

THE TAKEOVER PANEL

COMPANIES TO WHICH
THE TAKEOVER CODE APPLIES

RESPONSE STATEMENT BY
THE CODE COMMITTEE



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1. Introduction and summary

(a) Introduction

- 1.1 On 24 April 2024, the Code Committee of the Takeover Panel (the “**Code Committee**”) published a [Public Consultation Paper](#) (“**PCP 2024/1**” or the “**PCP**”) to propose a new jurisdictional framework which would narrow the scope of the companies to which the [Takeover Code](#) (the “**Code**”) applies under [section 3 of the Introduction to the Code](#) (“**section 3 of the Introduction**”).
- 1.2 The proposed amendments would refocus the application of the Code on companies which are registered in the UK, the Channel Islands or the Isle of Man and whose securities are (or were recently) admitted to trading in one of those jurisdictions.
- 1.3 The following table summarises the application of the Code (i) immediately prior to the implementation of the amendments set out in this Response Statement, (ii) during the transition period referred to in paragraph 1.7(c) below, and (iii) following the end of the transition period:

IMMEDIATELY PRIOR TO IMPLEMENTATION DATE (“ID”)		TRANSITION PERIOD (“TP”)	FOLLOWING TRANSITION PERIOD	
STATUS	CODE COMPANY?	CODE COMPANY?	STATUS	CODE COMPANY?
UK quoted	Yes	Yes If ceases to be UK quoted during TP, will go into 2 year run-off	Remains UK quoted	Yes
			UK quoted < 2 years prior	Yes for 2 years from ceasing to be UK quoted
PLC/LTD: Ceased to be UK quoted < 2 years prior to ID	Yes, if UK resident	Transition company Code company if UK resident at time of transaction	Ceased to be UK quoted > 2 years prior	No Not UK quoted currently or > 2 years prior
	No, if not UK resident	Not a Code company if not UK resident at time of transaction		
(a) PLC/LTD: Ceased to be UK quoted 2-10 years prior to ID (b) PLC: Never UK quoted (c) LTD: In 10 year run-off	Yes, if UK resident	Transition company Until earlier of end of (i) TP and (ii) 10 year run-off: Code company if UK resident at time of transaction	Ceased to be UK quoted > 2 years prior/ Never UK quoted	No Not UK quoted currently or > 2 years prior
	No, if not UK resident	Not a Code company if not UK resident at time of transaction		

(b) Summary of current position

1.4 The **current section 3(a) of the Introduction** provides that the Code applies to the following companies which have their registered offices in the UK, the Channel Islands or the Isle of Man (i.e. **“UK registered”**¹ companies):

- (a) companies whose [securities](#)² are admitted to trading on a [UK regulated market](#) (a **“UK RM”**), a [UK multilateral trading facility](#) (a **“UK MTF”**), or a stock exchange in the Channel Islands or the Isle of Man (i.e. **“UK quoted”**³ companies) (under **section 3(a)(i) of the Introduction**);
- (b) public companies which are not UK quoted (including public companies whose securities are traded solely on an overseas market or using a matched bargain facility) (under the first paragraph of **section 3(a)(ii) of the Introduction**); and
- (c) certain private companies (under paragraphs (A) to (D) of **section 3(a)(ii) of the Introduction**), i.e.:
 - (i) companies which were UK quoted at any time during the 10 years prior to the **“relevant date”**⁴;
 - (ii) companies in respect of which [dealings](#) in securities, and/or prices at which persons were willing to deal in securities, have been published on a regular basis for a continuous period of at least six months in the 10 years prior to the relevant date;
 - (iii) companies whose securities have been subject to a marketing arrangement as described in [section 693\(3\)\(b\)](#) of the Companies Act 2006 at any time during the 10 years prior to the relevant date; and
 - (iv) companies which have filed a prospectus at any time during the 10 years prior to the relevant date.

¹ For ease of reference, this Response Statement uses the term **“UK registered”** as opposed to a more accurate term such as **“UK, Channel Islands or Isle of Man registered”**.

² The definition of [“shares or securities”](#) in the Definitions Section of the Code provides that in **sections 3(a)(i) and (ii) of the Introduction** the “securities” referred to are those securities comprised in the company’s equity share capital (whether voting or non-voting) and other transferable securities carrying voting rights.

³ For ease of reference, this Response Statement uses the term **“UK quoted”** as opposed to a more accurate term such as **“admitted to trading on a UK RM, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man”**. This replaces the term **“UK-listed”** used in the PCP.

⁴ The **“relevant date”** is the date on which an announcement is made of a proposed or possible offer for the company or the date on which some other event occurs in relation to the company which has significance under the Code.

1.5 In the case of the companies referred to in paragraphs 1.4(b) and (c) above, the Code applies only if the company has its place of central management and control in the UK, the Channel Islands or the Isle of Man (i.e. the company is “**UK resident**”⁵). The requirement for such a company to be UK resident is referred to as the “**residency test**”.

(c) Summary of proposals

(i) Narrowing the scope of the companies subject to the Code

1.6 **Section 2** of the PCP proposed that, subject to transitional arrangements, the scope of the Code should be narrowed so that it would apply to a company (a “**Code company**”) only if, on or after the date of the implementation of the amendments (the “**implementation date**”), the company is UK registered and either:

- (a) the company is UK quoted; or
- (b) the company was UK quoted at any time during the three years prior to the relevant date.

1.7 In summary:

- (a) a UK quoted company which falls within the **current section 3(a)(i) of the Introduction** immediately prior to the implementation date would continue to be a Code company under the proposed **new section 3(a)(i) of the Introduction** for so long as it remains UK quoted;
- (b) a UK quoted company which falls within the **current section 3(a)(i) of the Introduction** immediately prior to the implementation date and which ceases to be UK quoted on or after the implementation date would continue to be a Code company under the proposed **new section 3(a)(ii) of the Introduction** for a “**run-off period**”, which the PCP proposed should be a period of three years from the date of the cancellation of the admission to trading of its securities; and
- (c) a public or private company which falls within the **current section 3(a)(ii) of the Introduction** immediately prior to the implementation date would be a “**transition company**” subject to the transitional arrangements set in the proposed **new section 3(a)(iii) of the Introduction** and the new **Transitional Appendix** of the Code, which the PCP proposed should apply for a period of three years from the implementation date (the “**transition period**”).

⁵ For ease of reference, this Response Statement uses the term “**UK resident**” as opposed to a more accurate term such as “**UK, Channel Islands or Isle of Man resident**”.

1.8 The residency test would no longer be relevant, other than for transition companies, and would be abolished entirely with effect from the end of the transition period.

(ii) *Transitional arrangements*

1.9 **Section 3** of the PCP set out the transitional arrangements which it was proposed would apply for three years from the implementation date in order to ensure that a company to which the **current section 3(a)(ii) of the Introduction** applies (or potentially applies) immediately prior to the implementation date (i.e. a public company which is not UK quoted or a private company to which one of paragraphs (A) to (D) of **current section 3(a)(ii)** applies) would have a period of time to adjust to the new regime. Such a company would be a transition company to which the **new section 3(a)(iii) of the Introduction** and the new **Transitional Appendix** of the Code would apply.

1.10 In summary, a company would be a transition company if it is either:

- (a) a company to which the **current section 3(a)(ii) of the Introduction** applies immediately prior to the implementation date; or
- (b) a company to which the **current section 3(a)(ii) of the Introduction** would apply immediately prior to the implementation date but for the fact that it does not satisfy the residency test at that time.

1.11 Therefore:

- (a) whether a company is a transition company would be determined by the company's status immediately prior to the implementation date; and
- (b) whether a transition company is a Code company in respect of a specific transaction would be determined on the "relevant date", i.e. the date on which an announcement is made of an offer or possible offer for the company or on which some other event occurs in relation to the company which has significance under the Code. For example, if a transition company is not UK resident on the relevant date, it will not be a Code company in respect of the proposed or possible offer or other event which has significance under the Code (even if it was UK resident, and was a Code company, immediately prior to the implementation date).

1.12 If a UK registered and UK quoted company ceases to be UK quoted on or after the implementation date, it would then be subject to the **new section 3(a)(ii) of the Introduction** for the duration of the new run-off period, i.e. the Code will apply to any offer for the company (or other relevant transaction) if the "relevant date" falls within the run-off period. Such a company would not be a transition company subject to the transitional arrangements.

(d) Responses to consultation

- 1.13 The consultation period in relation to PCP 2024/1 ended on 31 July 2024. Responses were received from nine respondents. The eight respondents who submitted comments on a non-confidential basis are listed in **Appendix A** and their responses have been published on the Panel's [website](#). The Code Committee thanks all of the respondents for their comments.
- 1.14 In general, the respondents strongly supported the proposals and welcomed the clarity and certainty that the amendments would introduce in relation to the companies to which the Code applies. The comments and suggestions made by respondents are summarised in **Sections 2 and 3** below. Respondents provided differing views on the length of the proposed run-off and transition periods, which some respondents considered should be shorter than the period of three years proposed in the PCP.

(e) The Code Committee's conclusions

- 1.15 Having considered the responses to the consultation, the Code Committee has adopted the amendments proposed in the PCP, subject to the modifications described in **Sections 2 and 3** below. The principal change to the amendments proposed in the PCP is that the length of each of the run-off period and the transition period will be two years rather than the period of three years proposed in the PCP.
- 1.16 Therefore, subject to the transitional arrangements summarised in paragraphs 1.9 to 1.12 above, and provided that the company had not been UK quoted at any time during the two years prior to the "relevant date" (in which case it would be subject to the Code under the **new section 3(a)(ii) of the Introduction**), the UK registered companies to which the Code will no longer apply include:
- (a) a public or private company which ceased to be UK quoted more than two years prior to the relevant date;
 - (b) a public or private company whose securities are, or were previously, admitted to trading solely on an overseas market;
 - (c) a public or private company whose securities are, or were previously, traded using a matched bargain facility, such as [Asset Match](#) or [JP Jenkins](#);
 - (d) any other public company which is not UK quoted; and
 - (e) a private company which filed a prospectus at any time during the 10 years prior to the relevant date.

1.17 In addition, following the implementation of the proposals, it will be clear that the Code does not apply to a UK registered company which is not UK quoted (and which has not recently been UK quoted) solely by virtue of its securities or other interests being traded using another platform, such as:

- (a) a Private Intermittent Securities and Capital Exchange System (or PISCES);
- (b) a private market, such as [TISE Private Markets](#); or
- (c) a secondary market of a crowdfunding platform, such as the [Seedrs Secondary Market](#).

(f) Code amendments

1.18 The amendments to the Code which the Code Committee has adopted as a result of the consultation are set out in **Appendix B**. In **Appendix B**, underlining indicates new text and striking-through indicates deleted text, as compared with the current provisions of the Code. Where new or amended provisions of the Code are set out in the main body of this Response Statement, they are marked to show changes from the provisions as they were proposed to be amended in the PCP.

(g) Implementation and transitional arrangements

1.19 The amendments to the Code set out in this Response Statement will take effect on Monday, 3 February 2025, which will therefore be the implementation date.

1.20 The table in **Appendix C**⁶ summarises the application of the Code (i) immediately prior to the implementation date, (ii) during the transition period and (iii) after the end of the transition period. The diagram in **Appendix D** summarises whether a company will be a transition company on the implementation date and the diagram in **Appendix E** summarises whether a transition company will be a Code company in respect of a specific transaction.

1.21 The transitional arrangements will cease with effect from Wednesday, 3 February 2027, when **section 3(a)(iii) of the Introduction** and the **Transitional Appendix** will be deleted from the Code (and any consequential amendments made) without further consultation.

⁶ The table in **Appendix C** is a simplified version of the table in Appendix C to the PCP.

2. Narrowing the scope of the companies subject to the Code

(a) Summary of proposals

(i) *Narrowing the scope of the Code*

2.1 **Section 2** of the PCP proposed that **section 3(a) of the Introduction** should be amended to narrow the scope of the Code so that it would apply to a company only if, on or after the implementation date, the company is UK registered and the company either:

(a) is UK quoted; or

(b) was UK quoted at any time during the three years prior to the “relevant date”.

2.2 Subject to the transitional arrangements proposed in **Section 3** of the PCP, it was therefore proposed that the Code would no longer apply to a public company or a private company which neither is UK quoted nor was UK quoted during the three years prior to the “relevant date”.

2.3 Currently, a company which is not UK quoted will be subject to the Code only if it satisfies the “residency test”. The PCP proposed the abolition of the residency test, such that a company which ceases to be UK quoted on or after the implementation date would continue to be a Code company for a “run-off period” from the date on which it ceases to be UK quoted, regardless of its place of central management and control (i.e. the residency test). A transition company subject to the transitional arrangements in the proposed **new section 3(a)(iii) of the Introduction** would, however, continue to be subject to the residency test during the transition period.

2.4 It was also proposed that **section 3(a) of the Introduction**:

(a) should no longer make explicit reference to statutory companies, chartered companies and UK Societas; and

(b) should codify the Panel’s existing practice of not applying the Code to companies with a sole beneficial owner.

(ii) *Ability to waive the application of the Code*

2.5 **Section 2(g)** of the PCP proposed to introduce into **section 3(a) of the Introduction** an ability for the Panel to grant a waiver from the application of some or all of the provisions of the Code in respect of a company which is not UK quoted (rather than, as at present, solely in respect of statutory, chartered and private companies).

(iii) *Re-registration and cancellation of admission to trading*

2.6 **Section 2(h)** of the PCP proposed to:

- (a) delete the **current section 3(e) of the Introduction**, which relates to disclosures that a public company should make to shareholders if it re-registers as a private company and, as a result, will cease to be a Code company. This was on the basis that, under the proposed new jurisdictional regime, there would no longer be circumstances in which the re-registration of a public company as a private company would, of itself, result in the Code ceasing to apply to the company and, accordingly, the **current section 3(e) of the Introduction** would no longer be relevant; and
- (b) introduce a **new section 3(e) of the Introduction** in relation to disclosures that a UK quoted company should make to shareholders if it decides that it wishes to cancel the admission of its securities to trading on a UK RM, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man in order to inform shareholders that, as a result of the cancellation of admission to trading, the company would enter a run-off period, following which the Code would cease to apply.

(iv) *Minor and consequential amendments*

2.7 **Section 2** of the PCP proposed to make minor consequential amendments to:

- (a) **section 3(b) of the Introduction** (which relates to the transactions to which the Code applies);
- (b) **section 3(f) of the Introduction** (which relates to the responsibilities and obligations of persons to whom the Code applies);
- (c) the **Note** on the definition of “**reverse takeover**” in the Definitions Section of the Code; and
- (d) the definitions of “**shares or securities**”, “**UK multilateral trading facility**” and “**UK regulated market**” in the Definitions Section of the Code.

(b) *Narrowing the scope of the Code and the length of the run-off period*

2.8 The PCP asked:

Q1. Should the scope of the Code be narrowed to apply only to a company which is “UK-listed” or which was “UK-listed” at any time during the three years prior to the relevant date?

Q2. Do you agree that the “run-off” period for a company which ceases to be UK-listed should be three years?

(i) Respondents' comments

- 2.9 All of the respondents supported the proposal that the current scope of the companies to which the Code applies should be narrowed. Eight of the respondents supported the proposal that the Code should apply to a company which either is, or has recently been, UK quoted. The ninth respondent disagreed with the proposal that the Code should apply to a company which had cancelled the admission to trading of its securities.
- 2.10 The respondents who agreed that the Code should apply to companies which had recently cancelled the admission to trading of their securities generally supported the proposal that the run-off period for which the Code should continue to apply following the company ceasing to be UK quoted should be three years. However, one respondent considered that there was an argument for reducing the run-off period to two years. Another respondent considered that there should be an ability for the Panel to shorten the run-off period for a particular company if alternative arrangements to the application of the Code were put in place.
- 2.11 As indicated above, one respondent considered that a run-off period was unnecessary, that the Code should no longer apply to a company immediately upon its securities ceasing to be admitted to trading, and that shareholders would be adequately protected by the company making appropriate disclosures to this effect. In particular, the respondent considered that, if a company ceased to be UK quoted but its securities remained, or became, admitted to trading overseas, the application of the Code for a three year run-off period would disadvantage the company and its shareholders because the company would be subject to different regulation to other companies whose securities were admitted to trading on the overseas exchange. The respondent suggested that, if a run-off period during which the Code applied were to be retained for companies which ceased to be UK quoted, it should be for one year only. The respondent considered that this would be an adequate period for shareholders and companies to make alternative arrangements.
- 2.12 Two respondents highlighted that, if the residency test was abolished for companies whose securities cease to be UK quoted, the Code would apply during the run-off period to all companies which cancelled the admission to trading of their securities on a UK RM, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man, i.e. regardless of whether a majority of the company's directors was resident in the UK, the Channel Islands or the Isle of Man. One of those respondents considered that the abolition of the residency test would be beneficial for investors and provide greater certainty and clarity as to the company's status under the Code. The other respondent noted that this was

stricter than the current regime, in that a company which ceased to be UK quoted and which wished to move outside the application of the Code would no longer be able to do so by managing the composition of its board.

(ii) The Code Committee's response

- 2.13 The Code Committee continues to believe that the Code should continue to apply not only to companies which are UK quoted but also to companies which recently cancelled the admission to trading of their securities.
- 2.14 With regard to the proposed run-off period, a company may have cancelled the admission to trading of its securities in circumstances where shareholders holding a minority of the company's securities did not accept a takeover offer, or had voted against a resolution to cancel the admission to trading, and had chosen to remain as shareholders in the company. In view of this, the Code Committee considers that the continued application of the Code should ensure that, for the duration of the run-off period, any new controller will only be able to acquire the shares held by those shareholders in a manner which complies with the [General Principles](#) and rules of the Code.
- 2.15 The Code Committee continues to believe that the run-off period and the transition period for transition companies (see **Section 3** below) should be of a consistent length. In the light of the respondents' views on the duration of the run-off period and of the transition period, and following discussions with a number of the respondents who specifically addressed the issue, the Code Committee has concluded that the duration of the run-off period for companies which cease to be UK quoted should be two years rather than the three years proposed in the PCP.
- 2.16 The Code Committee considers that a company which cancels the admission to trading of its securities from a UK RM, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man should remain subject to the Code for the duration of the run-off period, regardless of whether the company's securities remain or become admitted to trading on an overseas exchange, and regardless of the residency of its directors.
- 2.17 In addition, the Code Committee considers that the duration of the run-off period should be the same for all companies and that the Panel should not have the discretion to shorten the run-off period applicable to a particular company which introduces alternative arrangements to the application of the Code prior to the end of the run-off period.

(c) Ability to waive the application of the Code

- 2.18 The PCP asked:

Q3. Should the Panel have the ability, where appropriate, to grant a waiver from the application of some or all of the provisions of the Code in respect of a company which has ceased to be “UK-listed”?

(i) Respondents' comments

2.19 All of the respondents supported, or did not comment on, the proposal that the Panel should have the ability, where appropriate, to grant a waiver from the application of some or all of the provisions of the Code in respect of a company which has ceased to be UK quoted.

2.20 One respondent requested clarification as to the circumstances in which a waiver from the application of the Code might be granted by the Panel. The respondent asked whether a waiver could be sought by a company only at the time of an offer or possible offer, or whether a waiver might be granted either at the time of cancellation of admission to trading or at any time thereafter during the run-off period.

2.21 The same respondent suggested that it might be appropriate to grant a waiver from the application of the Code where a company had ceased to be UK quoted but its securities remained, or became, admitted to trading on an overseas exchange.

(ii) The Code Committee's response

2.22 The Code Committee would expect the Panel Executive (the “**Executive**”) normally to consider whether to grant a waiver from the application of some or all of the provisions of the Code under the proposed new **section 3(a)(iv) of the Introduction** (which has been adopted as the new **section 3(a)(v)**) only in the context of the specific circumstances of a proposed transaction. It would not expect the Executive normally to grant such a waiver in the absence of a transaction or event to which the Code would otherwise apply.

2.23 The Code Committee understands that the Executive will be likely to grant a waiver from the application of the entire Code only where it considers that it is inappropriate or disproportionate for the Code to apply to the company in relation to the particular transaction.

2.24 Given that the Code Committee believes that the Code should continue to apply for a run-off period to a company which ceases to be UK quoted, even if its securities remain or become admitted to trading on an overseas exchange, the Code Committee considers that it is unlikely that the Executive would grant a waiver from the application of the Code to a company simply as a result of its having ceased to be UK quoted within the previous two years.

(d) Proposed new section 3(a) of the Introduction

2.25 The PCP asked:

Q4. Do you have any comments on the proposed new section 3(a) of the Introduction?

(i) Respondents' comments

2.26 In general, the respondents supported, or had no comments on, the text of the proposed new **section 3(a) of the Introduction**.

2.27 One respondent suggested a minor drafting amendment so as to make clear that the **new section 3(a)(ii) of the Introduction** (in relation to companies which have ceased to be UK quoted) will not apply to an open-ended investment company or to a company with a sole beneficial owner, as these companies will fall within the proposed new **section 3(a)(v) of the Introduction** (which has been adopted as the new **section 3(a)(iv)**).

2.28 One issue which arose during the course of the consultation related to a scenario where an offeror had acquired 100% of the securities of a UK quoted company to which the **new section 3(a)(i) of the Introduction** applied, such that the offeror became the sole beneficial owner of the company. The question raised was whether, if the company subsequently issued new securities (or transferred existing securities) to new shareholders, such that the former offeror ceased to be the sole beneficial owner (but without the company again becoming UK quoted), the Panel would seek to apply the Code to the company under the **new section 3(a)(ii) of the Introduction** if this occurred before the end of the run-off period.

(ii) The Code Committee's response

2.29 The Code Committee has accepted the drafting amendment to the **new section 3(a)(ii) of the Introduction** put forward by the respondent.

2.30 The Code Committee confirms that if, as described in paragraph 2.28 above, a company ceases to have a sole beneficial owner, the Code will apply to the company only if it becomes a company referred to in the **new section 3(a)(i) of the Introduction**, i.e. if the company's securities are subsequently readmitted to trading on a UK RM, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man. The Code Committee has amended the new **section 3(a)(iv) of the Introduction** so as to make this clear.

2.31 In addition:

- (a) the headings of the **new sections 3(a)(i) and (ii) of the Introduction** have been amended so as to refer to “quoted” companies rather than to “listed” companies; and
- (b) the description of the “relevant date” has been moved out of the new **section 3(a)(iii) of the Introduction** and into the Definitions section of the new **Transitional Appendix**.

(e) Re-registration and cancellation of admission to trading

2.32 The PCP asked:

Q5. Should the new section 3(e) of the Introduction with regard to the cancellation of admission to trading be introduced as proposed?

(i) Respondents' comments

2.33 All of the respondents supported, or did not comment on, the proposed introduction of the **new section 3(e) of the Introduction** with regard to the disclosures to be made by a company proposing to cancel the admission to trading of its securities on a UK RM, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man.

2.34 One respondent considered that it would be helpful for guidance to be published in order to support a company proposing to cancel the admission to trading of its securities.

(ii) The Code Committee's response

2.35 The Code Committee notes that, in relation to the **current section 3(e) of the Introduction**, the Executive has published a [Note to Advisers in relation to re-registering a public company as a private company](#) and understands that, on or before the implementation date, the Executive intends to update this note and to publish a similar note in relation to the cancellation of admission to trading.

(f) Minor and consequential amendments

2.36 The PCP asked:

Q6. Do you have any comments on the minor and consequential amendments?

2.37 All of the respondents supported, or did not comment on, the minor and consequential amendments referred to in paragraph 2.53 of the PCP.

(g) Overseas registered companies which are UK quoted

(i) Respondents' comments

- 2.38 One respondent suggested that consideration be given to whether overseas registered companies whose securities are admitted to trading on a UK RM, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man should be brought within the jurisdiction of the Code.
- 2.39 In addition, the respondent was concerned that market participants may not be aware that the Code does not apply to an overseas registered company that is UK quoted.

(ii) The Code Committee's response

- 2.40 As part of its review of the Panel's jurisdiction prior to the publication of the PCP, the Code Committee gave detailed consideration to the question of whether the Code should apply to some or all of the overseas registered companies whose securities are admitted to trading on a UK RM, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man.
- 2.41 Historically, the Panel has sought to apply the Code only to offeree companies which are registered in jurisdictions in which it is acknowledged to be the regulator of takeover bids, i.e. the UK, Jersey, Guernsey and the Isle of Man. The Code Committee considers that this continues to be the correct approach. This is primarily because asserting jurisdiction over offers for overseas registered companies would be likely to result in compatibility of laws issues, given that the companies would be subject to the laws and regulations of the jurisdictions in which they are registered.
- 2.42 As regards the concern that market participants may be unaware that the Code does not apply to an overseas registered company that is UK quoted, the Executive intends, on or before the implementation date, to publish a new page on the Panel's website which will explain the companies to which the Code does and does not apply.

(h) Code amendments

- 2.43 In the light of the above (and, in relation to the new **section 3(a)(iii) of the Introduction**, in the light of the points discussed in **Section 3** below), the Code Committee has:

- (a) amended **section 3(a) of the Introduction** so that it will read as follows:

"3 COMPANIES, TRANSACTIONS AND PERSONS SUBJECT TO THE CODE

...

(a) Companies

~~(i) Listed companies~~

(i) UK, Channel Islands and Isle of Man registered and quoted companies

The Code applies to any company which has its registered office* in the United Kingdom, the Channel Islands or the Isle of Man if any of its securities are admitted to trading on a UK regulated market, a UK MTF#, or a stock exchange in the Channel Islands or the Isle of Man.

~~(ii) Recently listed quoted companies~~

The Code also applies to any company (not falling within paragraph (i) above or paragraphs (iii) or (iv) below) which has its registered office* in the United Kingdom, the Channel Islands or the Isle of Man if any of its securities were admitted to trading on a UK regulated market, a UK MTF#, or a stock exchange in the Channel Islands or the Isle of Man at any time during the ~~three~~two years prior to the relevant date.

The “relevant date” is the date on which an announcement is made of an offer or possible offer for the company or on which some other event occurs in relation to the company which has significance under the Code.

~~(iii) Transition companies~~

~~During the transition period only, the Code applies to a transition company (not being a company falling within paragraph (i) above) if, on the relevant date, the Code would apply to an offer for the company under paragraph (ii) of former section 3(a) of the Introduction (as if paragraph (ii) of former section 3(a) of the Introduction had remained in force on the relevant date).~~

~~The “relevant date” is the date on which an announcement is made of an offer or possible offer for the company or on which some other event occurs in relation to the company which has significance under the Code.~~

See the Transitional Appendix for the definitions of “former section 3(a) of the Introduction”, “relevant date”, “transition company” and “transition period”.

~~(iv) Waivers~~

~~Where appropriate, the Panel may grant a waiver from the application of some or all of the provisions of the Code in respect of a company referred to in paragraph (ii) or paragraph (iii) above.~~

~~(iv) Companies to which the Code does not apply~~

The Code does not apply to an open-ended investment company or to a company with a sole beneficial owner.

If a company which falls within paragraph (i) or paragraph (ii) above becomes a company with a sole beneficial owner, the Code will cease to apply to it and the Code will thereafter apply to the company only if it subsequently falls within paragraph (i) above.

(v) Waivers

Where appropriate, the Panel may grant a waiver from the application of some or all of the provisions of the Code in respect of a company referred to in paragraph (ii) or paragraph (iii) above.

**In the case of a UK unregistered company, the reference to “registered office” shall be read as a reference to the company’s principal office in the UK.*

#In the case of a company whose securities are or were admitted to trading on a UK MTF, the Code will apply only if the company approved trading, or requested admission to trading, of its securities on the relevant UK MTF.”;

- (b) deleted the **current section 3(e) of the Introduction** (*Re-registration of a public company as a private company*) and introduced the **new section 3(e) of the Introduction** (*Cancellation of admission to trading*), as proposed in paragraph 2.52 of the PCP (subject to amending the reference to a run-off period of three years so as to refer to a period of two years), as set out in **Appendix B**; and
- (c) amended:
- (i) **section 3(b) of the Introduction** (*Transactions*);
 - (ii) **section 3(f) of the Introduction** (*Code responsibilities and obligations*);
 - (iii) the **Note** on the definition of “**reverse takeover**” in the Definitions Section of the Code;
 - (iv) the definition of “**shares or securities**” in the Definitions Section of the Code (subject to two minor amendments); and
 - (v) the definitions of “**UK multilateral trading facility**” and “**UK regulated market**” in the Definitions Section of the Code,
- as proposed in paragraph 2.53 of the PCP, as set out in **Appendix B**.

3. Transitional arrangements

(a) Summary of proposals

3.1 **Section 3** of the PCP proposed the transitional arrangements which would apply from the implementation date for a proposed transition period of three years.

3.2 The transitional arrangements are intended to ensure that a company to which the **current section 3(a)(ii) of the Introduction** applies (or potentially applies⁷) immediately prior to the implementation date (i.e. a public company which is not UK quoted or a private company to which one of paragraphs (A) to (D) of the **current section 3(a)(ii) of the Introduction** applies) will have a period of time to adjust to the new regime. Such a company would be a “**transition company**” to which the **new section 3(a)(iii) of the Introduction** and the new **Transitional Appendix** would apply. The Code would then cease to apply (or potentially apply) to a transition company at the end of the transition period.

3.3 A company would be a transition company if it is either:

- (a) a company to which the **current section 3(a)(ii) of the Introduction** applies immediately prior to the implementation date; or
- (b) a company to which the **current section 3(a)(ii) of the Introduction** would apply immediately prior to the implementation date but for the fact that it does not satisfy the residency test at that time.

(b) Proposed transitional arrangements

3.4 The PCP asked:

Q7. Should the transitional arrangements be introduced as proposed?

(i) Respondents' comments

3.5 All of the respondents supported, or did not comment on, the introduction of the transitional arrangements.

⁷ A reference to a company being a company to which the Code “potentially” applies during the transition period refers to the residency test, which will continue to apply to a transition company on the “relevant date”. For example, while a transition company which is not UK resident will not be a Code company for so long as it does not satisfy the residency test, it will nonetheless be a company to which the Code potentially applies, and to which the Code will apply if the company satisfies the residency test on the “relevant date”.

3.6 One respondent asked whether the Code Committee was aware of either:

- (a) any plans, by government or otherwise, to inform companies which fall within the **current section 3(a)(ii) of the Introduction** that they would become transition companies on the implementation date; or
- (b) the proposed publication of guidance for transition companies (and their shareholders) in relation to arrangements which they might wish to make as an alternative to the application of the Code.

(ii) *The Code Committee's response*

3.7 As regards informing transition companies of their status as such, the two principal platforms which provide matched bargain facilities, i.e. Asset Match and JP Jenkins, have agreed to write to the UK registered companies whose securities are traded via their platforms to draw to their attention the implications of the amendments to the Code set out in this Response Statement.

3.8 As regards the options available to transition companies, it will be for each individual transition company, and its advisers, to consider what, if any, alternative arrangements to put in place once the Code no longer applies to the company.

(c) ***Duration of the transition period***

3.9 The PCP asked:

Q8. Do you agree that the length of the transition period should be three years?

(i) *Respondents' comments*

3.10 Five of the six respondents who specifically addressed the issue supported the proposal that the length of the transition period should be three years. However, the support of one of those respondents was qualified, with the respondent noting that a period of three years was "*more than adequate*" and that, in many cases, transition companies will already have introduced appropriate provisions into their articles of association for the protection of minority shareholders.

3.11 The sixth respondent who specifically addressed the issue considered that a three year transition period was too long and that a one year transition period would be sufficient.

3.12 One respondent noted in particular that it was logical for the transition period and the "run-off period" to be of a consistent length of time.

(ii) *The Code Committee's response*

- 3.13 The Code Committee continues to believe that the transition period and the run-off period for companies which cease to be UK quoted (see **Section 2** above) should be of a consistent length. In the light of the respondents' views on the duration of the run-off period and of the transition period, and following discussions with a number of the respondents who specifically addressed the issue, the Code Committee has concluded that the duration of the transition period for transition companies should be two years rather than the three years proposed in the PCP.
- 3.14 As noted in paragraph 3.7 of the PCP, the Code Committee considers that a company which falls within the **current section 3(a)(ii) of the Introduction** should not cease to be a Code company as a result of the introduction of the new regime without the company and its shareholders having the opportunity to put in place alternative arrangements. The Code Committee considers that a period of two years from the implementation of the amendments on 3 February 2025 will give a transition company the opportunity, before the end of the transition period, to:
- (a) make itself subject to the jurisdiction of the Panel or an alternative regulator of takeovers (for example, by admitting the company's securities to trading on an appropriate market);
 - (b) propose to shareholders that it should amend its articles of association so as to incorporate provisions equivalent to certain aspects of the Code, for example, a requirement for a shareholder who obtains or consolidates control of the company to make a mandatory offer on similar terms to an offer required under **Rule 9**; or
 - (c) make arrangements for shareholders to exit their investment if they do not wish to be shareholders in the company without the protections afforded by the Code.
- 3.15 The transition period will therefore last for two years from the implementation date of 3 February 2025. Accordingly, with effect from 3 February 2027, following the end of the transition period, the only companies to which the Code will apply will be companies which at that time fall within either the **new section 3(a)(i) of the Introduction** (i.e. UK quoted companies) or the **new section 3(a)(ii) of the Introduction** (i.e. companies which ceased to be UK quoted within the preceding two years).
- 3.16 As mentioned above, the **new section 3(a)(iii) of the Introduction** and the **Transitional Appendix** will automatically cease to have effect following the end of the transition period on 3 February 2027 and those provisions will therefore be deleted from the Code (and any consequential amendments made) at that time without further consultation.

(d) Section 3(a)(iii) of the Introduction and the Transitional Appendix

3.17 The PCP asked:

Q9. Do you have any comments on the proposed new section 3(a)(iii) of the Introduction or the new Transitional Appendix?

(i) Respondents' comments

3.18 All of the respondents supported, or did not comment on, the proposed new **section 3(a)(iii) of the Introduction** and the new **Transitional Appendix**.

3.19 One respondent suggested that the **Transitional Appendix** should include a definition of the “**relevant date**”.

(ii) The Code Committee's response

3.20 The Code Committee agrees with the respondent's suggestion and, as mentioned in **Section 2** above, the description of the “relevant date” has been moved out of the new **section 3(a)(iii) of the Introduction** and into the Definitions section of the new **Transitional Appendix**.

3.21 In addition:

- (a) in the **Transitional Appendix**, the references in the definition of the “**transition period**” to “*the implementation date*” and to “*the day immediately prior to the third anniversary of the implementation date*” have been replaced with references to, respectively, 3 February 2025 and 2 February 2027;
- (b) in the **Transitional Appendix**, the references to “*(the day) immediately prior to the implementation date*” have been replaced with references to 2 February 2025;
- (c) in the **Transitional Appendix**, the proposed definition of the “**implementation date**” is no longer necessary and has not been adopted; and
- (d) the wording which clarifies that a company which falls within the new **sections 3(a)(i), (ii) or (iv) of the Introduction** will not be a transition company has been moved out of the new **section 3(a)(iii) of the Introduction** (and **Section 1 of the Transitional Appendix**) and into the definition of “**transition company**” in the **Transitional Appendix**.

(e) Code amendments

3.22 In the light of the above, the Code Committee has introduced:

- (a) the proposed new **section 3(a)(iii) of the Introduction**, amended as set out in paragraph 2.43(a) above and as set out in **Appendix B**; and
- (b) the new **Transitional Appendix**, as proposed in paragraph 3.26 of the PCP, subject to the amendments indicated below:

“TRANSITIONAL APPENDIX

DEFINITIONS

Former section 3(a) of the Introduction

Section 3(a) of the Introduction to the Code as in force on ~~the day immediately prior to the implementation date~~ 2 February 2025, as set out in Section 2 below.

~~Implementation date~~

~~[implementation date to be inserted]~~

Relevant date

The “relevant date” is the date on which an announcement is made of an offer or possible offer for the company or on which some other event occurs in relation to the company which has significance under the Code.

Transition company

Any company to which eEither:

(a) ~~a company to which paragraph (ii) of former section 3(a) of the Introduction applied immediately prior to the implementation date~~ on 2 February 2025; or

(b) ~~a company to which paragraph (ii) of former section 3(a) of the Introduction would have applied immediately prior to the implementation date~~ on 2 February 2025 but for the fact that its place of central management and control was not in the United Kingdom, the Channel Islands or the Isle of Man at that time₁

other than a company falling within paragraphs (i) or (ii) of section 3(a) of the Introduction or a company to which the Code does not apply by virtue of paragraph (iv) of section 3(a) of the Introduction.

Transition period

The period starting on ~~the implementation date~~ 3 February 2025 and ending at 11.59 pm on ~~the day immediately prior to the third anniversary of the implementation date~~ 2 February 2027.

1 APPLICATION OF THE CODE TO TRANSITION COMPANIES

Under paragraph (iii) of section 3(a) of the Introduction, during the transition period only, the Code applies to a transition company (which does not fall within paragraph (i) of section 3(a) of the Introduction) if, on the relevant date, the Code would apply to an offer for the company under paragraph (ii) of former section 3(a) of the Introduction (as if paragraph (ii) of former section 3(a) of the Introduction had remained in force on the relevant date).

2 FORMER SECTION 3(a) OF THE INTRODUCTION

~~Immediately prior to the implementation date~~ On 2 February 2025, former section 3(a) of the Introduction provided as follows:

...”

as set out in **Appendix B**.

APPENDIX A**NON-CONFIDENTIAL RESPONDENTS TO PCP 2024/1**

1. Chartered Governance Institute UK & Ireland (CGI)
2. Guernsey Financial Services Commission
3. Institute of Chartered Accountants in England and Wales (ICAEW)
4. The Investment Association (IA)
5. Joint Working Party of the Company Law Committees of the City of London Law Society and the Law Society of England and Wales
6. Quoted Companies Alliance (QCA)
7. The International Stock Exchange Group Limited (TISE)
8. UK Finance

APPENDIX B

AMENDMENTS TO THE CODE

INTRODUCTION

3 COMPANIES, TRANSACTIONS AND PERSONS SUBJECT TO THE CODE

This section (except for sections 3(d) and (e)) sets out the rules as to the companies, transactions and persons to which the Code applies.

(a) Companies

(i) ~~UK, Channel Islands and Isle of Man registered and traded quoted companies~~

The Code applies to ~~all offers for companies (including, where appropriate, statutory and chartered companies and UK Societas) any company~~ any company which ~~have their~~ has its registered ~~offices~~ office* in the United Kingdom, the Channel Islands or the Isle of Man if any of ~~their~~ its securities are admitted to trading on a UK regulated market, ~~or a UK multilateral trading facility MTF#, or on any a stock exchange in the Channel Islands or the Isle of Man.~~

(ii) ~~Other Recently quoted companies~~

The Code also applies to ~~all offers any company (not falling within paragraph (i) above or paragraphs (iii) or (iv) below) for public and private companies (and, where appropriate, statutory and chartered companies and UK Societas) which have their~~ any company (not falling within paragraph (i) above or paragraphs (iii) or (iv) below) for public and private companies (and, where appropriate, statutory and chartered companies and UK Societas) which has its registered ~~offices~~ office* in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to ~~private companies only when:~~

- (A) ~~if any of their~~ if any of its securities ~~have been were~~ admitted to trading on a UK regulated market, ~~or a UK multilateral trading facility MTF#, or on any a~~ stock exchange in the Channel Islands or the Isle of Man at any time during the ~~40~~ two years prior to the relevant date; ~~or~~
- (B) ~~dealings and/or prices at which persons were willing to deal in any of their securities have been published on a regular basis for a continuous period of at least six months in the 10 years prior to the relevant date, whether via a newspaper, electronic price quotation system or otherwise; or~~
- (C) ~~any of their securities have been subject to a marketing arrangement as described in section 693(3)(b) of the Act at any time during the 10 years prior to the relevant date; or~~
- (D) ~~they have filed a prospectus for the offer, admission to trading or issue of securities with the registrar of companies or any other relevant authority in the United Kingdom, the Channel Islands or the Isle of Man (but in the case of any other such authority only if the filing is on a public record) at any time during the 10 years prior to the relevant date.~~

~~In each case, t~~The “relevant date” is the date on which an announcement is made of a proposed an offer or possible offer for the company or the date on which some other event occurs in relation to the company which has significance under the Code.

~~The Panel appreciates that the provisions of the Code may not be appropriate to all statutory and chartered companies referred to in paragraphs (i) and (ii) above or to all~~

~~private companies falling within the categories listed in paragraph (ii) above and may accordingly apply the Code with a degree of flexibility in suitable cases.~~

(iii) Transition companies

During the transition period only, the Code applies to a transition company if, on the relevant date, the Code would apply to an offer for the company under paragraph (ii) of former section 3(a) of the Introduction (as if paragraph (ii) of former section 3(a) of the Introduction had remained in force on the relevant date).

See the Transitional Appendix for the definitions of “former section 3(a) of the Introduction”, “relevant date”, “transition company” and “transition period”.

(iiiiv) ~~Open-ended investment companies~~ Companies to which the Code does not apply

The Code does not apply to ~~offers for an~~ open-ended investment companies company or to a company with a sole beneficial owner.

If a company which falls within paragraph (i) or paragraph (ii) above becomes a company with a sole beneficial owner, the Code will cease to apply to it and the Code will thereafter apply to the company only if it subsequently falls within paragraph (i) above.

(v) Waivers

Where appropriate, the Panel may grant a waiver from the application of some or all of the provisions of the Code in respect of a company referred to in paragraph (ii) or paragraph (iii) above.

**In the case of a UK unregistered company, the reference to “registered office” shall be read as a reference to the company’s principal office in the UK.*

#In the case of a company whose securities are or ~~have been were~~ admitted to trading on a UK multilateral trading facility MTF, ~~paragraph (i) the Code will apply, and criterion (A) of paragraph (ii) will be satisfied,~~ only if the company ~~has~~ approved trading, or requested admission to trading, of its securities on the relevant UK multilateral trading facility MTF.

‡~~With respect to either a company having its registered office in the Isle of Man and which is incorporated there under the Companies Act 2006 (an Act of Tynwald), or a company having its registered office in Guernsey, the company will be treated as being subject to the Code only when any of the criteria in (A) to (D) of paragraph (ii) apply.~~

(b) Transactions

The Code is concerned with regulating takeover bids and merger transactions of the ~~relevant companies referred to in section 3(a) above~~, however effected, including by means of statutory merger or scheme of arrangement (as defined in the Definitions Section). The Code is also concerned with regulating other transactions (including offers by a parent company for shares in its subsidiary, dual holding company transactions, new share issues, share capital reorganisations and offers to minority shareholders) which have as their objective or potential effect (directly or indirectly) obtaining or consolidating control of the relevant companies, as well as partial offers (including tender offers pursuant to Appendix 5) to shareholders for securities in the relevant companies. The Code also applies to unitisation proposals which are in competition with another transaction to which the Code applies.

...

~~(e) — Re-registration of a public company as a private company~~

~~A public company incorporated in the United Kingdom, the Channel Islands or the Isle of Man may decide to re-register as a private company as a result of which, pursuant to section 3(a) above, the Code may no longer apply to it. If the Code would no longer apply in such circumstances and the relevant company has more than one shareholder, early consultation with the Panel is advised before it re-registers as a private company so that guidance can be given by the Panel on the appropriate disclosure to be made to its shareholders about the implications of the loss of Code protection.~~

(e) Cancellation of admission to trading

A company referred to in paragraph (i) of section 3(a) above may decide that it wishes to cancel the admission of its securities to trading on a UK regulated market, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man. In such circumstances, early consultation with the Panel is advised so that guidance can be given on the appropriate disclosure to be made to shareholders about the fact that, as a result of the cancellation of the admission of its securities to trading, the company will fall within paragraph (ii) of section 3(a) above for a period of two years, following which the Code will cease to apply.

(f) Code responsibilities and obligations

In addition to the companies referred to in section 3(a) above, tThe Code applies to a range of persons who participate in, or are connected with, or who in any way seek to influence, intervene in, or benefit from, takeovers or other matters to which the Code applies.

DEFINITIONS**Reverse takeover**

...

NOTE ON REVERSE TAKEOVER

The definition is of relevance only in circumstances where the offeror is a company that falls within section 3(a)(~~i~~) ~~or (ii)~~ of the Introduction.

...

Shares or securities

...

(2) ~~In paragraphs section 3(a)(i) and (ii) of the Introduction, and in the first paragraph of section 3(b) of the Introduction and in former section 3(a) of the Introduction (as defined in the Transitional Appendix), the shares/securities referred to are only those shares/securities comprised in the company's equity share capital (whether voting or non-voting) and other transferable securities carrying voting rights.~~

...

UK multilateral trading facility or UK MTF

UK multilateral trading facility or UK MTF has the meaning given in paragraph (14A) of Article 2(1) of the UK version of Regulation (EU) No 600/2014 on markets in financial

instruments ~~(as amended by The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018)~~.

UK regulated market

UK regulated market has the meaning given in paragraph (13A) of Article 2(1) of the UK version of Regulation (EU) No 600/2014 on markets in financial instruments ~~(as amended by The Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018)~~.

TRANSITIONAL APPENDIX

TRANSITIONAL APPENDIX

DEFINITIONS

Former section 3(a) of the Introduction

Section 3(a) of the Introduction to the Code as in force on 2 February 2025, as set out in Section 2 below.

Relevant date

The relevant date is the date on which an announcement is made of an offer or possible offer for the company or on which some other event occurs in relation to the company which has significance under the Code.

Transition company

Any company to which either:

(a) paragraph (ii) of former section 3(a) of the Introduction applied on 2 February 2025; or

(b) paragraph (ii) of former section 3(a) of the Introduction would have applied on 2 February 2025 but for the fact that its place of central management and control was not in the United Kingdom, the Channel Islands or the Isle of Man at that time,

other than a company falling within paragraphs (i) or (ii) of section 3(a) of the Introduction or a company to which the Code does not apply by virtue of paragraph (iv) of section 3(a) of the Introduction.

Transition period

The period starting on 3 February 2025 and ending at 11.59 pm on 2 February 2027.

1 APPLICATION OF THE CODE TO TRANSITION COMPANIES

Under paragraph (iii) of section 3(a) of the Introduction, during the transition period only, the Code applies to a transition company if, on the relevant date, the Code would apply to an offer for the company under paragraph (ii) of former section 3(a) of the Introduction (as if paragraph (ii) of former section 3(a) of the Introduction had remained in force on the relevant date).

2 FORMER SECTION 3(a) OF THE INTRODUCTION

On 2 February 2025, former section 3(a) of the Introduction provided as follows:

“3 COMPANIES, TRANSACTIONS AND PERSONS SUBJECT TO THE CODE

...

(a) Companies

(i) UK, Channel Islands and Isle of Man registered and traded companies

The Code applies to all offers for companies (including, where appropriate, statutory and chartered companies and UK Societas) which have their registered offices* in the United Kingdom, the Channel Islands or the Isle of Man if any of their securities are admitted to trading on a UK regulated market or a UK multilateral trading facility# or on any stock exchange in the Channel Islands or the Isle of Man.

(ii) Other companies

The Code also applies to all offers (not falling within paragraph (i) above) for public and private companies† (and, where appropriate, statutory and chartered companies and UK Societas) which have their registered offices* in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only when:

- (A) any of their securities have been admitted to trading on a UK regulated market or a UK multilateral trading facility# or on any stock exchange in the Channel Islands or the Isle of Man at any time during the 10 years prior to the relevant date; or
- (B) dealings and/or prices at which persons were willing to deal in any of their securities have been published on a regular basis for a continuous period of at least six months in the 10 years prior to the relevant date, whether via a newspaper, electronic price quotation system or otherwise; or
- (C) any of their securities have been subject to a marketing arrangement as described in section 693(3)(b) of the Act at any time during the 10 years prior to the relevant date; or
- (D) they have filed a prospectus for the offer, admission to trading or issue of securities with the registrar of companies or any other relevant authority in the United Kingdom, the Channel Islands or the Isle of Man (but in the case of any other such authority only if the filing is on a public record) at any time during the 10 years prior to the relevant date.

In each case, the relevant date is the date on which an announcement is made of a proposed or possible offer for the company or the date on which some other event occurs in relation to the company which has significance under the Code.

The Panel appreciates that the provisions of the Code may not be appropriate to all statutory and chartered companies referred to in paragraphs (i) and (ii) above or to all private companies falling within the categories listed in paragraph (ii) above and may accordingly apply the Code with a degree of flexibility in suitable cases.

(iii) Open-ended investment companies

The Code does not apply to offers for open-ended investment companies.

*In the case of a UK unregistered company, the reference to “registered office” shall be read as a reference to the company’s principal office in the UK.

#In the case of a company whose securities are or have been admitted to trading on a UK multilateral trading facility, paragraph (i) will apply, and criterion (A) of paragraph (ii) will be satisfied, only if the company has approved trading, or requested admission to trading, of its securities on the relevant UK multilateral trading facility.

†With respect to either a company having its registered office in the Isle of Man and which is incorporated there under the Companies Act 2006 (an Act of Tynwald), or a company having its registered office in Guernsey, the company will be treated as being subject to the Code only when any of the criteria in (A) to (D) of paragraph (ii) apply.”.

3 RE-REGISTRATION OF A PUBLIC COMPANY AS A PRIVATE COMPANY

If a transition company which is a public company decides to re-register as a private company during the transition period and, as a result of the re-registration, the Code would no longer apply to the company, early consultation with the Panel is advised so that guidance can be given on the appropriate disclosure to be made to the company’s shareholders.

APPENDIX C

TABLE SUMMARISING THE APPLICATION OF THE CODE

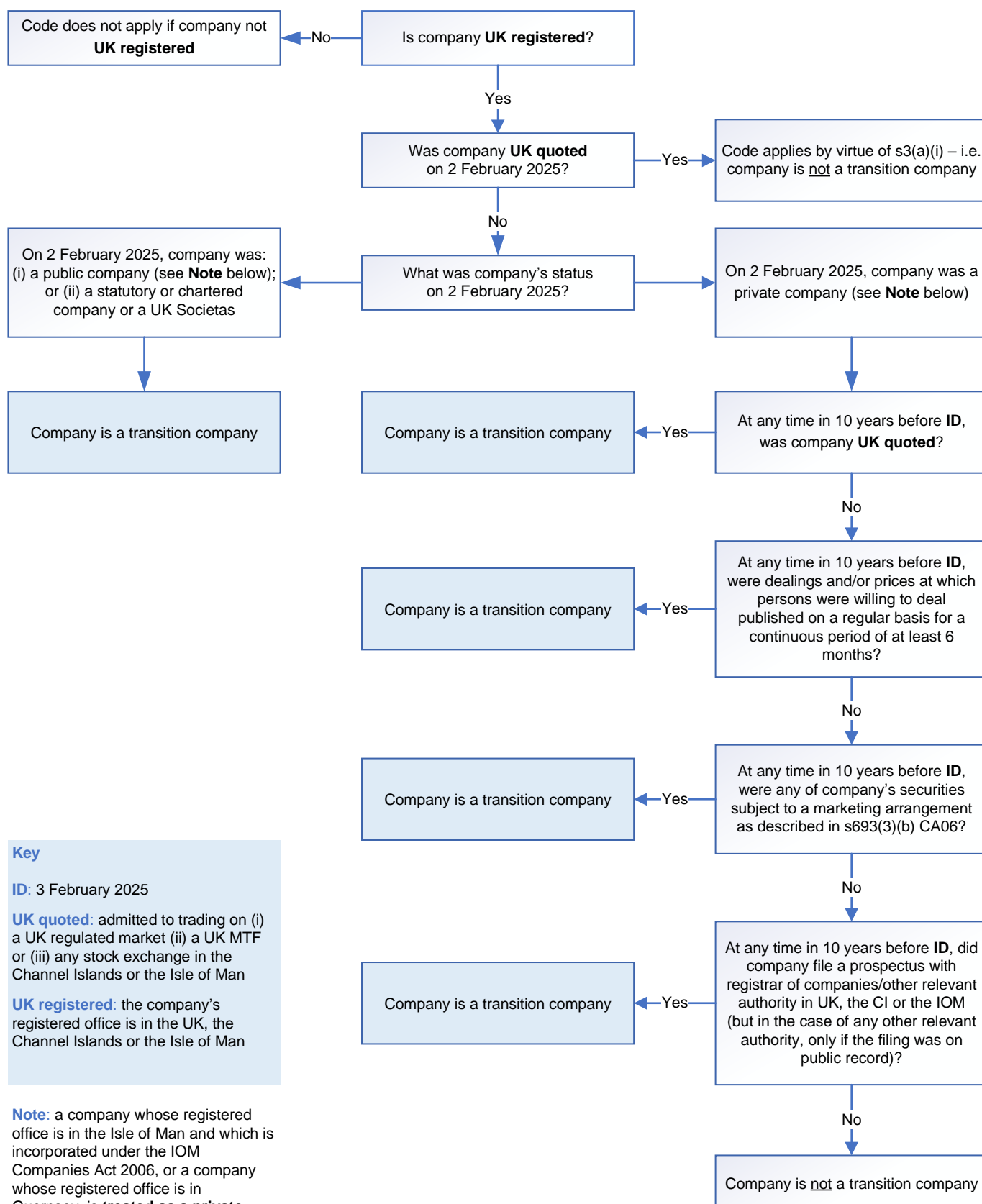
AS AT 2 FEBRUARY 2025 (I.E. IMMEDIATELY PRIOR TO IMPLEMENTATION DATE)		DURING TRANSITION PERIOD (“TP”) (3 FEBRUARY 2025 – 2 FEBRUARY 2027)	FOLLOWING TP (FROM 3 FEBRUARY 2027)	
STATUS	CODE COMPANY?	CODE COMPANY?	STATUS	CODE COMPANY?
UK quoted	Yes Old s.3(a)(i)	Yes New s.3(a)(i) If ceases to be UK quoted during TP, will become subject to new s.3(a)(ii)	Remains UK quoted	Yes New s.3(a)(i)
			UK quoted < 2 years prior	Yes for 2 years from ceasing to be UK quoted New s.3(a)(ii)
PLC/LTD: Ceased to be UK quoted < 2 years prior to ID	Yes, if UK resident Old s.3(a)(ii) (PLC)/ Old s.3(a)(ii)(A) (LTD)	Transition company New s.3(a)(iii) Code company if UK resident at time of transaction Not a Code company if not UK resident at time of transaction	Ceased to be UK quoted > 2 years prior	No
	No, if not UK resident			
(a) PLC/LTD: Ceased to be UK quoted 2-10 years prior to ID (b) PLC: Never UK quoted (c) LTD: In 10 year run-off	Yes, if UK resident Old s.3(a)(ii) (PLC)/ Old s.3(a)(ii)(A)-(D) (LTD)	Transition company New s.3(a)(iii) Until earlier of end of (i) TP and (ii) 10 year run-off: Code company if UK resident at time of transaction Not a Code company if not UK resident at time of transaction	Ceased to be UK quoted > 2 years prior/ Never UK quoted	Not UK quoted currently or > 2 years prior
	No, if not UK resident			

The implementation date (“ID”) is 3 February 2025

APPENDIX D

WHETHER A COMPANY IS A TRANSITION COMPANY

Whether a company is a **transition company** during the **transition period** is determined by the company's status immediately prior to the implementation date, i.e. on 2 February 2025



APPENDIX E

WHETHER A TRANSITION COMPANY IS A CODE COMPANY IN RESPECT OF A SPECIFIC TRANSACTION

Whether a **transition company** is a Code company in respect of a specific transaction will be determined by the company's status on the **relevant date**

