Consultation: Proposed Amendments to Module TMA

Industry Comments and Feedback
December 2021

General Comments:		
Comments	**REF**	**CBB Response**
A bank stated the below: Cost implication on licensees. The conditions of the corporate finance advisor (and his independency) that should be appointed as outlined in TMA2.2 may limit the pool of advisors that can be appointed. As such this will force the licensee to appoint advisors without having a bargaining power when it comes to costs.	GR1	No change. Appointment of an independent adviser by the offeree company is already an established practice. The new clause (TMA-2.2.1A) only provides more clarity on the aspects that should be taken into consideration while determining the independence of the adviser. The aim is to assess the independence of the adviser in an objective manner.
An Audit Firm stated that since several proposed changes are material in nature to stakeholders such as advisors, minority shareholders, an explanatory memorandum should be issued by CBB as part of the consultation process, providing rationale for these changes with adequate benchmarking / comparison with global practices in other jurisdictions.	GR2	Noted. The proposed amendments are incorporated to further strengthen the regulatory framework for TMA transactions. The proposed amendments further elaborate on existing provisions for greater clarity and to improve transparency.
A bank stated the below: 1. Compulsory Acquisition (Squeeze Out) / Sell Out: Unlike earlier where the offeror was bound to compulsorily offer to buy the minority shareholders once it acquires 95% of the voting rights of the offeree company, now the offeror would have the option to go ahead with a compulsory acquisition after receiving 90% acceptance of the offer shares, if it has earlier disclosed the same in the offer document (Compulsory Acquisition notice). Moreover, the dissenting shareholders also have the option to request the offeror to buy their shares in the offeree company once it has received 90% acceptance of the offer shares (sell-out right)	GR3	Noted.

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The sell-out right does not apply if the offeror has already served a notice for compulsory acquisition. Our view is that this normally will be beneficial for acquirers as it will help them dictate the plan of merger as the threshold has now been reduced. 2. Settlement of Consideration and Share Transfer: The proposal is to make the settlement more flexible. We consider this to be helpful to all the counterparties and hence thank the CBB for the same. 3. Independent Professional Adviser It is our viewpoint that the prerequisites specified are a bit Pre-requisites have been laid down which will become more restrictive of non-Bahraini companies to act as an advisor for the purposes of TMA. This could tend to be restrictive in nature as there are limited global advisors having a presence in Bahrain. We hence request you to bear this in consideration and permit more flexibility for GCC and other overseas professional advisors.		Noted. Noted. Subparagraph (a) has been removed and the clause has been amended to read: "For the purposes of TMA-2.2.1, the offeree company's board, prior to appointment of an independent professional adviser, must ensure that the independent professional adviser have sufficient experience and a satisfactory work record in corporate finance or in a related field over the period of at least the past 5 years."

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TMA-2.2.1 Independent advice must be obtained as to whether or not the offer is in the interests of the shareholders. A board which receives an offer or is approached with a view to an offer being made, must, in the interests of shareholders, appoint an independent professional adviser to advise the board as to whether the offer is, or is not, fair and reasonable. ~~and as to acceptance and voting.~~ Such advice, including reasons, must be obtained in writing and made known to shareholders by including it in the offeree board circular along with the recommendation of the offeree company's board regarding acceptance and voting, where applicable, of the offer. If any of the directors of an offeree company is faced with a conflict of interest, the offeree company's board must be notified of his/their interest and must not vote on the	**A bank** stated that is not common practice to have "reasonable" language in Fairness Opinions And suggested to amend the paragraph as below: **A board which receives an offer or is approached with a view to an offer being made, must, in the interests of shareholders, appoint an independent professional adviser to advise the board as to whether the offer is, or is not, fair ~~and reasonable.~~**	SP1	No change. The clause states that the independent adviser should assess the offer and advice the board as to whether the proposed offer, in terms of the consideration is "fair and reasonable" to the shareholders. By "fair and reasonable" we mean whether the offer is fairly valued in an unbiased, rational, consistent and just manner.
	A bank stated that: To reinstate 'and as to acceptance and voting' along with ', where applicable' at the end. Otherwise, it would appear that two separate advices will be needed - one for fairness and reasonableness and the other for acceptance and voting, where applicable. Separately, it is not clear what acceptance and voting signify. This needs to be elaborated for clarity.	SP2	The Fairness Opinion Report will provide insight, amongst others, on how fair and reasonable the offer is in terms of the valuation. This will be provided by the independent adviser. Along with the fairness opinion report by the independent adviser, there will be an offeree board circular, in which, the board will provide its view regarding the acceptance and voting, if applicable on the proposed offer to the shareholders.

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resolution to be adopted in regards of the offer, and if possible, establish an independent committee of the board to discharge the board's responsibilities in relation to the offer. The board must announce the appointment of the professional adviser in the initial announcement of the offer or possible offer, or as soon thereafter as the appointment is made.			Therefore, these are two distinct documents (Fairness Opinion Report and Offeree Board Circular).
TMA-2.2.1A For the purposes of TMA-2.2.1, the offeree company's board, prior to appointment of an independent professional adviser, must ensure that the independent professional adviser satisfies the following requirements: **a) Must be a company incorporated in Bahrain or a branch resident in Bahrain of a**	**A bank** stated that these measures are very vague and subjective and can be of more harm than benefit as it leads to having very large boundaries to assess the professional level of selected advisor.	SP3	The proposed amendment stipulates objective criteria for appointment of independent adviser. Further amendments have been incorporated on the clause.
	A bank stated that amendment is endorsed to ensure high level of expertise in the subject matter.	SP4	Noted.
	A bank stated that Subparagraph (a) unnecessarily restricts the range of potential independent professional adviser (IPA) appointees, given the non-Bahrain operating base of international IPAs, and the limited range of available domestic firms capable of providing the required services,	SP5	Noted. Subparagraph (a) has been removed and the clause has been amended to read: "For the purposes of TMA-2.2.1, the offeree company's board, prior to

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company incorporated in a foreign jurisdiction; **b) Must have sufficient experience and a satisfactory work record in corporate finance or in a related field for at least past 5 years; and** c) Must have a good standing with regulatory authorities;	particularly for larger and more complex transactions. It is recommended that the underlined wording be removed.		appointment of an independent professional adviser, must ensure that the independent professional adviser have sufficient experience and a satisfactory work record in corporate finance or in a related field over the period of at least the past 5 years."
	A Lawyer suggested, for clarity purposes, adding some details under Subparagraph (c): The provision is very generic.	SP6	Noted. Subparagraph (c) has been removed.
	A bank stated that this will limit the ability for international investment banks to advise on Bahrain public M&A transactions. It also suggested to amend the paragraph as below to delete point A. **For the purposes of TMA-2.2.1, the offeree company's board, prior to appointment of an independent professional adviser, must ensure that the independent professional adviser satisfies the following requirements:** ~~**a) Must be a company incorporated in Bahrain or a branch resident in Bahrain of a company incorporated in a foreign jurisdiction;**~~	SP7	Noted. Refer to SP5.

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	A bank inquired the below: 1- Why "corporate finance" in (b)? 2- How will (c) be evidenced or satisfied?	SP8	The requirement is to have good understanding of different types of valuation models. Refer to SP6.
TMA-2.2.1A Must be a company incorporated in Bahrain or a branch resident in Bahrain of a company incorporated in a foreign jurisdiction;	**An Audit Firm** stated that the requirement does not include partnerships or other types of entities other than company law. Most firms may be in the form of a partnership.	SP8A	Refer to SP5.
TMA-2.2.1B An independent professional adviser is considered to have the relevant corporate finance experience if it has provided advice for any of the following: **a) IPOs;** **b) Mergers and acquisitions involving listed companies;**	**A bank** inquired the below: Also here what are the standards or criteria available to assess whether the professional advisor has the sufficient experience in corporate finance?	SP9	TMA -2.2.1B is explaining as to what constitutes "corporate finance experience".
	A bank stated that amendment is endorsed to ensure high level of expertise in the subject matter.	SP10	Noted.

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c) Fund-raising exercise through the capital market by listed companies; and/or **d) Restructuring exercises involving listed companies.**	**A bank** inquired the below: 1- why "corporate finance"? 2- Should be replaced to "sufficient experience" 3- As we have few in the market, in which most of them may have other business relationship with the entity, we suggest to add "preferably provided advice for any of the following" 4-Any indicative bare minimum number of transactions to qualify the relevant experience?	SP11	The requirements are stipulated based on the expertise required to assess and evaluate a TMA transaction.
	An Audit Firm stated that fair valuation of listed companies for the purpose of swap ratios or other capital transactions can be included. Other area of competence can include impairment assessment, purchase price allocation, etc.	SP11A	The requirements of TMA-2.2.1B are fairly broad. Therefore, all form of corporate finance experience, which are relevant, shall be considered while assessing the experience requirement.
TMA-2.2.5A For the purposes of Paragraph TMA-2.2.5, a professional adviser must not be considered independent if the professional adviser: a) holds voting rights in the offeror or the offeree at any time during the preceding 12 months from the	**A bank** stated that the phrases highlighted in Green may create ambiguity when professional advisors are hired by the Offeror/Offeree on a retainer basis, with an ongoing business relation that has most likely preceded the offer period. Furthermore, the amendment made to TMA 2.2.5.A will most likely delay the TMA process if the respective professional advisor is amongst very few firms in Bahrain that satisfy the requirements listed under the amended rule 2.2.1.B.	SP12	TMA-2.2.5A is meant to provide guidance to address the conflict of interest issue. Professional adviser having relation with the offeree, as listed in the provision, may influence their independence. Since the objective is to have an independent adviser who shall prepare the fairness opinion report with full honesty and integrity, it is essential that we clearly stipulate the

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beginning of the offer period; b) has a business relationship with the offeror or the offeree, at any time during the preceding 12 months from the beginning of the offer period that contributes to more than 10 per cent in revenue or profit of the adviser, based on the latest financial statements; c) has a representative on the board of the offeror or the offeree; d) has a representative from either the offeror or the offeree on its board; e) is or will be involved in the financing of the offer; f) is a creditor of either the offeror or the offeree, based on the latest financial statements; g)			situations which may lead to conflict of interest situations.
	A bank stated the below: With reference to the underlined wording at point (a), it is to be noted that international financial institutions operate in various capacities/jurisdictions and provide trust and fiduciary services for third parties through discretionary managed funds. These typically do not vote, or vote based on received proxies or instructions from their clients. It is recommended that the non-beneficial ownership of shares should be excluded from the definition of voting shares for the purposes of the restriction at point (a). To ensure equity among shareholders, voting rights held through discretionary managed funds should be excluded from the restriction. With reference to the underlined wording at point (f), it is recommended that creditor relationships in the ordinary course of banking business, including depositor relationships, as well as repos, derivatives and similar arrangements, should be excluded from the restriction.	SP13	Noted. Shares held by a financial institution by way of a trust arrangement, discretionary managed fund and other fiduciary services are excluded for the purpose of determining the voting rights in TMA-2.2.5A(a). The clause has been suitably amended. TMA-2.2.5A(g) has also been amended. A 10 % threshold has been stipulated to determine "substantial creditor" We have re-incorporated the 10% threshold to qualify a professional adviser as a substantial creditor.

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has a financial interest in the outcome of the offer other than as outlined in paragraphs TMA-2.2.5A(a)–(f) above; or h) was an adviser in any planning, restructuring, acquisition or disposal proposals of the offeror or the offeree at any time during the period of 12 months preceding the beginning of the offer period.	**A bank** stated that this should restrict advisors that also carry out external audit services for an offeree or an offeror in a transaction from representing an offeror or offeree in a transaction.	SP14	Noted. The clause has been amended to include: "provides or has provided any audit and/or review services during the preceding 12 months from the beginning of the offer period."
	A bank suggested the below: Point f), add "meaningful/ material" to read as below, this is for CBB's consideration as Investment Banks can sometimes also act as lenders through a separate/independent arm of the bank, so a materiality threshold will allow for some flexibility in applying the independence test f)" is a meaningful/material creditor of either the offeror or the offeree based on the latest financial statements "	SP15	Noted. The clause has been amended. Refer to SP13.
	A bank stated the below: (b) This will restrict the number of firms that can be considered as professional advisor (f) a threshold to be set as for the credit value (h) why not? This also will further restrict the number of firms that can be considered as professional advisor	SP16	Noted. The clause has been amended. Refer to SP13

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	An Audit Firm stated: Point f) Independent advisors also included investment banks or advisory units of some global banks in some transactions. It is always plausible or possible that these banks through their brokerage or trading portfolio would have held some stake in the shares of either the offeror or the offeree during the last 12 months. For e.g. A bank would most likely hold shares in all listed entities in some capacity and also has assigned voting rights. Do we assume the bank will always be conflicted?	SP16A	Noted. The clause has been amended. Refer to SP13
	An Audit Firm stated and suggested the below: TMA-2.2.5A (b) "We are reading this as if a professional advisor has an engagement with the offeror or offeree that exceeds 10% of the revenue earned by the professional advisor. Please confirm if this is correct. Also some pertinent questions: (1) Audit services and services rendered on behalf or for submission to the CBB (inspection, AUP etc.) should be excluded as auditor or advisor appointed is always independent in their role. (2) The 10% threshold is for work done in Bahrain or the overall P&L of the advisor. Many firms are branches of their regional head office whereas some firms like ours are	SP16B	If there is or in past 12 months the advisor has provided audit and/or review services or there has been a business relation and the revenue/ profit from that business relationship exceeds 10%, then the professional adviser shall not be eligible to be appointed. 1) The emphasis is on independence of the adviser. Therefore, any other services, including audit service, offered by the adviser which may lead to a conflict of interest situation should be avoided.

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	fully locally set-up. The measure of significance should be similar irrespective of the legal set-up. (3) Firms have different financial year ends. We assume this will be assessed against revenue thresholds of the previous FY of the firm for which full financials will be available? (4) IESBA independence standards apply to a Group. A group includes subsidiaries within and outside Bahrain. How will the overall threshold be assessed in such cases? For the reasons above, we would suggest independence should be assessed consistently with IESBA standards."		2) The clause has been amended and subparagraph (a) of TMA-2.2.1A has been removed. Refer to SP5. 3) The assessment will be based on the immediate preceding 12 month period.
	An Audit Firm stated: Point (f) The term creditor to be clarified. Firms could have unsettled fees for previous engagements. If they ate not deemed material as per clause (b), then this clause should not apply either. Again, significance and materiality should be considered. Under IESBA standards we do consider whether outstanding fees affects our independence and objectivity. However, not all independent advisors will also be audit firms and hence such requirements may not apply to them. In theory, any investment bank holding a bond of the offeror or the offeree is a creditor as well.	SP16C	Noted. The term substantial creditor has been clarified.

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	An Audit Firm stated: (Point h) This is deemed to be too harsh and not practical. There is also a lot of analysis work done pre an offer and advisors usually work with the offeror or offeree for periods prior to announcement. In many cases announcements are also delayed for varied reasons. Since Clause (b) assesses independence, this clause is not required again.	SP16D	Noted. The clause has been amended to delete subparagraph (h).
TMA-2.2.5B Rule TMA-2.2.1 requires the professional adviser to have a sufficient degree of independence to ensure that the advice given is proper and objective. Accordingly, in certain circumstances it may not be appropriate for a professional adviser who has had a recent	**A bank** stated: Please refer to my comment above. We are also of the view that the "segregation" referred to in this amendment is already declared by the professional advisor through the "conflict of interest declaration".	SP17	TMA2.2.5C (earlier TMA-2.2.5B) is a guidance for a professional adviser and it emphasizes that where the professional adviser is in doubt regarding the effective segregation of its activities it should consult the CBB.

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advisory relationship with an offeror or offeree to give advice. In such cases, the CBB should be consulted. Also, a professional adviser may conduct functions such as corporate finance, stockbroking, fund management and corporate advisory activities on a day-to-day basis quite separately within the same organisation, but it is necessary for the professional adviser to satisfy the CBB that it arranges its affairs to ensure that there is total and effective segregation of those operations, and those operations are conducted without regard for	**A bank** requested to: Add • "and Rule TMA 2.2.5A", Reference to the new TMA 2.2.5A may be appropriate here • "lending "for CBBs consideration Paragraph to read: Rule TMA-2.2.1 **and Rule TMA 2.2.5A** requires the professional adviser to have a sufficient degree of independence to ensure that the advice given is proper and objective. Accordingly, in certain circumstances it may not be appropriate for a professional adviser who has had a recent advisory relationship with an offeror or offeree to give advice. In such cases, the CBB should be consulted. Also, a professional adviser may conduct functions such as corporate finance, **lending,** stockbroking, fund management and corporate advisory activities on a day-to-day basis quite separately within the same organisation, but it is necessary for the professional adviser to satisfy the CBB that it arranges its affairs to ensure that there is total and effective segregation of those operations, and those operations are conducted without regard for the interests of other parts of the same organisation or of its clients.	SP18	Noted. TMA-2.2.5C (earlier TMA-2.2.5B) has been amended.

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the interests of other parts of the same organisation or of its clients.	**An Audit Firm** inquired: Why "corporate finance"?	SP19	TMA 2.2.1B provides guidance to professional advisors regarding the need to ensure effective segregation of various that the firm might be undertaking. Corporate finance is one activity amongst a host of activities that the independent advisor might be undertaking.
	An Audit Firm stated: TMA-2.2.5B *"Accordingly, in certain circumstances it may not be appropriate for a professional adviser who has had a recent advisory relationship with an offeror or offeree to give advice. In such cases, the CBB should be consulted"* Word "recent" is subjective and a period may be stipulated. This clause should be revisited along with the conclusions made for Clause A.	SP19A	The guidance is meant to emphasize on the segregation and independence of the adviser. The criteria for determining the independence of the adviser is already stipulated in TMA-2.2.5A. The CBB should be consulted should there be any doubt regarding the independence of the adviser.
TMA-2.2.9 If after a proposed offer the shares of the offeree company are to be delisted from	**A bank** inquired: What replaces para TMA 2.2.9 regarding approval of delisting?	SP20	Rule TMA-2.2.9 has been deleted from its present location and replaced with Rule TMA-3.4.25.

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the licensed exchange, neither the offeror nor any persons acting in concert with the offeror may vote at the meeting, if required, of the offeree company's shareholders. The resolution to approve the transfer of the company and the delisting must be subject to: (a) Approval by at least 75% of the votes attaching to the disinterested shares that are cast either in person or by proxy at a duly convened meeting of the holders of the disinterested shares; (b) The number of votes cast against the resolution being not more than 10% of the votes attaching to all disinterested shares; and (c) The offeror being entitled to exercise, and	**A bank** inquired: What is the purpose of this deletion?	SP21	Refer to SP20.
	An Audit Firm requested: Rationale and interaction with CCL requirements should be explained/ clarified.	SP21A	Refer to SP20.

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exercising, its rights of compulsory acquisition.			
TMA-2.3.15 Where the offer is for cash, or includes an element of cash, the announcement of firm intention must include a statement by ~~a statement that~~ the professional adviser~~, or another appropriate third party,~~ that they have carried out necessary assessment to ~~convince~~ assure itself that sufficient resources are available to the offeror to satisfy the full implementation and acceptance of the offer.	**A bank** stated: TMA 2.3.15 a: It is better to be representation from the professional advisor rather than evidence as again there is no description of the evidence, how detailed it should be and it will open grounds for judgment and disputes.	SP22	The independent adviser is required to carry out necessary due diligence to confirm that the offeror has sufficient resources to pay for the transaction.
	A bank stated: A rewording is recommended, for example " they have carried out necessary assessment to confirm that sufficient resources are available ….).	SP23	Noted. Reworded the clause and included the word "confirm" instead of "assure itself".
	A bank inquired and stated the below: 1- Why deleted "or another appropriate third party"? or The professional advisor for the purpose of this provision should not have to satisfy the extensive criteria set for professional advisors generally. For example it could be any commercial bank certifying that the required amount is sitting with them in a separate account for the purpose. 2- suggest to add "appointed by the offeror" as there is another professional advisor appointed by the offeree. 3- can the professional advisor appointed by the offeror be the same as the one appointed by the offeree? keep in mind the limited options available given the limited number of firms in Bahrain and the above restrictions.	SP24	Noted. The clause has been amended to reinstate "appropriate third party". The professional adviser appointed by the offeror and the offeree cannot be the same.

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TMA-2.3.15A The CBB may require the professional adviser to provide evidence in support of the assurance statement referred to in Paragraph TMA-2.3.15 confirming that sufficient resources are available to satisfy the offeror's obligation in respect of the offer.	**A bank** inquired: What sort of evidence?	SP25	The CBB may, if required, seek the documents and information, based on which the independent adviser provided the statement confirming the ability of the offeror to pay for the transaction.
TMA-2.3.15 and TMA-2.3.15A TMA-2.3"15 "Where the offer is for cash, or includes an element of cash, the announcement of firm intention must include a statement by a statement that the professional adviser, or another appropriate third party, that they have carried out necessary assessment to convince assure itself that sufficient resources are available to the offeror to satisfy the full implementation and acceptance of the offer. TMA-2.3.15A The CBB may require the professional adviser to	**An Audit Firm** stated: The responsibility to assess has been attached to the professional advisor, while on the other hand the obligations of the offeror to deposit such obligations have been relaxed. The professional adviser has no control over the resources and cannot assure unless such resources are committed through an escrow etc. The professional advisor would have to evaluate the full liquidity and credit status of the offeror to come to a conclusion to provide conclusion. Cash resources of any entity is fungible and unless in escrow no priority of resources can be assigned legally over other creditors to satisfy the offer. We would assume professional advisors to provide an analysis of existing resources of the offeror, but any form of assurance would not be feasible.	SP25A	In case of cash consideration, the requirement to deposit 100% of the consideration upfront for such a long period in an escrow account appeared to be onerous. The appointed adviser or appropriate third party shall take necessary measures to ensure that the confirmation provided for fulfillment of cash obligation by the offeror shall be met.

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provide evidence in support of the assurance statement referred to in Paragraph TMA-2.3.15 confirming that sufficient resources are available to satisfy the offeror's obligation in respect of the offer."			
TMA-2.7.7 The offeree company ~~should~~ must send the circular containing the information in Appendix D in Part B of the CBB Rulebook Volume 6 ~~and the information set out in Appendix C in Part B of the CBB Rulebook Volume 6~~, together with any other information it considers to be relevant to enable its shareholders to reach an informed decision on the offer accompanied by the offer document to all its shareholders within a maximum period of 21 calendar days from the ~~receiving~~ date of receipt of the offer document. ~~the circular~~	**A bank** stated: We recommend the phrase in Green to be re-worded as follows:" unless an extension is required by the Offeree, where the CBB's written approval is to be obtained ".	SP26	No change.
	A bank stated: It is not common practice to have "reasonable" language in Fairness Opinions amended paragraph to read as follows: **The offeree company ~~should~~ must send the circular containing the information in Appendix D in Part B of the CBB Rulebook Volume 6 together with any other information it considers to be relevant to enable its shareholders to reach an informed decision on the offer accompanied by the offer document to all its shareholders within a maximum period of 21 calendar days from the ~~receiving~~ date of receipt of the offer document. The CBB's ~~consent~~ written approval is required if the offeree board circular may not be sent**	SP27	Refer to SP1. The reference is to the recommendation of the independent adviser as to whether the offer is fair and reasonable is a common practice.

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~~containing the information in Appendix D in Part B of the CBB Rulebook Volume 6 and the information set out in Appendix C in Part B of the CBB Rulebook Volume 6, together with any other information it considers to be relevant to enable its shareholders to reach an informed decision on the offer.~~ The CBB's ~~consent~~ written approval if the offeree board circular ~~(Appendix D in Part B of the CBB Rulebook Volume 6)~~ may not be ~~posted~~ sent to the shareholders within the abovementioned ~~this~~ period. The offeree board ~~circular, to be attached to the offer document in accordance with Appendix D in Part B of the CBB Rulebook Volume 6, must~~ circular must include the views of the offeree company's board or its independent committee on the offer and the written advice of its professional adviser as to	**to the shareholders within the abovementioned ~~this~~ period.** **The offeree board circular must include the views of the offeree company's board or its independent committee on the offer and the written advice of its professional adviser as to whether the offer is, or is not, fair ~~and reasonable~~ and the reason Opinion to include 'acceptance and voting, where relevant'. s thereof.**		
	A bank suggested: Section "Timing and Contents of Offeree Board Circular" Opinion to include 'acceptance and voting, where relevant'.	SP28	Board opinion pertaining to acceptances and voting, where relevant, is to be included in the offeree board circular. Refer to SP2.

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whether the offer is, or is not, fair and reasonable and the reasons thereof.			
TMA-2.7.8 If the circular (Appendix D in Part B of the CBB Rulebook Volume 6) is not issued by the professional advisor, then it should include a statement that the professional advisor has given and not withdrawn his consent to the issue of the circular, including his recommendation.	**A bank** suggested and requested the below: Offeree Board Circular should be issued by the Board rather than the professional advisor. Clause to be deleted.	SP29	Noted. The clause has been deleted.
TMA-2.7.14 Except with the consent of the CBB, the following documents must be available for inspection from the time that the offer document or the offeree board circular is published, until the end of the offer period. The offer document and the offeree board circular must state which documents are available and where, and the place where inspection can be made:	**A bank** suggested the below amendment: **(g) Where a profit forecast has been made, the reports of the auditors or consultant accountants ~~and of the professional advisers~~ in addition to the letters giving the consent of the auditors or consultant accountants ~~and of the professional advisers~~ to the issue of the relevant document with the report in the form and context in which it is included or, if appropriate, to the continued use of the report in a subsequent document;**	SP30	No change required. Full information should be made available for inspection by shareholders.

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; (g) Where a profit forecast has been made, the reports of the auditors or consultant accountants and of the professional advisers in addition to the letters giving the consent of the auditors or consultant accountants and of the professional advisers to the issue of the relevant document with the report in the form and context in which it is included or, if appropriate, to the continued use of the report in a subsequent document;			
TMA-2.8.1 The board of directors of the offeree company must ensure that proper arrangements are in place to enable it to monitor all aspects relating to the offer to ensure that: **(a) The board is provided promptly with copies of all documents and announcements**	**A bank** stated: Typo "complies".	SP31	No change required.
	A bank suggested: Section "The Offeree's Director Responsibilities". Define Insiders with a link.	SP32	Insider is already a defined term and is part of the glossary.

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issued by or on behalf of ~~their company~~ the offeree company which bear on the offer; the board receives promptly details of all dealings in relevant securities made by ~~their~~ the offeree company or its associates and details of any agreements, understandings, guarantees, expenditure (including fees) or other obligations entered into or incurred by or on behalf of their the offeree company in the context of the offer which do not relate to routine administrative matters; **(b) Those directors or committee members (appointed in accordance ~~terms of~~ with Paragraph TMA-2.2.7) who ~~undertaking~~ undertake daily responsibilities for the offer are**			

Specific Comments:			
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in a position to justify to the board all their actions and proposed courses of action; **(c) The opinions of advisers, including professional advisers, are available to the board; and** **(d) The possible temporary insiders (including members of the board themselves) are identified and that the offeree company (including its employees) comply ~~ies~~ with the relevant provisions of Insiders as stipulated in the CBB Law and in the offeree's its policy of on Insiders.**			
TMA-2.11.1 All documents must be filed with the CBB for ~~comment~~ its feedback prior to release or publication and must not be released or published until	**A bank** stated: The proposed change that CBB confirms that they have no further questions without specifying timeline might jeopardize possible mergers due to absence of time span to conclude transaction , a period need to be specified for CBB confirmation.	SP33	Noted. Amended the removal of 15 days period. A period for the CBB's review and issuance of its approval has been reinstated.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
the CBB has confirmed ~~within 15 days~~ that it has no further comments thereon. The final ~~printed~~ copy ~~ies~~ of the documents must be filed with the CBB.	**A bank** recommends replacing the term "feedback" with "approval" to reflect the binding effect of the CBB's comments on these documents.	SP34	Noted. Necessary changes to the wording have been made.
	A bank stated: The proposed amendment removes the 15 day CBB review/approval period, leaving an open-ended period for review/approval. It is recommended that the 15-day period be reinstated, as both the offeror and the offeree require certainty of timelines for planning purposes. Having an open-ended approval timeline risks impacting other transaction deadlines.	SP35	Noted. Refer to SP 33.
	A Lawyer stated: From a practical point of view, and in light of our involvement in structuring and advising clients, we advise maintaining a timeframe for stakeholders to have clarity on the transaction timelines.	SP36	Noted. Refer to SP 33.
	A Crypto-Asset Services Licensee stated: The deletion is noted and we note that the time to review the content of filed documents is important. Suggestion to include the revised timeline to help Licensees plan and anticipate business impact of the offer process and to coordinate other aspects within the company related to a TMA.	SP37	Noted. Refer to SP 33.
	A bank stated: There should be some sense of timing within which the CBB would be expected to revert with its feedback. It helps	SP38	Noted. Refer to SP 33.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
	in timing the transaction and managing the expectations of the relevant parties.		
TMA-2.19.6 ~~**For the amount of consideration payable in cash, the offeror must prior to the execution date of the transaction, open an account with a licensed bank and deposit the entire sum payable to the shareholders as consideration for acceptances received and accepted. The amount to be so deposited shall be the relevant total from the escrow account. [This Paragraph has been deleted in XX 2021].**~~ **An offeror must complete payment of consideration whether in the form of cash, in form of securities, or a combination of cash and securities, as the case may be, to all shareholders by crediting the shareholders bank account and/or the shareholders' securities account, as the case**	**A bank** inquired: Will there be any room for extension? What are the outcomes of not meeting this deadline?	SP39	Payment of consideration must be completed within the stipulated 10 calendar days. Any violation will attract regulatory action as deemed appropriate.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
may be, who have accepted the offer, within 10 calendar days from the last closing date of the offer.			
~~**TMA-2.19.7 In respect of consideration payable by way of exchange of securities, the offeror must ensure that the securities are actually issued and dispatched to the shareholders within a period of 7 calendar days from the last closing date of the offer. [This Paragraph has been deleted in XX 2021].**~~	**A bank** stated: We prefer keeping this requirement.	SP40	The requirement is redundant with the dematerializations of shares.
TMA-2.19.8 An offeror must deposit the unclaimed balances, if any, in an escrow account with a licensed bank within 15 calendar days from the last closing date of the offer.	**A bank** inquired: 1- why would there by any unclaimed balances if the client will provide his/her IBAN in the acceptance form? is it in case of incomplete KYCs? 2-what about unclaimed securities in case of share exchange offer?	SP41	This is in case payment of cash consideration is to be made through cheques r in the case where the client has not accepted the offer and pursuant to compulsory acquisition clause, the shares held by a client is acquired by the offeror.
TMA -2.19 **TMA-2.19.3 "The offeror must as and by way of security for**	**An Audit Firm** suggested the below:	SP41A	The requirement to deposit the full consideration in an escrow account by the offeror has been done away with.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
performance of his obligations under this Module, deposit in an escrow account a sum equivalent to 100% of the consideration payable in cash under the offer before the commencement of the offer period. [This Paragraph has been deleted in XX 2021]. **TMA-2.19.4 The total consideration payable under the public offer shall be calculated assuming full acceptances. [This Paragraph has been deleted in XX 2021].** **TMA-2.19.5 The escrow account can be maintained either as a cash deposit with a CBB licensed bank; or as a bank guarantee in favour of the professional adviser. [This Paragraph has been deleted in XX 2021].** **Payment of Consideration** **TMA-2.19.6 For the amount of consideration payable in cash, the offeror must prior to the execution date of the transaction, open an account with a licensed**	Rationale to remove requirement of depositing consideration payable is not clear. It appears this has been done to simplify the process.		Instead, the new provision requires the appointed independent adviser to assess and confirm that the offeror is in a position to fulfill its obligations. Refer TMA-2.3.15 and TMA-2.3.15A.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
bank and deposit the entire sum payable to the shareholders as consideration for acceptances received and accepted. The amount to be so deposited shall be the relevant total from the escrow account. [This Paragraph has been deleted in XX 2021]. **An offeror must complete payment of consideration whether in the form of cash, in form of securities, or a combination of cash and securities, as the case may be, to all shareholders by crediting the shareholders bank account and/or the shareholders' securities account, as the case may be, who have accepted the offer, within 10 calendar days from the last closing date of the offer."**			

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
TMA-2.20.6 A person is considered to have access to confidential price-sensitive information concerning an offer or contemplated offer if the person: (a) A is a director or employee of one of the companies or entities concerned or engaged in the offer or potential offer including, but not limited to, the offeror, the offeree or any person acting in concert with the offeror or offeree; (b) An advisor, including professional adviser, to one of the companies or persons concerned or engaged in the offer or potential offer; (c) In a position to have received and has actually received information through a confidential relationship; (d) Connected persons and companies controlled by the offeror and those described in (a), (b) and (c); or (e) is considered as having or had access to price sensitive information by virtue of the	**A bank** inquired: All employees are considered insiders?? Suggest to replace "employee" with "insider".	SP42	No change required. All employees are not considered insider. Employees who are engaged or involved in the transaction and have access to price sensitive information shall be considered as insiders for the purpose of this Module.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
relevant facts and circumstances.			
TMA-3.4.4 Where an offeror or offeror and persons acting in concert: **(a) made an offer for all the shares in an offeree company; and** **(b) have received acceptances of 90% or more of the offer shares of the offeree company, the offeror, may within three months beginning immediately after the day on which the offer receives 90% or more acceptances, acquire the remaining shares of the offeree company, by issuing a notice for compulsory acquisition, in the form or manner specified by the CBB (Appendix E of Part B of Volume 6), to all the dissenting shareholders subject to TMA-3.4.9.**	**A bank** stated: The underlined wording in TMA-3.4.4 and Appendix E could result in an inequitable position where, even if an offeror has met the compulsory acquisition threshold by receiving acceptances of 90% or more, a minority dissenting offeree shareholder could frustrate the offeror's right to compulsorily acquire the shares of dissenting offeree shareholders, effectively circumventing the decision of a significant majority of offeree shareholders which accepted the offer, and placing the consummation of the overall acquisition transaction at risk. The purpose of the compulsory acquisition right would be defeated. Pursuant to the wording of the new TMA-3.4.5, where an offeror intends to exercise the compulsory acquisition right, the offeror must state in its offer document its intention to exercise its power of compulsory acquisition in the event that the conditions under TMA-3.4.4 are satisfied. The decision of the offeree shareholders to accept the offer would have been made with full knowledge of the offeror's intention to compulsorily acquire the shares of any dissenting shareholders. Accordingly, it is recommended that the potential for minority dissenting shareholders to apply to court for legal	SP43	It may be noted that the process of compulsory acquisition shall continue for all dissenting shareholders. As the process involves expropriation of existing interests of the minority shareholders, a remedial measure has to be provided for redressal of any issue.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
Appendix E (Extract from Notice to Dissenting Shareholder of Compulsory Acquisition) Up to [date], being a date within three months after the take-over offer was accepted by the shareholders of not less than 90% of the [description of shares] (other than those already held at the date of the take-over offer by the offeror and parties acting in concert). The offeror hereby gives you notice for compulsory acquisition, in pursuance of the provisions of Compulsory Acquisition Right, Section TMA-3.4.4 of Module Takeovers, Mergers and Acquisitions, that it desires to acquire the [description of shares] held by you in the offeree. You are entitled within 15 days from the date on which this notice is given to require the offeror, by demand in writing served on the offeror to provide you with a statement of the names and addresses of all other remaining	relief should be removed, and associated amendments should be made to the wording of the TMA-Module.		
	A bank inquired and stated the below: 1- does this mean it is now optional for the offeree to squeeze the remaining shareholders, as opposed to compulsory obligation previously? (i.e. now it's a right rather than an obligation?) 2- It needs to be clarified if shares include treasury shares or only shares with voting rights.	SP44	Compulsory acquisition is a right given to the offeror, provided the offeror has stated its intent to acquire the remaining shares in the offer document upon meeting the conditions stipulated. Appropriate disclosure of the intention to avail the compulsory acquisition right must be provided in the offer document to allow shareholders to understand all aspects of the offer including any potential compulsory acquisition to make an informed decision on the acceptance or rejection of an offer. Treasury shares are not included. Only voting shares are included.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
shareholders as shown in the share register, subject to meeting the requirements of all applicable laws including Law No. 30 of 2018 with respect to issuing the Personal Data Protection Law,, and the offeror will provide the list of those remaining shareholders within 7 calendar days from the date of the request made by you. *Unless upon an application made to a competent court by you on or before [date], being 60 days from the date of this notice, the competent court orders otherwise,* the offeror will, in pursuance of compulsory acquisition provisions of Module TMA, be entitled and bound to acquire the [description of shares] held by you in the offeree on the same terms of the abovementioned take- over offer.			
TMA-3.4.5 Where the offeror or offeror and persons acting in concert, pursuant to an offer, intends to exercise the compulsory acquisition right, the	**A Lawyer** inquired: The scenario where this is not pre-decided and included in the offer document, does this entail losing the right to squeeze out the dissenting shareholders?	SP45	Appropriate disclosure of the intention to avail the compulsory acquisition right must be provided in the offer document to allow shareholders to understand all aspects of the offer

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
offeror must state in the offer document its intention to exercise its power of compulsory acquisition in the event that the conditions under TMA-3.4.4 are satisfied.			including any potential compulsory acquisition to make an informed decision on the acceptance or rejection of an offer.
	A bank inquired: What if not mentioned in the offer document? Can the offeree still exercise its right as per the BCCL?	SP46	Refer to SP 45.
TMA-3.4.6 For the purpose of Paragraph TMA-3.4.4(b), the acceptances must not include shares already held on the date of the offer by the offeror and persons acting in concert.	**A bank** stated: This would make it impractical to complete any take-over or compulsory acquisition as the shareholders who holds 90% of the shares will not be able to exercise the compulsory acquisition even if he obtains more than 95%of the shares of the company. In its proposed format the Module will require 90% of the other shareholders who may only be holding less than 10% of the shares.	SP47	The proposed approach provides a fine balance between the interest of the minority shareholders, whose right to own the shares shall be expropriated and the offeror and parties acting in concert who have interest to gain full control of the company. The proposed approach will encourage the offeror and parties acting in concert to price the offer fairly and encourage the minority shareholders to accept offer.
	A bank required to: Include 'offeror' along with 'offeror and persons acting in concert' to cover both scenarios.	SP48	No change.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
TMA-3.4.7 The notice for compulsory acquisition referred to in Paragraph TMA3.4.4 must be: **a. issued within 15 calendar days from the date the offer is declared unconditional in all respects;** **b. accompanied by a copy of a declaration by the offeror that the conditions for giving the notice are satisfied; and** **c. delivered to the dissenting shareholders in person or by registered post.**	**A Lawyer** stated: Under TMA-3.4.4 the offeror has the right to exercise the compulsory acquisition within three months from the day it receives 90% or more acceptances. As per our reading of the TMA rules, an offer shall remain at least 15 days from the date of it becoming unconditional in light of TMA-2.14.2A, and the scenario of reaching to 90% or more acceptances may not necessarily materialize within 15 calendar days from the offer being declared unconditional (especially in light of the possibility of the offer remaining open for 60 days as per TMA-2.14.3). In light of the above, the requirement of serving the notice of compulsory acquisition within 15 calendar days from the offer being declared unconditional may not necessarily be workable.	SP49	The notice is to be served once the offer attains 90% acceptance and becomes unconditional in all respect. Once the offer is declared unconditional, it will open for a period of 15 days within which shareholders will be able to accept the offer. The notice will only be sent if the prerequisite acceptance level has been achieved as stated under TMA-3.4.4.
	A bank requested: (c) - emails and fax should be included	SP50	As stipulated in TMA-3.4.8, alternative mode of delivery of the compulsory acquisition notice should be discussed with the CBB.
TMA-3.4.9 Where a notice for compulsory acquisition is issued by an offeror to dissenting shareholders, and dissenting shareholder(s) do not accept the notice for compulsory acquisition, such dissenting	**A Lawyer** suggested adding further clarity on the purpose of approaching the court to avoid any confusion.	SP51	A dissenting shareholder has a right to approach a competent court, within 60 days, from the date of the compulsory acquisition notice to object to the compulsory acquisition of his/her shares. Thereafter, the court shall hear the matter and decide on the matter.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
shareholder may, within sixty days from the date of the notice for compulsory acquisition, approach a competent court.	**A bank** inquired: Approach a competent court for what exactly?	SP52	Refer to SP 51.
TMA-3.4.10 If pursuant to Paragraph TMA-3.4.9, an application to a competent court has been made by a dissenting shareholder(s), and where the case is pending (i.e. no ruling is issued on the subject matter), the offeror must pay, allot or transfer to all the dissenting shareholders, the funds or other consideration for the shares to which the notice for compulsory acquisition relates.	**A Lawyer** stated that: If our understanding is correct, the payment to dissenting shareholders shall be made except to the ones who filed court cases. If this is correct, we suggest adding the word "other" as follows to avoid confusion: "the offeror must pay, allot or transfer to all the other dissenting shareholders, the funds or other consideration …"	SP53	The settlement will be made to all dissenting shareholders including the ones with pending court cases within the three months period.
	A bank inquired and suggested the below: 1-How? What if they don't provide their details i.e. KYC, IBAN, etc.? 2-What is the timeline for considering a ruling/case as pending? 3-Replace 'the funds or other consideration' with 'the consideration'.	SP54	If the investors IBAN is not known, then the amount has to be kept in the unclaimed balances account (Refer to TMA-2.19.8). The court shall decide on the case. No fixed timeline can be set by the CBB. "funds or other consideration" refers to fiat money or shares of the offeror company or a mix of both. Hence, no change is necessitated.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
TMA-3.4.11 The offeror must complete the compulsory acquisition settlement process for the dissenting shareholders after the sixty days period (duration during which dissenting shareholders may approach a competent court) but before the end of the three months period, beginning immediately after the day on which the offer receives 90% or more acceptances.	**A bank** stated: Steps are as follows: 1- receive all acceptance 2- within 15 days, send compulsory notice 3- within 60 days of compulsory notice the dissenting shareholder may approach the court 4- the compulsory acquisition must be completed at the end of the 60 days and before 3 month of the date of receiving acceptances 5- The offeror ends up settling consideration for the shares of the dissenting shareholders whereas the ownership of those shares remain disputed in court - needs further analysis and a reasonable solution.	SP55	The proposed approach is fairly well explained in the Module and is very similar to what is practiced in other jurisdictions. The timeline for completion of the court proceeding cannot be pre-defined under the rules.
TMA-3.4.12 The offeror must acquire the shares to which the notice for compulsory acquisition relates on the same terms as the offer.	**A bank** stated: This may contradict with Article (307) of the Companies Commercial Law which requires that a dissenting shareholders shall be reimbursed on the actual value or the market value whichever is bigger. However, it is not clear whether there will be a difference in treatment between dissenting shareholders in takeover and conversion.	SP56	Requirement of Article(307) of the CCL pertains to conversion of a company from one legal form to another. Therefore, the requirement will not be applicable for TMA transaction under consideration. Also, the conversion and delisting will take place after the compulsory acquisition process (refer to Rule TMA-3.4.24).

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
TMA-3.4.14 Where an offeror or offeror and persons acting in concert: **(a) made an offer for all the shares in an offeree company; and** **(b) in pursuance to the offer having received 90% or higher level of acceptance of the offer shares to which the offer relates, dissenting shareholders may, send a request to the offeror, requiring the offeror to acquire his/her shares within three months beginning immediately after the day on which the offer receives 90% or more acceptances.** **The offeror is bound to acquire those shares on the terms of the take-over offer within three months from the date of receiving the request from the dissenting shareholders.**	**A bank** stated and inquired the below: 1-"is bound" this contradicts with TMA-3.4.4 where is indicates that the compulsory acquisition is a right but not an obligation. 2-what if this was not the intention in the document as per TMA-3.4.5 3-It needs to be clarified if shares include treasury shares or only shares with voting rights	SP57	Similar to the compulsory acquisition right given to the offeror to expropriate the shares from dissenting shareholder, the sell-out right is a right given to shareholders who have not accepted the offer initially but upon the offer attaining 90% acceptance, want to go ahead and accept the offer. Where an offer attains 90% acceptances, the remaining shareholders can exercise their right to sell-out and sell their shareholding to the offeror on the same terms and conditions and the offeror is bound to accept the shares. If compulsory acquisition right is not exercised by the offeror, then the shareholders are free to exercise their right to sell-out. Only shares with voting rights are included.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
TMA-3.4.15 For the purposes of calculating 90% or more level of acceptances referred to in Paragraph TMA-3.4.14(b), shares already held by the offeror and persons acting in concert on the date of the offer must not be taken into consideration.	**A bank** suggested to: Include 'offeror' along with 'offeror and persons acting in concert' to cover both scenarios.	SP58	No change.
TMA-3.4.16 An offeror, upon achieving 90% or higher acceptance level specified in Paragraph TMA-3.4.14(b), must give all dissenting shareholders who have not accepted the offer, a notice in the manner specified by the CBB (Appendix-F of Part B of Volume 6) regarding the sell-out rights that are exercisable by the dissenting shareholders.	**A bank** stated that: The word "must" again contradicts with TMA-3.4.4 where is indicates that the compulsory acquisition is a right but not an obligation.	SP59	The word "must" refer to issuance of the "Sell-out" right notice, intimating the shareholders that they have such a right vested with them and whether they wish to exercise the right. It is an obligation on part of the offeror to intimate the remaining shareholder about their right.
TMA-3.4.17 The sell-out right notice, referred to in Paragraph TMA-3.4.16, must be issued within 15 calendar days from the date the offer is declared unconditional in all respects.	**A bank** inquired: Which one is required by the offeror, the compulsory acquisition of the sell-out notice? What is the difference?	SP60	Compulsory acquisition right is a right vested with the offeror and sell-out right is a right vested with the minority shareholders.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
TMA-3.4.18 The sell-out right notice referred to in Paragraph TMA-3.4.16 must be: **a. accompanied by a copy of a declaration by the offeror that the conditions for giving the notice are satisfied; and** **b. delivered to the dissenting shareholders in person or by registered post.**	**A bank** suggested the below: 1- Same as above 2- include email and fax	SP61	Refer to SP50.
TMA-3.4.20 A sell-out right notice under TMA-3.4.16 must specify the period within which the sell-out right is exercisable and that such rights cannot be exercised after the end of that period.	**A bank** inquired: Shouldn't it be 3 months as in the compulsory acquisition?	SP62	It is 3 months and is stated in Appendix F.
TMA-3.4.21 The sell-out right conferred on a dissenting shareholder under Paragraph TMA-3.4.14 is exercisable by a written request addressed to the offeror.	**A bank** inquired: 1- to or from the offeror? 2- Elaborate on what constitutes written notice.	SP63	The dissenting shareholder shall provide in writing its intent to exercise the sell-out right (Refer to Appendix - F).

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
TMA-3.4.22 Sell-out right does not apply if the offeror has given the dissenting shareholders a notice for compulsory acquisition pursuant to TMA3.4.4.	**A bank** stated: This is confusing. We need more elaboration please.	SP64	Where an offeror has stated in the offer document its intent to exercise the compulsory acquisition right, sell out right shall not be applicable.
TMA-3.4.23 Pursuant to the provisions of compulsory acquisition and sell-out right, where a notice is served to dissenting shareholders by the offeror, either to exercise the right of compulsory acquisition or to inform about the sell-out right of the dissenting shareholders, the offeror should put in place necessary measures to ensure that dissenting shareholders who receive the letter duly acknowledge its receipt.	**A bank** stated: Elaborate on what constitutes necessary measures and how can it be established.	SP65	The objective is to ensure that shareholders do not complain about non-receipt of the compulsory acquisition notice or sell-out notice. Hence, irrespective of the mode of delivery of the notices, a mechanism must be put in place for acknowledgement.
TMA-3.4.24 Upon completion of the acquisition of the remaining shares pursuant to a compulsory acquisition by the offeror or sell out by dissenting shareholders, the offeree company must apply	**A listed company** stated: The offeree should apply to the licensed exchange where its shares are listed in to delist.	SP66	Listed companies are required to comply with the requirements of BHB's listing rules concerning delisting.
	A bank suggested: Add 'rights exercised' after 'sell out'.	SP67	Noted.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
to the CBB to delist from the licensed exchange.			
TMA-3.4.25 In cases where the offeror and persons acting in concert do not receive acceptances of 90% or more of the offer shares of the offeree company, the CBB may approve an application to delist the offeree company after a proposed offer subject to the following: (a) the offeree company convenes a general meeting to obtain shareholders approval on the delisting of the shares of the offeree company; and (b) the resolution to delist has been approved by at least 75% of the votes attaching to the disinterested shares that are cast either in person or by proxy at the meeting. The offeror and any persons acting in concert with the offeror must abstain from voting on the resolution.	**A bank** inquired and suggested the below: 1- What if quorum of 75% is not met in the general meeting (i.e. 3rd meeting is convened)? 2-Include 'offeror' along with 'offeror and persons acting in concert' to cover both scenarios.	SP68	The 75% pertains to the voting level required at the meeting not the quorum. As such, the CCL provisions in relation to convening the second and third meetings will apply, and the voting threshold as required by this rule remains the same for the second and third meetings.

Specific Comments:			
Reference to the draft Directive:	**Comments**	**REF**	**CBB Response**
TMA -2.14.4 **Compulsory Acquisition – Deleted** **TMA-3.4** **Deleted existing clauses** **Other issue**	**An Audit Firm** suggested: Rationale and interaction with CCL requirements should be explained/ clarified. Rationale to be provided for proposed modifications to explain how the changes are in the interest of shareholders For delisting not clear if the dissenting shareholder need to be bought out at market price or offer price.	SP69	The existing provision on compulsory acquisition has been deleted and replaced with detailed rule for compulsory acquisition and sell-out right (refer TMA -3.4). The requirement for delisting is to get 75% approval of the disinterested shareholders in a general body meeting (TMA-3.4.25).
Appendix E **Notice for Compulsory Acquisition Template**	**A bank** inquired: 1-Why does the offeror required to provide them with a statement of the names and addresses of all other remaining shareholders as shown in the share register? 2-Why can they appeal to the competent court in 60 days?	SP70	Noted. The template has been amended.
Appendix F **Right to Sell-Out Notice Template**	**A bank** stated: Need further explanation on the right and obligation of the compulsory acquisition and the sell-out notice.	SP71	The rights and obligations are well elaborated. Specific queries in this regard may be addressed to the Capital Market Supervision Directorate at the CBB.