



---

Friday, 18 April 2008

**Takeovers Panel Revises Guidance Note 1 on Unacceptable Circumstances**

The Takeovers Panel announced today that it has published a revised version of its Guidance Note 1 on Unacceptable Circumstances.

Guidance Note 1 discusses when the Takeovers Panel may make a declaration of unacceptable circumstances under section 657A of the Corporations Act 2001 (Cth) and some of the matters which the Panel will take into account in making such a declaration.

The amendments to the Guidance Note update some references and add to the examples in paragraph 1.18 of circumstances that the Panel may consider unacceptable. The example added relates to agreements restraining disposal of a parcel of voting shares in reliance on the exception in section 609(7) of the Corporations Act. Section 609(7) provides that a person does not have a relevant interest in shares merely because of an agreement to acquire the shares, provided the agreement does not restrict disposal for more than 3 months, gives no control over the voting power of the shares and is conditional on shareholder approval or ASIC granting an exemption. The new example says the Panel will look at circumstances where a person enters such an agreement then makes a bid.

The Panel has not published the Guidance Note in a draft form for comment because it considers that the amendments do not involve a change of policy. Rather they are part of the Panel's continued monitoring of the evolution of, and the Panel's own experiences with, market practice.

While it has not published the document as a draft, the Panel would, as always, be interested to receive comments on the revised version of Guidance Note 1.

The revised Guidance Note is available on the Panel's website: [Guidance](#). A copy of the Guidance Note with the changes to it marked-up is available under [Consultation](#) on the Panel's website.

Allan Bulman  
Director, Takeovers Panel  
Level 47, 80 Collins Street  
Melbourne, VIC 3000  
Ph: +61 3 9655 3597  
[allan.bulman@takeovers.gov.au](mailto:allan.bulman@takeovers.gov.au)