Basic information

2012/2262(INI) INI - Own-initiative procedure	Procedure completed
Application of Directive 2004/25/EC on takeover bids See also Directive 2004/25/EC 2002/0240(COD) **Subject** 2.60.04 Economic concentration, mergers, takeover bids, holding companies 3.45.01 Company law 4.15.10 Worker information, participation, trade unions, works councils 4.15.12 Workers protection and rights, labour law 8.50.01 Implementation of EU law	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs	LEHNE Klaus-Heiner (PPE)	19/10/2012
	Shadow rapporteur REGNER Evelyn (S&D) TAYLOR Rebecca (ALDE) SPERONI Francesco Enrico (EFD)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	STEINRUCK Jutta (S&D)	21/11/2012

European Commission

Commission DG	Commissioner
Competition	ALMUNIA Joaquín

Key events

Date	Event	Reference	Summary
25/10/2012	Committee referral announced in Parliament		
19/03/2013	Vote in committee		
25/03/2013	Committee report tabled for plenary	A7-0089/2013	Summary
21/05/2013	Decision by Parliament	T7-0198/2013	Summary

21/05/2013	Results of vote in Parliament		
21/05/2013	End of procedure in Parliament		

Technical information	
Procedure reference	2012/2262(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Amendments and repeals	See also Directive 2004/25/EC 2002/0240(COD)
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	JURI/7/10977

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE501.966	06/12/2012	
Amendments tabled in committee		PE504.238	31/01/2013	
Committee opinion	EMPL	PE502.005	22/02/2013	
Committee report tabled for plenary, single reading		A7-0089/2013	25/03/2013	Summary
Text adopted by Parliament, single reading		T7-0198/2013	21/05/2013	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2013)519	18/09/2013	

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.

Application of Directive 2004/25/EC on takeover bids

2012/2262(INI) - 21/05/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on the application of Directive 2004/25/EC on takeover bids.

Members stress 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.

Parliament notes the Commission's conclusion that the Directive is working satisfactorily. It is concerned, however, as regards the dissatisfaction of employees' representatives when it comes to the **protection of employees' rights**, and calls on the Commission to enhance the dialogue with the employee's representatives on how pressing issues can be tackled in a better way.

In addition, Parliament:

- is convinced that, in the long term, further improvements could be envisaged to **strengthen the level playing field for takeover bids in Europe**;
- stresses that the **competent national authorities should remain responsible for the public oversight of takeover bids.** However, it believes that it is not necessary to arrange for supervision of takeover bids at EU level;
- suggests that a more detailed analysis is undertaken in order to identify possible means by which the **concept of 'acting in concert' could be further clarified and harmonised**. This concept is essential when calculating the threshold that triggers the launch of a **mandatory bid**;
- supports the Commission's intention to gather additional information with a view to determine whether the **widely used derogations are contrary to the protection of minority shareholders**. Members take the view that national competent authorities should discourage techniques designed to circumvent the mandatory bid rule and thus avoid paying the control premium to minority shareholders;
- notes that the **board neutrality rule relating to post-bid defences** has been transposed by the majority of Member States, while only a very limited number of Member States has transposed the breakthrough rule which neutralises pre-bid defences;
- underlines that the question of how to protect and strengthen workers' rights urgently requires further consideration and that the relevant provisions of the Directive on workers' rights are to be effectively applied and, where necessary, properly enforced.

Takeover bids during the crisis: the resolution 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.