre in the world and manages 37% of European assets.

The Investment Association and its members remain strongly supportive of the Panel and its work and welcome the opportunity to comment on the Code Committee's consultation on the communication and distribution of information during an offer.

The Investment Association, mindful of the need for the Takeover Code to be clear and to reflect technological progress over time, is broadly supportive of the proposals contained within the consultation.

In particular, The Investment Association is supportive of:

- The proposed Rule 20.1, which requires that any material new information or significant new opinion relating to an offer or a party to an offer is published in a manner that allows for equality of information to shareholders and persons with information rights, for example via a RIS and publication on a website;
- The extension of the supervision requirements under the proposed Rule 20.2 to include any telephone call or meeting held by electronic means;
- The introduction of the proposed Rules 20.3 and 20.4 in relation to the use of videos and social media.

However, the Investment Association has some concerns regarding the proposed new Rule 20.2 and specifically, the dispensation under Note 3(b) for advisers other than a financial adviser or corporate broker to an offeror or the offeree company. There are concerns that the exemption from the requirement for a financial adviser or corporate broker to supervise meetings between such advisers is overly broad. Such advisers could include, for example, public relations advisers, who are not subject to regulatory or professional standards in the same way as financial advisers or corporate brokers. Even with an appropriate briefing by the financial adviser, as required by Note 3(b)(iii), this raises concerns about the level of expertise of their advice, and about the potential communication of privileged information. Furthermore, the Panel has no recourse over such advisers. This is particularly problematic, given that the exemption will apply to any stage prior to or during an offer period.

Therefore, in response to Question 18 of the consultation, we would recommend that Note 3(b) on Rule 20.2 be removed.

We hope that this feedback is helpful, and would welcome further discussion of any of the points raised in our response.

Yours faithfully,



Galina Dimitrova
Director, Capital Markets