

Company law: takeover bids, protection of shareholders, workers rights to information, 13th directive

1995/0341(COD) - 07/02/1996 - Legislative proposal

OBJECTIVE: the purpose of the proposal for a Directive is to ensure adequate protection of shareholders throughout the European Union by laying down minimum rules for the conduct of public takeover bids.

SUBSTANCE: the new proposal lays down the same general principles for the conduct of takeover bids as the previous proposal, but no longer contains detailed provisions harmonizing the application of these principles. Thus Member States may apply the provisions of the Directive on the basis of their own rules, in accordance with their systems and traditions. The proposal simply requires the Member States' own rules concerning takeover bids to comply with the following principles: - equal treatment for all holders of shares in the offeree company who are in the same position; - the persons to whom a bid is addressed must be allowed the necessary time and information to take a sufficiently well-founded decision on the bid; - the administrative or management board of the offeree company must act in the interests of the company as a whole, and must in particular take account of the interests of shareholders; - it is prohibited to create false markets in the securities of the offeree company, the offeror or any other company which the bid concerns; - offeree companies must not be hampered in the conduct of their business for any longer than is reasonably necessary for a bid to purchase their shares. More specifically, the proposal: - requires Member States to designate a supervisory authority and ensure that the general principles laid down in the Directive are applied in practice; - requires specific national rules to be adopted to guarantee protection of minority shareholders in the event of the acquisition or acquisition of control of a listed company. This protection may be ensured by means of a mandatory bid or by any other equivalent means; - requires Member States to ensure a minimum level of publicity and information so that the conduct of bids is transparent; - requires Member States to designate one or more authorities with the necessary powers to ensure that the rules on acquisition are complied with. The Directive does not exclude the possibility that supervision may be exercised by professional bodies in the sector concerned which are competent to deal with complaints concerning bids.