

SECURITIES INDUSTRY COUNCIL

Singapore, 10 Oct 2011 - The Securities Industry Council ("SIC" or the "Council") today issued a consultation paper on proposed amendments to the Singapore Code on Takeovers and Mergers (the "Singapore Code") to keep pace with market innovations and international practices. SIC invites interested parties to give their views and comments on the consultation paper. A copy of the consultation paper is available below.

The consultation paper is the result of discussions with practitioners in the field of mergers and acquisitions. Key proposals in the paper include the following:-

- to set out the circumstances where SIC may order compensation and clarify the sanctions which SIC may impose for breaches of the Singapore Code;
- to clarify the application of the Singapore Code to Real Estate Investment Trusts and Business Trusts;
- to explicitly require disclosure of the holdings of offeree company shares of the offeror which have been charged as security, borrowed or lent;
- to clarify when shareholders voting together at a general meeting would be regarded as parties acting in concert;
- for the purpose of the definition of "associate", to lower the threshold for disclosure of dealings during an offer period by holders of sizable stakes in the offeree company from 10% to 5%;
- to set out the considerations for determining if an offeror and an offeree company shareholder have come together to form a bid consortium;

- to take into account exposure to long options and derivatives when determining whether a person has triggered a mandatory bid obligation for an offeree company and requiring persons who intend to acquire such exposure to consult the Council beforehand;
- to require disclosure of dealings in long options and derivatives during the offer period by persons holding 5% or more in the offeree company; and
- subject to conditions, to grant a class exemption for shareholders triggering a mandatory offer as a result of a company buying back its shares under Section 76E and Section 76C.

Written comments can be submitted either by post or electronic mail to the Council by Monday, 7 Nov 2011.

The Consultation Paper can be downloaded in PDF format. Click on the following hyperlinks to download the files.

Consultation Paper on Revision of the Singapore Code on Take-overs and Mergers
(http://www.mas.gov.sg/resource/publications/consult_papers/2011/SIC_Consultation_Paper_2011.pdf)

- Annex 1

(http://www.mas.gov.sg/resource/publications/consult_papers/2011/SIC_Consultation_Paper_2011_Annex1.pdf)

- Annex 2

(http://www.mas.gov.sg/resource/publications/consult_papers/2011/SIC_Consultation_Paper_2011_Annex2.pdf)