

Globalisation and Anti Takeover Mechanisms: Current Trends and Strategies

Hurdles to Takeovers



- Corporate Action
- National Barriers
- Anti-Trust Laws

Corporate Action (1)



- Subsidiary shareholdings in Parent Companies
- Poison Pills
 - new share issue
 - golden parachutes
 - weighted voting rights
 - voting caps

Corporate Action (2)



- Frustrating Action after bid announced
 - sale/purchase of material assets
 - white knights
- Friendly Institutions buy a blocking stake

National Barriers



- Golden Shares
- Minimum Local Shareholding
- Regulatory Barriers
- Specific Sector Vetoes
- Public Attitude of Government

Anti-Trust Laws



- Domestic
- International

UK Situation (1)



- Directors' Duties (Common Law)
- Companies Act (s23 CA)
- Takeover Code (Rule 9, 21)
- Stock Exchange Rules
- Anti-Trust Laws

UK Situation (2)



- Golden Shares
- Specific Sectors
- Defence – KBR IPO