

## UK Takeovers – New Judiciary Practice Statement for Schemes of Arrangement

July 14, 2020 | Client Update

A UK scheme of arrangement is a court-approved mechanism under the UK Companies Act 2006 which permits a company to enter into a compromise or arrangement with its shareholders and/or its creditors or any class of the company, subject to the receipt of requisite shareholder approvals and court sanction. Schemes are flexible corporate tools and have become the preferred corporate structure for implementing takeovers in the UK.

Accordingly, whilst takeovers in the UK are primarily regulated by the UK City Code on Takeovers and Mergers, it is also important to understand the relevant provisions of the 2006 Act, the case law underlying such provisions and the court procedure for a scheme. On 30 June 2020, the Judiciary of England and Wales published [Practice Statement \(Companies: Schemes of Arrangement under Part 26 and Part 26A of the Companies Act 2006\)](#) that provides helpful guidance on this.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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