

Takeovers Code – Draft changes published for feedback

Steve Nightingale, Simon Vodanovich, Nick Bragg, Sarah McEwan, Rupert Rouch

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MBIE has released a [request for submissions](#) and [exposure draft](#) of proposed changes to the Takeovers Code.

Key dates

Submissions due: 25 May 2018

Indicative commencement date: 1 September 2018

Key proposals

- **Standardising timeframes:** Changing from calendar days to working days and standardising how timeframes are expressed. This is a welcome change that will help interpret the Code and work to its timeframes
- **Prioritising electronic communication:** Shareholders who have provided email addresses will be provided information electronically unless they request hard copies. This is also a welcome change. Perhaps slightly more ambitiously, it will also allow shareholders in a Code company to request shareholder email addresses so they can communicate with other shareholders about a current takeover offer. These changes require an exemption from anti-spam legislation (the Unsolicited Electronic Messages Act 2007)
- **Expanding information disclosure:** Changes to address perceived disclosure gaps and drafting issues, eg to require the person(s) controlling the offeror to be identified in the offer document.

Not covered

Certain recommendations of the Takeovers Panel from March last year are not covered as they require amendments to the Takeovers Act 1993. These include the Panel's recommendation to exclude small Code companies. The Panel's recommendation is that unlisted companies with total revenue below \$15m and total assets below \$30m should not have to comply with the Code. MBIE anticipates these recommendations will be progressed through a regulatory systems amendment bill but no timeframe is given.

Submissions

We will be considering the exposure draft in detail and may make a submission. Please contact us if you would like your views heard or help with a submission.

Auckland

PwC Tower
188 Quay Street
Auckland 1010

PO Box 1433
Auckland 1140
New Zealand

P: +64 9 358 2555
F: +64 9 358 2055

Wellington

Aon Centre
1 Willis Street
Wellington 6011

PO Box 2694
Wellington 6140
New Zealand

P: +64 4 499 4242
F: +64 4 499 4141

Christchurch

83 Victoria Street
Christchurch 8013

PO Box 322
Christchurch 8140
New Zealand

P: +64 3 379 1747
F: +64 3 379 5659