



## **MEDIA STATEMENT**

### **What is a Take-Over-Bid?**

The Trinidad and Tobago Securities and Exchange Commission (TTSEC) wishes to bring some clarity to the issue of what constitutes a Take-over bid by reference to its **Securities Industry (Take-Over) By-Laws, 2005** (“the Take-Over By-Laws”).

The term “take-over bid” is defined as *“an offer to acquire outstanding voting or equity securities of a class made to any security holder of the offeree issuer where the securities subject to the offer to acquire, together with the offeror’s securities, constitute in the aggregate thirty percent or more of the outstanding securities of that class of securities at the date of the offer to acquire”*

There are (at least) three conditions that must be satisfied in order to consider a proposed transaction as a take-over bid:

1. *There must be an “offer to acquire”, which according to the Take-Over By-laws includes “an offer to purchase, or a solicitation of an offer to sell securities; or acceptance of an offer to sell securities, whether or not such offer to sell has been solicited”;*
2. *The offer to acquire must have the potential to result in the acquirer owning 30% or more of the target company’s shares;*
3. *The securities that are the subject of the offer to acquire must have been **outstanding** securities of the target company at the time that the offer to acquire was made. It is generally accepted that securities are “outstanding” if they are issued **and** held by investors.*

The Take-over by-laws require that a person who proposes to make a take-over bid for a company must provide all shareholders of that company with information about, not just the offer that the acquirer is making, but also information about the target company.

The Commission wishes to underscore that matters brought to our attention that relate to the securities industry are thoroughly investigated and the result of the investigation is communicated to the person who brought the matter forward and any other aggrieved parties as necessary. These matters are dealt with in a confidential manner unless the TTSEC believes that the circumstances of the issue require the publication of an Investor Alert. Additionally, the TTSEC may provide clarification on an issue that may have been ventilated in the public domain by other parties.

**Dated: April 22, 2015**