

THE TAKEOVER PANEL

AMENDMENTS TO PRACTICE STATEMENT 31

The Panel Executive has today revised and renamed [Practice Statement 31](#) (Formal sale processes, private sale processes, strategic reviews and public searches for potential offerors).

The formal sale process concept was introduced in 2011 to allow the board of a company to undertake a sale process with the benefit of certain dispensations from the requirements of the Takeover Code. The Executive is aware that, rather than initiating a formal sale process, boards of companies may prefer to initiate a private sale process, a strategic review which refers to an offer for the company as a possible outcome or a public search for potential offerors.

Practice Statement 31 was initially published by the Executive in July 2017. It set out guidance in relation to strategic reviews, formal sale processes and other circumstances in which a company is seeking potential offerors. However, it did not address private sale processes.

The amended Practice Statement 31 sets out a new practice that has been adopted by the Executive in respect of private sale processes. Where a company is genuinely initiating a private sale process, the Executive considers that the requirements in Rules 2.4(a) and (b) to identify in a subsequent announcement any potential offeror with which the company is in talks, or from which an approach has been received, may operate in an inappropriate manner. Instead, it may be acceptable for the company to be required to identify a potential offeror only if it has been specifically identified in any relevant rumour or speculation, and the amended Practice Statement 31 sets out how the Executive will normally grant dispensations from Rule 2.4(a) and (b) to that effect.

In addition, Practice Statement 31 has been reviewed and restructured and describes in more detail the different types of sale processes and the Executive's approach to the relevant provisions of the Code in each case.

The amended Practice Statement 31 has been published on the [Takeover Code website](#) and hard copies will be sent to subscribers in due course.

Further information about the amendments made to Practice Statement 31 can be found on the [Practice Statements](#) page of the Panel's website.

30 April 2024