

M&A IN HONG KONG

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Legal Briefings - By **Austin Sweeney, Head of Corporate, Asia and Tommy Tong, Partner - first authored in the IFLR M&A Guide 2015**

WHAT LEGISLATION AND REGULATORY BODIES GOVERN PUBLIC M&A ACTIVITY IN YOUR JURISDICTION?

The Code on Takeovers and Mergers (Code) governs the conduct of public M&A in Hong Kong. It applies to takeovers and mergers affecting: companies and real estate investment trust (Reits) with a primary listing on the Hong Kong Stock Exchange (Exchange); and, public companies in Hong Kong, which will be determined by reference to a number of factors (including the number of Hong Kong shareholders, the extent of sharetrading in Hong Kong and other factors including the location of the head office, business and assets, and place of central management).

The Code is administered by the executive director (executive) of the Securities and Futures Commission (SFC). The Companies Ordinance regulates schemes of arrangement and the compulsory acquisition procedures for companies incorporated in Hong Kong.

HOW, BY WHOM, AND BY WHAT MEASURES, ARE TAKEOVER REGULATIONS (OR EQUIVALENT) ENFORCED?

The Code does not have force of law but the SFC and the Exchange regard compliance as of fundamental importance.

The executive may bring disciplinary proceedings for breach of the Code before the takeovers and mergers panel. The panel can impose sanctions including public censure, public criticism, requiring licensed corporations and financial markets service providers to cease acting for persons in breach and banning advisers from appearing before the executive or panel.

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KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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