Application of Directive 2004/25/EC on takeover bids

2012/2262(INI) - 25/03/2013 - Committee report tabled for plenary, single reading

The Committee on Legal Affairs adopted an own-initiative report by Klaus-Heiner LEHNE (EPP, DE) on the application of Directive 2004/25/EC on takeover bids.

It stresses that the effects of the Directive are not limited to the core provisions on takeover bids but need to be assessed in the **wider context of company law**, including corporate governance, capital market law and also employment law. They reiterate that the objectives of the Directive, in particular providing a **level playing field for takeover bids** while protecting the interests of shareholders, employees and other stakeholders, are crucial cornerstones for a well-functioning market for corporate control.

Members notice with concern, however, the dissatisfaction of employees' representatives, as expressed in the External Study, when it comes to the **protection of employees' rights**, and call on the Commission to enhance the dialogue with the employee's representatives on how pressing issues can be tackled in a better way.

The report emphasises that the period of transposition of the Directive coincides with the beginning of the financial crisis, which eventually developed into an economic and debt crisis. It underlines that, according to the External Study, **takeover activities have dramatically declined after the transposition date of the Directive as a result of the crisis**, including in the UK, where activities in the market for corporate control are traditionally more concentrated than in the rest of the Union.

As the market for corporate control has steadily been shrinking during this period of financial crisis, **Members consider that the assessment on whether and to what extent further harmonisation measures should be introduced with regard to takeover bids would be distorted**.

Lastly, the **Commission is asked therefore to continue to close-monitor the developments** in the market for corporate control and prepare a new assessment on the application of the Directive when takeover activities return to a more regular volume.