

UK Takeover Panel Releases Response Statement on Conditions to Offers and the Offer Timetable

Skadden

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On 31 March 2021, the UK Takeover Panel (the Panel) published Response Statement 2020/1 (the RS) in response to the Public Consultation Paper 2020/1 published by the Panel on 27 October 2020 (the PCP). The PCP proposed significant changes to the UK Takeover Code (the Code) with regard to the offer timetable and the treatment of conditions to offers. For more on the PCP's proposals, see our 29 October 2020 client alert "[UK Takeover Panel Proposes Significant Changes to the Offer Timetable and the Treatment of Conditions.](#)"

The RS confirms that the Panel will adopt the amendments proposed in the PCP, subject to certain minor modifications. The amendments to the Code will take effect on 5 July 2021. The Code, as amended, will apply to all offers which are announced in accordance with Rule 2.7 of the Code on or after 5 July 2021 (except where to do so would give the amendments retroactive effect).

These changes to the Code will:

- amend the overall offer timetable to simplify it and to accommodate the fact that offers are generally taking longer due to regulatory approval processes; and
- remove the historic anomaly in the Code whereby the ability to invoke UK and European Commission (EC) antitrust conditions is not subject to the material significance requirement.

National Security and Investment Bill

The RS states that the Panel will likely treat clearance from the Secretary of State under the proposed new regime set out in the National Security and Investment Bill (the NSI Bill) as an official authorisation or regulatory clearance for the purposes of the Code. Accordingly, to the extent that any review period has not ended by Day 37 of the offer timetable, it will normally be possible for the timetable to be suspended under the new Rule 31.4 ("Suspension of offer timetable if an official authorisation or regulatory clearance remains outstanding"). The RS also states that the Panel does not expect to make any specific amendments to the Code as a result of the enactment and implementation of the NSI Bill in its current form.

For more on the NSI Bill, see our 11 November 2020 client alert "[UK Government Introduces New Regime for Screening Foreign Direct Investment.](#)"

Trainee solicitor Krishane Sri Rajkumar contributed to this client alert.