

**AMENDMENTS TO THE RULEBOOK OF THE EXCHANGE  
(ISSUERS' RULES)**

**DELETION OF CHAPTER 16 – INFORMATION TO BE PROVIDED IN A BLOCK DIVESTMENT<sup>1</sup>**

**Introduction:**

At its meeting of 29 November 2016, the Rules and Adjudication Committee (RAC), further to its approval of the Rules on Block Divestments and Large Volume Trades (Amendments to Dealing Members' Rules – Part XIII A), resolved that for certainty and orderliness, Chapter 16: Information Required to be Provided in a Block Divestment (Issuers' Rules), be expunged from the Rulebook.

At its meeting of 26 January 2017, the National Council of the Exchange approved the RAC's resolution, for submission to the Securities and Exchange Commission (SEC), for approval. The SEC has also approved that Chapter 16 be expunged from the Rulebook on 16 October 2017.

**Legend:** *deletions struck through:*

**CHAPTER 16  
INFORMATION REQUIRED TO BE PROVIDED IN A BLOCK DIVESTMENT**

**Rule 16.1: Requirements for The Exchange's Approval**

~~Before granting approval for the transfer of a controlling block of shares in a listed company, The Exchange will require to be furnished with the following information:~~

- ~~(a) The reasons why the Core Investor is divesting;~~
- ~~(b) The identity of the proposed new investor(s) and where it is a corporate body, the identity of the promoters, directors and management of the buying company;~~
- ~~(c) Details of the experience possessed by the directors and proposed management relevant to the industry;~~

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<sup>1</sup> **Rule Making History**

1. The Rules on Block Divestments and Large Volume Trades (Amendments to Dealing Members' Rules – Part XIII A) ("draft Rules") were presented to the Rules and Adjudication Committee of Council (RAC) at the RAC Meeting of 9 February 2016, and approved for exposure to stakeholders for comments;
2. The draft Rules were exposed for stakeholders' comments from 17 February to 18 March 2016;
3. The RAC considered the draft Rules, and stakeholders' comments thereon at its Meeting of 29 November 2016, and resolved that for certainty and orderliness, Chapter 16: Information Required to be Provided in a Block Divestment (Issuers' Rules), be expunged from the Rulebook.
4. The Council approved the resolution at its Meeting of 26 January 2017 for submission to the Securities and Exchange Commission (SEC) for approval;
5. The Council's approval was notified to the SEC on 1 February 2017 for approval.
6. The SEC approved that Chapter 16 be expunged from the Rulebook on 16 October 2017.



- ~~(d) — The qualifications of the buyers and the nature of the expertise possessed by them, which they intend to bring into the target company;~~
- ~~(e) — The value added the buyer is planning on bringing into the business;~~
- ~~(f) — Buyer’s confirmation regarding the;
  - ~~(a) Investment objectives in the company; and~~
  - ~~(b) (ii) — Plan for management continuity and profile of the post acquisition management.~~~~
- ~~(g) — Payment of a zero point five per cent (0.5%) block divestment fee of the value of the transaction upon approval of the divestment;~~
- ~~(h) — The transaction must be consummated on the trading floor of The Exchange by a stockbroking firm licensed by The Exchange and registered by Securities and Exchange Commission (SEC);~~
- ~~(i) — Any other information that may be required by The Exchange.~~

**Rule 16.2: — Divestment Resulting in Material Change in Management**

A block divestment shall be deemed to have occurred if in the opinion of The Exchange this divestment will lead to a material change in the Board and Management of the company.