**Timings for an offer**

This element looks at some of the steps and timings in an offer timetable in more detail.

**Introduction**

The Panel specifies an unconditional date by which all conditions to an offer must be met. Remember that Day 0 is the date on which the offer document is published under Rule 24.1(a), so the subsequent dates are usually calculated by reference to that date.

**Day 21: the earliest possible ‘Unconditional Date’ (Rule 31.2)**

Under Rule 31.2, an offer must be open for acceptance until the later of Day 21 and the date on which the offer becomes or is declared unconditional, or lapses. In theory, this means that an offeror could set Day 21 as the Unconditional Date for its offer.

However, the expectation is that offerors will set the Unconditional Date as Day 60 (see below). It is possible for an offeror to publish an acceleration statement if they want to bring that date forward but, in practice, this option is rarely used.

**Announcement of acceptance levels**

**Under Rule 17.1**, the offeror must announce the number of shares for which acceptances of the offer have been received at a number of points in the offer timetable, which are detailed below.

Any announcements must be made by **8am on the business day following** each of these days:

• **Day 21 and every 7th day thereafter;**• any day on which the offer is revised;  
• each day in the week leading up to, and including, the unconditional date or the long-stop date;  
• any day on which an acceptance condition invocation notice (see below) expires;  
• any day on which the offer becomes or is declared unconditional or lapses; and  
• any day on which, as at 5pm, the total percentage of shares which the offeror may count towards satisfaction of the acceptances has increased or decreased above or below a) the percentage threshold to which the acceptance condition is currently subject; b) 75% of the voting rights; and c) if a higher acceptance condition than 50% plus 1 share was specified and that higher threshold can be reduced to a specified minimum threshold, then that threshold (usually 50% plus 1).

**Acceleration statements (Rule 31.5)**

An acceleration statement brings forward the Unconditional Date.

It is rare to see acceleration statements in practice: they tend to be used tactically. They can shorten the time that the target shareholders have to accept the offer to persuade them to accept the offer more quickly.

Under Rule 31.5, where an offeror makes an acceleration statement, the new unconditional date must not be less than 14 days from the date on which the acceleration statement is made.

**Day 39: latest date for announcement of material new information by the offeree (Rule 31.8)**

Day 39 is defined in the Code as ‘… the 21st day before Day 60’. This is the last date on which the offeree board can announce any material new information (such as trading results, profit forecasts and any proposals for dividends or material acquisitions or disposals), except with the consent of the Panel. If consent of the Panel is received, allowing the offeree to announce material new information after Day 39, then the Panel will reset Day 60 as appropriate.

**Day 46: latest date for the offeror to revise the offer (Rule 32.1(c))**

If the offeror has not reached the required level of acceptances from the offeree shareholders, it may decide to revise the offer. This is particularly likely to be the case if the offer is hostile or contested.

The increased offer must be kept open for at least 14 days (Rule 32.1(c)) (meaning that no revised offer document may be published in the 14 days ending on the last day the offer is able to become unconditional (i.e. Day 60)) and will be available to all shareholders, including those who have already accepted the offer. This means that the last time for a revision is 11:59pm on Day 46.

Note that any revised offer document must also be sent out to shareholders, put on a website and announced (Rule 32.1(a)). The revised offer document must also be made available to the employees of both the offeror and the offeree and to the trustees of the offeree’s pension scheme (Rule 32.1(b)). Rule 32.6 also requires the offeree board to send a circular containing its opinion on the revised offer to offeree shareholders and to the trustees of the offeree’s pension scheme. The board of the offeree company must append separate opinions from the offeree company’s employee representatives and from the trustees of the offeree’s pension scheme on the effects of the revised offer on employment and the pension scheme respectively (if received in good time).

**Day 60: the latest possible ‘Unconditional Date’ (Rule 31.1)**

Under Rule 31.1, the unconditional date is Day 60 or any earlier date specified by an offeror as being the latest date by which all of the conditions to the offer must be satisfied or waived, or the offer will lapse.

**Extension to Day 60 (Rule 31.3)**

As we have seen, Day 60 is the date by which the offer must be unconditional. The Panel will normally only extend Day 60 in **limited circumstances** under Rule 31.3. These include:

• if a competing firm offer has been announced;

• if the offeree consents to an extension;

• as provided for in Rule 31.4 (i.e. suspension of the offer timetable if an official authorisation or regulatory clearance remains outstanding); and

• as provided for in Rule 31.8 (offeree company announcements after Day 39).

**Acceptance condition invocation notice (‘ACIN’) (Rule 31.6)**

If the offeror wishes to invoke the acceptance condition before the unconditional date so as to cause the offer to lapse on a date which is on or after Day 21, the offeror must publish a notice of its intention to do so specifying the ‘relevant date’ in an Acceptance Condition Invocation Notice (‘ACIN’).

An ACIN must be published at least 14 days prior to the ‘relevant date’, be irrevocable and specify the level of acceptances which must be received in order for the offer not to lapse on the relevant date. This level cannot be changed.

Like the acceleration statement, the ACIN is rarely used in practice.

**Summary**

* Day 0 is the day on which the offer document is published. All other day numbers are calculated from here.
* Day 21 is the earliest and Day 60 is the latest day on which an offer can be declared unconditional.
* The bidder must announce the levels of acceptances it has received by 8am on the business after Day 21 and at a series of points in time set out in Rule 17.1.
* Day 39 is the latest date for the target to publish significant new information.
* Day 46 is the latest date for the bidder to revise its offer.
* Day 60 is usually the ‘Unconditional Date’ and the bidder has the option to publish an acceleration statement to bring the date forward.
* The bidder may publish an ‘Acceptance Condition Invocation Notice’ in order to cause its offer to lapse if a certain acceptance threshold has not been met.