

Chapter 7

Equity shares (commercial companies): significant transactions and reverse takeovers

7.3 Significant transactions

Notification of significant transactions

7.3.1

R

- (1) A *listed company* must notify a *RIS* as soon as possible after the terms of a *significant transaction* are agreed.
- (2) The notification must:
 - (a) state why the transaction is notifiable under ■ UKLR 7;
 - (b) contain an overview of the transaction and the *company's* reasons for entering into it, which includes the information required by ■ UKLR 7 Annex 2 Part 1 (Information relating to the transaction); and
 - (c) include any further information the *company* considers relevant, having regard to the purpose of this chapter set out in ■ UKLR 7.1.2G.

7.3.2

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- (1) A *listed company* must notify a *RIS* as soon as possible after:
 - (a) the terms of a *significant transaction* are agreed; and
 - (b) the information in (2) has been prepared or the *listed company* becomes, or ought reasonably to have become, aware of the information,
and in any event by no later than the completion of the transaction.
- (2) The notification must include:
 - (a) for a disposal, the information required by ■ UKLR 7 Annex 2 Part 2 (Disposals – financial information); and
 - (b) for all transactions, the information required by ■ UKLR 7 Annex 2 Part 3 (Non-financial information).

7.3.3

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- (1) A *listed company* must notify a *RIS* as soon as possible after the completion of the *significant transaction*.
- (2) The notification must state that:
 - (a) completion of the transaction has taken place; and
 - (b) except as disclosed, there has been no material change affecting any matter contained in a notification under ■ UKLR 7.3.1R or ■ UKLR 7.3.2R.

In (2)(b), 'material' has the meaning in ■ UKLR 7.3.14R.

- 7.3.4 **R**
- (1) Where a *listed company* includes details of estimated synergies or other quantified estimated financial benefits expected to arise from a *significant transaction* in a notification required by ■ UKLR 7.3.1R, ■ UKLR 7.3.2R or ■ UKLR 7.3.3R, the notification must include the information required by ■ UKLR 7 Annex 2 Part 4.1 (Synergy benefits).
 - (2) Where a *listed company* includes financial information (including the information required by ■ UKLR 7 Annex 2 Part 2) in a notification required by ■ UKLR 7.3.1R, ■ UKLR 7.3.2R or ■ UKLR 7.3.3R, the notification must include the information required by ■ UKLR 7 Annex 2 Part 4.2 to ■ 4.4 (Sources of information).
 - (3) Where a *listed company* includes pro forma financial information in a notification required by ■ UKLR 7.3.1R, ■ UKLR 7.3.2R or ■ UKLR 7.3.3R, the notification must include the information required by ■ UKLR 7 Annex 2 Part 4.5 (Pro forma financial information).

- 7.3.5 **G**
- (1) The purpose of ■ UKLR 7.3.1R to ■ UKLR 7.3.4R is to support engagement between the *listed company* and its shareholders and to enhance market transparency.
 - (2) When complying with ■ UKLR 7.3.1R to ■ UKLR 7.3.4R, a *listed company* should consider the nature and circumstances of the relevant transaction and what information it is necessary to disclose to support shareholder engagement and market transparency.
 - (3) For example, where a *listed company* has entered into the transaction to alleviate financial difficulty (including anticipated financial difficulty), the notification required by ■ UKLR 7.3.1R should describe the nature, urgency and severity of that financial difficulty. The notification may also contain information about financing arrangements connected to the transaction, and about what may happen if a proposed transaction does not complete.

Incorporation by reference

- 7.3.6 **R** Information may be incorporated in a notification made by a *listed company* under ■ UKLR 7.3.2R by reference to relevant information contained in:

- (1) an approved *prospectus* or listing particulars of that *listed company*;
or
- (2) any other published document of that *listed company* that has been filed with the *FCA*.

- 7.3.7 **R** Where a notification made by a *listed company* under ■ UKLR 7.3.1R, ■ UKLR 7.3.2R or ■ UKLR 7.3.3R includes information in accordance with ■ UKLR 7.3.4R, that information may be incorporated in such notification by reference to relevant information contained in:

- (1) an approved *prospectus* or listing particulars of that *listed company*;
or
- (2) any other published document of that *listed company* that has been filed with the *FCA*.

7.3.8 **R** Information incorporated by reference must be the latest available to the *listed company*.

7.3.9 **R** Information required by **■ UKLR 7.3.1R** and **■ UKLR 7.3.3R** must not be incorporated by reference to information contained in another document.

7.3.10 **R** When information is incorporated by reference, a cross-reference list must be provided in the notification to enable *security* holders to easily identify specific items of information. The cross-reference list must specify where the information can be accessed by *security* holders.

Omission of information

7.3.11 **G** The *FCA* may authorise the omission of information required by **■ UKLR 7.3.1R** to **■ UKLR 7.3.4R** if it considers that:

- (1) disclosure of that information would be:
 - (a) contrary to the public interest; or
 - (b) seriously detrimental to the *listed company*; and
- (2) the omission would not be likely to mislead the public with regard to facts and circumstances that are essential for the assessment of the matter covered by the notification.

7.3.12 **R** A request to the *FCA* to authorise the omission of specific information in a particular case must:

- (1) be made in writing by the *listed company*;
- (2) identify the specific information concerned and the specific reasons for the omission; and
- (3) state why, in the *listed company's* opinion, one or more grounds in **■ UKLR 7.3.11G** apply.

Supplementary notification

7.3.13 **R**

- (1) A *listed company* must notify a *RIS* as soon as possible if, after the notification under **■ UKLR 7.3.1R** or **■ UKLR 7.3.2R** and before completion of the transaction:
 - (a) it becomes aware that there has been a material change affecting any matter contained in that earlier notification;
 - (b) it becomes aware that a material new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification;
 - (c) it has agreed a material change to the terms of the transaction; or
 - (d) it has agreed the terms of one or more further transactions that are of a type referred to in **■ UKLR 7.2.11R(1)(a)**, **■ (b)** or **■ (c)** and

are material but are not a *significant transaction* in their own right (individually or together).

- (2) The supplementary notification in (1)(a), (b) or (c) must:
 - (a) give details of the change or new matter; and
 - (b) contain a statement that, except as disclosed:
 - (i) there has been no material change affecting any matter contained in the earlier notification; and
 - (ii) no other material new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
- (3) The supplementary notification in (1)(d) must include the information set out in ■ UKLR 7 Annex 2 Part 1 (Information relating to the transaction) in relation to the further transaction or transactions.

7.3.14

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In ■ UKLR 7.3.13R, 'material' means material for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the *listed company* and the rights attaching to any *securities* forming part of the consideration. It includes:

- (1) a change in the terms of the transaction that increases any of the *percentage ratios* by 10% or more; and
- (2) where the further transaction or transactions referred to in ■ UKLR 7.3.13R(1)(d) would, if they were aggregated with the transaction or aggregated transactions (as applicable), result in an increase of any of the *percentage ratios* by 10% or more.