

UKLA Primary Market Technical Note

Amendments to the terms of a transaction

The information in this note is designed to help issuers and practitioners interpret our UK Listing Rules, Prospectus Regulation Rules, Disclosure Guidance and Transparency Rules, and related legislation. The guidance notes provide answers to the most common queries we receive and represent FCA guidance as defined in section 139A FSMA.

UKLR 10.5.2R
7.5.3R,
UKLR 11.5.3R
LR 10.5.4R,
UKLR 13.4.30R

It is common for general meeting resolutions seeking shareholder approval for transactions to be subject to non-material amendments to the terms of the transaction following the meeting. We recognise that this discretion is important to enable an issuer's directors to make small administrative changes to smooth the completion of a transaction. However, it is obviously important that any changes should be non-material, as a material change to the terms of a transaction would probably require fresh shareholder approval or would be subject to a supplementary circular. It is for this reason that the opinion of the issuer's directors should not determine whether an amendment is non-material. If this were the case, the directors themselves would become the ultimate arbiters of whether any change to the terms of a transaction required shareholder approval under the UK Listing Rules, and this is ultimately a matter for the UKLA/FCA.

The general position is relaxed for offer situations where we recognise that in waiving the conditions to the offer, an issuer could be deemed to be making a material amendment to the terms of the transaction. In these situations, a resolution need not be expressly limited to non-material amendments. However, we will seek confirmation from the issuer that any material change to the offer price will not be made without prior shareholder approval or by way of a supplementary circular, as applicable.