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**ANNEX**

In this Annex, underlining indicates new text and striking through indicates deleted text.



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# The DFSA Rulebook

## Takeover Rules Module

**(TKO)**

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## **2 THE APPROACH, ANNOUNCEMENTS AND ADVICE**

### **2.4 Announcement of a firm intention to make a bid**

**2.4.6** When there has been an announcement of a firm intention to make a Bid, the Bidder must proceed with the Bid unless ~~the posting~~ of the Bid is subject to the prior fulfilment of a previously disclosed specific condition and that condition has not been fulfilled.

#### **Guidance**

The DFSA may waive or modify the application of Rule 2.4.6 if it is satisfied that circumstances are appropriate. See Chapter 16 of these Rules. See also Rule 11.1.1 and the Guidance thereto.

## **3 RESTRICTED DEALINGS BEFORE AND DURING AN OFFER PERIOD**

### **3.3 Restrictions on the sale of shares during a bid period**

**3.3.1** During a Bid Period, the Bidder and Persons acting in concert with it must not sell any Securities ~~Shares~~ in the Target.

#### **Guidance**

1. As a matter of course, the DFSA will not waive the requirements under Rule 3.3.1 for sales where a Mandatory Bid under Chapter 4 is being made.
2. Where the DFSA grants a waiver from this requirement, it may:
  - a. require a period of prior public notice that sales might be made; and
  - b. impose a restriction that after notice has been given that sales may be made, neither the Bidder nor Persons acting in concert with it may make further purchases.

## **8 DOCUMENTS ISSUED BY GOVERNING BODIES**

### **8.1 The general obligation as to information**

**8.1.1** .....

**8.1.2** The Governing Bodies of Bidder and Target must make timely disclosure of all statements, notices, declarations and other documents such as the Bid Document and the Target Circular in the same manner as a market disclosure under Rule 8.2.1 of the Offered Securities Rules.

**Guidance**

This provision applies Rule 8.2.1 of the Offered Securities Rules in respect of the Bidder and Target to a takeover regardless of whether they are Reporting Entities. For the avoidance of doubt, specific obligations to make disclosure are also contained in Rules 2.6.1, and 3.4.1.

## **11 BID TIMING AND REVISION**

### **11.1 Filing and posting the bid document and target circular**

**11.1.1** A Bidder must:

- (a) post the Bid Document to shareholders within 21 days of its announcement of a firm intention to make a Bid; and
- (b) give prior notice to the DFSA by filing a copy of the Bid Document with the DFSA at least 1 full day (24 hours) prior to such posting.

**Guidance**

1. The DFSA must be consulted if it is considered inappropriate or unlikely that the Bid Document is posted within this period and may, in considering any appropriate waiver or modification, require that interest for the period of delay be included in the Bid.
2. The DFSA will not consider the merits of the Bid. It should not be assumed that because of this prior notification, the DFSA will not use powers available to it where the need for remedial action of subsequently identified.
3. The DFSA expects that the Bid Document will be posted within 21 days of the announcement of a firm intention to make a Bid unless the bid is subject to regulatory pre-conditions of a type acceptable to the DFSA. Such regulatory pre-conditions, if acceptable to the DFSA may be permitted by way of a modification to delay the posting and disclosure of the bid documents as required under Rule 11.1.1(a) and (b) and Rule 2.4.6. Any such acceptance must be obtained in the form of a modification pursuant to Rule 16.1.
4. See also Rule 8.1.2 in relation to disclosure of the Bid Document.

**11.1.2** The Governing Body of the Target must:

- (a) advise the Target's shareholders of its views on the Bid by posting a Target Circular to the shareholders within 21 days of publication of the Bid Document; and



## TAKEOVER RULES (TKO)

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- (b) give prior notice to the DFSA by filing a copy of the Target Circular with the DFSA at least 1 full day (24 hours) prior to such posting.

### **Guidance**

1. See also Rule 8.1.2 and Rule 8.2.2. in relation to the disclosure of the Target Circular.
2. The DFSA will not consider the merits of the response to the Bid. It should not be assumed that because of this prior notification, the DFSA will not use powers available to it where the need for remedial action is subsequently identified.