

Submissions Template: Takeovers Panel Consultation Paper

“A proposal to change the small Code companies class exemption”

The Panel invites you to make your submissions by responding to the questions below (which are the same as those set out in the Consultation Paper). You are welcome to make your submissions directly in the text boxes below.

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The above details are optional	

Q1	Why do you think the Class Exemption has been relied on only once since its introduction in July 2015?
	<p>Intuitively it would suggest there has not been a lot of activity, however there may also be a factor of the class Exemption:</p> <ul style="list-style-type: none"> – not being widely understood or known; – being too limited in scope to be useful; or – being considered to difficult or risky for companies with limited free float.
Q2	Do you have a different experience of the costs of Code-regulated transactions for small Code companies? If yes, please provide quantitative information on your estimate and an explanation of how you came to this figure.
	No from our experience the costs remain in accordance with that set out in paragraph 13

<p>Q3 <i>Do you agree with the Panel's analysis of the status quo? (See paragraphs 25-30 on pages 8-10 of the Consultation Paper.)</i></p> <p>If not, please provide the reasons for your view.</p>
<p>Yes we agree that the status quo is not preferred</p>
<p>Q4 Do you think there is a risk of inappropriate reliance on the Class Exemption if it is extended to cover acquisitions and buybacks? If yes, do you have any suggestions on how this risk can be mitigated?</p>
<p>We do not believe that there will be inappropriate reliance on the class Exemption if it is extended, however we submit that the Panel needs to ensure that it is very clear in its definitions of what constitutes such acquisitions or buybacks.</p> <p>In our experience small companies are still using structures to stay outside the code so providing more relief should see a number of these structuring inside the scope of the Code.</p>
<p>Q5 <i>Do you agree with the Panel's analysis of the preferred option? If not, please provide the reasons for your view.</i></p>
<p>Yes we agree with the Panel's analysis</p>
<p>Q6 <i>Do you agree with the Panel's preferred option? If not, please provide your reasons.</i></p>
<p>Yes we agree</p>
<p>Q7 Is there anything else you would like the Panel to be aware of as part of this review of the Class Exemption?</p>
<p>We also believe that the Panel should increase the 5% threshold to 10% for new capital raising and possibly leave the threshold at 5% for transactions under rule 7(c) and 7(d).</p>

