

## Press Release

### For immediate release

18 September 2023

### **Takeovers Panel consults on regulatory alignment of schemes and Code offers and deal protection devices**

As part of the Takeovers Panel's ongoing review of takeovers law and practice, the Panel today released two consultation papers seeking input on a range of proposed amendments to the Takeovers Code (the **Code**) and other related capital markets legislation.

#### **Regulatory Alignment of Schemes and Code Offers – Application of Certain Code Rules to Schemes**

This paper, referred to as the “Regulatory Alignment Paper”, is available [here](#). It considers whether certain Code rules should be applied directly to schemes of arrangement relating to Code companies (schemes) and how Panel enforcement powers might work if reform is advanced.

This paper comprises:

- A summary of the Panel's background reasoning on this topic and the potential lack of alignment between the regulation of Code offers and schemes.
- A discussion of the specific Code rules which might be applied to schemes, the arguments for and against doing so and proposals for the application of certain Code rules to schemes.
- A discussion of the Code rules and sections of the Takeovers Act 1993 which the Panel considers should not be extended to schemes.
- A summary of how the Panel's enforcement powers might work if any relevant Code rules are applied to schemes and the legislative changes that this might involve, including how the Panel's role could operate so as to avoid cutting across the Court's role in deciding whether or not to approve a scheme.

#### **Deal Protection Devices**

This paper, referred to as the “Deal Protection Devices Paper”, is available [here](#). It considers deal protection devices in relation to Code transactions and schemes. In particular, it relates to whether deal protection devices should be restricted and, if so, what might be restricted.

#### **Submissions**

The Panel would greatly appreciate submissions from interested parties on the proposals outlined in the consultation papers.

The closing date for submissions is **Friday 1 December 2023**. Interested parties should see the consultation papers for details on how to make their submissions.

**ENDS**

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### About the Takeovers Panel

The Takeovers Panel is an independent Crown entity established under the Takeovers Act 1993. The Panel's mandate is to strengthen investor confidence in New Zealand's capital markets by enforcing the Takeovers Code. The Code ensures that all shareholders have a fair opportunity to participate in control change transactions (such as takeovers, mergers, acquisitions and allotments) in Code companies.

Further information on the Takeovers Panel is available at [www.takeovers.govt.nz](http://www.takeovers.govt.nz).