

Takeovers BULLeTIN

A periodic newsletter to help participants in Hong Kong's financial markets better understand the Codes on Takeovers and Mergers and share repurchases

Season's Greetings

We wish all our readers health and happiness in 2013!

Asia Pacific Takeovers Regulators Forum

The Executive is pleased to announce the launch of Asia Pacific Takeovers Regulators Forum (APTRF) established by the Securities Commission Malaysia and the Securities and Futures Commission (SFC).

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The forum is designed to facilitate the exchange of ideas and views regarding takeovers and related matters among regulators in the Asia-Pacific region. Membership is open to takeovers regulators only.

It is hoped that through the exchange of ideas and views, member regulators will be able to:

- promote and develop the transparent and fair conduct of takeovers activities in their own markets;
- learn from the experience of others to assist in the development of regulation in their countries;
- protect the public in their countries against financial losses arising from malpractices in takeovers.

The concept of the forum was first foated at the Inaugural Roundtable of Regional Takeovers Regulators Conference held in Kuala Lumpur, Malaysia, in May 2012.

The Executive believes that in today's increasingly interlocking financial markets, it is important that regulators exchange information regularly to facilitate industry development and adapt global standards to local situations. The Executive is pleased to help kick-start this forum and looks forward to active participation by fellow regulators.

Highlights

- Season's Greetings
- Asia Pacific Takeovers Regulators Forum
- Reconfirmation of financial resources at document stage
- Vetting of "ancillary" documents
- Changes to Takeovers-related committees
- Quarterly update on the activities of the Takeovers Team

In addition to the Securities Commission Malaysia and the SFC, the following seven takeovers regulators in the Asia-Pacific region have signed up as members: the Australian Securities and Investments Commission; the Takeovers Panel, Australia; the China Securities Regulatory Commission; the Securities and Exchange Board of India; the Securities and Exchange Commission of Pakistan; the Monetary Authority of Singapore; and the Securities and Exchange Commission of Thailand.

reconfirmation of financial resources at document stage

subsequent offer. The Executive has from time to time been asked whether such ancillary documents need to be submitted for the Executive's comment under Rule 12.1 on the basis that they may fall within the definition of "document" under the Codes.

Given that the ancillary documents should not include any new information relating to the Code transaction that has not already been published in accordance with the Codes, the Executive takes the following pragmatic approach:

- (i) If the relevant parties confirm to the Executive that the ancillary documents do not contain any material new information with Code implications, the Executive will not require such documents to be submitted for comment in accordance with Rule 12.1. In these circumstances, the Executive will not normally require a responsibility statement under Rule 9.3 of the Takeovers Code to be included in these documents.
- (ii) If, however, the ancillary documents contain material new information with Code implications, the parties should highlight the relevant pages that contain the new information and submit them to the Executive for its comment. If the new information is sufficiently material, the Executive may consider it necessary to comment on the entire document. The Executive may also require a responsibility statement under Rule 9.3 of the Takeovers Code to be included in the relevant document.

In all cases, if an ancillary document is to be published, parties and their advisers should consult the Executive at an early stage to help avoid unnecessary delay.

Changes to Takeovers-related committees

We welcome the appointment of Mr Carlson Tong, Chairman of the SFC, as a member of the Nominations Committee with effect from 1 November 2012.

We also take this opportunity to thank Mr Chan Kin Keung, Anthony, SC who has stepped down from the Disciplinary Chair Committee for his contribution to the work of the Committee.

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