

Directive 10

1 Nov 1985

Directives to Merchant Banks

Acquisition of Shares in Companies

10(1) A merchant bank shall not, without the prior approval of the Authority, acquire an interest exceeding twenty percent or more of the share capital of any company. This however, does not apply to an agreement by virtue of which the merchant bank would acquire an interest exceeding twenty percent or more of a company's share capital by way of enforcement of security to satisfy debts due to it by the company, if upon making the acquisition, the merchant bank obtains the approval of the Authority to retain the shareholding as an investment. This shall also not apply to the acquisition of an interest exceeding twenty percent or more of a company's share capital by way of the merchant bank fulfilling its obligations under an underwriting agreement, save that if the holding in excess of twenty percent is not disposed of within a reasonable time, the merchant bank shall consult with the Authority.

Last modified on 19/3/2007