

Introduction

Welcome to the latest in our series of regular alerts containing a round-up of news from our capital markets practice. We advise companies, financial advisers and underwriters on all aspects of capital markets and public M&A transactions in all the principal markets of the UK, US, Europe and Asia Pacific. We would be delighted to discuss with you any issues arising out of the items covered in this update.

Hot Off the Press

We would like to let you know that the format of this update will be changing in the Autumn. Future updates will be presented through our soon to be launched blog called "Down the Wire". We will send you details and links for you to subscribe as soon as they are available. We hope you will enjoy our new offering and let us have your comments and thoughts.

Takeover Code: Consultation on Amending Definition of Voting Rights

The Code Committee of the Takeover Panel has published a consultation paper on its proposals to amend the definition of "voting rights" in the Code. The proposed amendments are intended to make it clear that shares (other than treasury shares) which are subject to a restriction on the exercise of voting rights, or to a suspension of voting rights, should nonetheless be taken into account for the purposes of the Code as having voting rights which are currently exercisable at a general meeting. The Code Committee considers that the proposed amendments are necessary to codify existing practice in relation to the treatment of shares subject to a restriction on voting rights, and to eliminate the scope for a company to issue suspended voting shares as a means of avoiding the normal application of Rule 9 (mandatory offers) of the Code, including the requirement for a company to obtain a whitewash. The Code Committee also proposes a number of other minor amendments.

Responses to the consultation are requested by 11 September 2015.

A copy of the consultation paper can be viewed on [The Takeover Panel website](#). (PDF)

Takeover Code: Consultation on Additional Presumptions to Definition of Acting in Concert

The Code Committee of the Takeover Panel has published a consultation paper setting out its proposals to introduce three new presumptions to the definition of "acting in concert" in the Takeover Code. The proposed amendments are intended to codify the Panel Executive's existing practices. The Code Committee proposes to introduce new presumptions to the definition of "acting in concert" in relation to each of the following categories of person, such that those persons will be presumed to be acting in concert with each other:

- A person, the person's close relatives, and the related trusts of any of them, all with each other.
- The close relatives of a founder of a company to which the Code applies, their close relatives, and the related trusts of any of them, all with each other.
- Shareholders of a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Code applies, or who, following the re-registration of that company as a public company in connection with an IPO or otherwise, become shareholders in a company to which the Code applies.

Responses to the consultation are requested by 11 September 2015.

A copy of the consultation paper can be viewed on [The Takeover Panel website](#). (PDF)

ESMA Issues Revised Draft Prospectus Standards

The European Securities and Markets Authority has published its final report and draft regulatory technical standards (RTS) on prospectus-related issues under the Omnibus II Directive. The draft RTS specify procedures for the approval of prospectuses, publication of approved prospectuses and the dissemination of advertisements and other information relating to an offer or admission of securities to trading. ESMA has also now dropped its proposed changes relating to the incorporation of information by reference.

The European Commission has three months from 1 July 2015 to decide whether to endorse ESMA's draft RTS.

A copy of the report can be viewed on the [ESMA website](#). (PDF)

Capital Markets Union: TheCityUK Report on European Listings Regimes

TheCityUK has published a report setting out the findings of its review of the European listings regime. The review aligns with the European Commission's commitment to develop a Capital Markets Union and proposes how the current regime could be improved to advance the goals of a CMU. It also recommends improving the regime for new listings and examines the continuing obligations of listed issuers.

The report states that capital markets play too small a role in financing growth, and that European businesses are too heavily reliant on banks. It further states that this is a particular problem in the small and medium enterprise (SME) sector where over 70% of finance is provided by way of bank loans. It makes a number of recommendations aimed at making Europe's capital markets more accessible and fundraising quicker, cheaper and easier, with a view to ensuring that companies of all sizes and levels of maturity are able to secure capital for long-term growth from more diverse sources.

The report also examines the IPO process and what can be done to improve the process for those companies which achieve the size and maturity required for listing on a regulated market and beyond, to simplifying secondary fundraisings on the capital markets. In its view, admission to a regulated market can be made less burdensome without lowering standards by splitting the prospectus and the issuer publishing a core registration statement earlier in the admission process.

A copy of the report can be viewed on [TheCityUK website](#).

MIFID II: Final Report on Draft Technical Standards

ESMA has published its final report on draft technical standards on authorisation, passporting, registration of third country firms and co-operation between competent authorities under MiFID II and MiFIR.

The final report covers the majority of the draft technical standards on investor protection topics that ESMA is expected to develop. The remaining draft technical standards (including the draft regulatory standards on the admission of financial instruments to trading on regulated markets) that ESMA is mandated to develop under MiFID II are expected to be published by the end of 2015.

A copy of the report can be viewed on the [ESMA website](#). (PDF)

Global Equity Capital Markets Review for the First Half of 2015

Thomson Reuters has published its global equity capital markets review for the first half of this year. It shows that global ECM activity totalled US\$516.8 billion during the first half of 2015, representing a 9% increase compared to the first half of 2014. This was the strongest opening six-month period for global ECM issuance since records began in 1980. Second quarter ECM issuance increased 8% compared to the first quarter of this year.

A copy of the report can be viewed on the [Thomson Reuters website](#). (PDF)

CREST and CHAPS: Extension of Settlement Day

The Bank of England has issued a press release announcing that, with effect from summer 2016, the settlement day for CREST (the UK's securities settlement system) and CHAPS (the UK's high-value payment system) will be extended by one hour and forty minutes. This means that, in the future, these systems will close at 6.00 pm for direct participants, such as the major banks. This will better align the CREST and CHAPS settlement day with the typical business hours of many system users.

The BoE, Euroclear UK & Ireland and CHAPS Co will, over the coming months, seek to raise awareness of the change. An implementation date in summer 2016 will be confirmed by the end of August this year.

A copy of the press release can be viewed on the [Bank of England website](#). (PDF)

How We Can Help

We would be pleased to discuss with you in more detail any of the matters raised in this update.

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