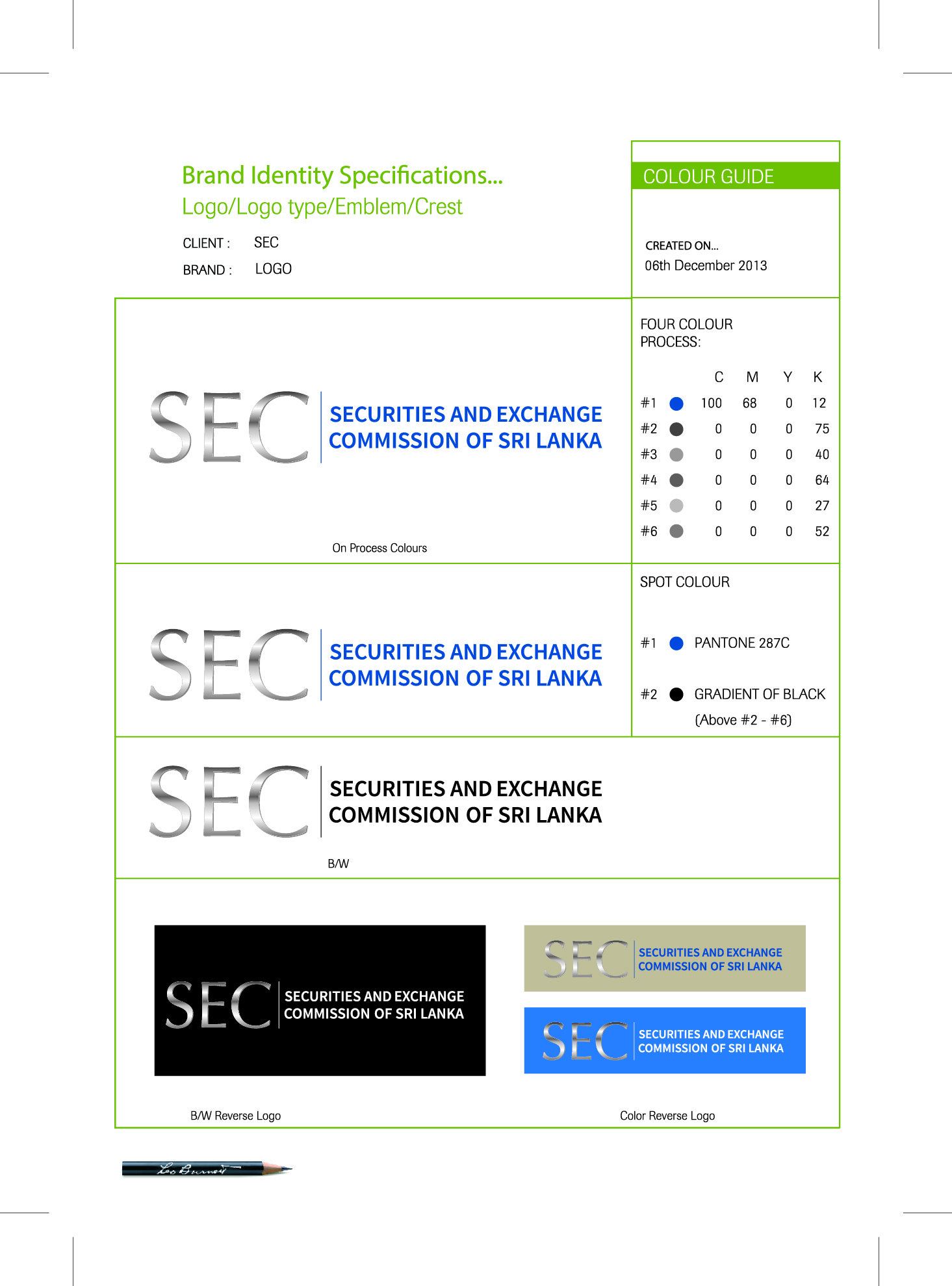
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| **Consultation Paper 24** |
| DRAFT OF THE NEW TAKEOVERS AND MERGERS CODE-2014 |
| **December 2014** |

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| **LEVEL 28 & 29, EAST TOWER, WORLD TRADE CENTER**  **ECHELON SQUARE, COLOMBO 01.** |



Consultation Paper 24

**Background:**

The New Takeovers and Mergers Code annexed hereto has been designed in a manner that readers can better understand and appreciate the spirit and the Rules of the Takeover Law. The Code has enhanced the protection afforded to shareholders of Listed Companies in respect of Takeovers ensuring that they are treated fairly and are not denied an opportunity to exit from a Listed Company after deciding on the merits of a Takeover or Merger. Whilst the standards of adherence to the Code have been considerably raised, the discretion and flexibility vested on the Commission to dispense with Mandatory Offers under certain circumstances have also been introduced. The Code also provides for the establishment of a Takeover Panel to decide on complicated issues that may arise in relation to Company Takeovers and Mergers in the future; and recognizes Compliance Auditors that will primarily ensure that parties to a takeover will comply with the Code.

The Code has been prepared by a team of Lawyers under the leadership and direction of Justice Saleem Marsoof, Honorable Judge of the Supreme Court after several consultations with stakeholders and foreign regulators.

This consultation will be the final consultation prior to gazetteing of the Code.

You may download the aforementioned document by accessing the Official Website of the SEC (www.sec.gov.lk).

**Disclaimer:**

The contents of this paper do not constitute legal advice. The finalized rules relating to Takeovers and Mergers may change from what is proposed herein consequent to the comments we receive or due to any other reason, as determined by the SEC to be appropriate.

**Comments Received:**

The comments received would be subject to consideration by the SEC and will not be treated as confidential unless a special request is made in this respect. The SEC may consider convening consultative meetings as a further step depending on the discretion of the Commission. Please send in your comments under the title **“New Takeovers and Mergers Code”** on or before the 05th February 2015by registered post or e-mail or fax to:

Mrs. Ayanthi Abeyawickrama

**Director Legal & Enforcement**

Securities and Exchange Commission of Sri Lanka

Level 28, East Tower,

World Trade Centre,

Echelon Square, Colombo 01.

**E – mail:** [**ayanthi@sec.gov.lk**](mailto:ayanthi@sec.gov.lk) or **niroshika@sec.gov.lk**

**Fax: 011 2439149**

**Date: 31st December 2014**