

The Pre-Emption Group Updates Guidance On Cashbox Placings

April 1, 2020 | Client Update

Today the Pre-Emption Group (“PEG”) [announced](#) its expectations with regard to issuers complying with the Pre-Emption Group Principles in light of the unparalleled economic situation caused by the coronavirus (COVID-19) pandemic. In order to help companies raise capital quickly in these difficult circumstances, PEG has recommended that, until 30 September 2020, investors should consider supporting non-pre-emptive issuances of up to 20% of a company’s issued share capital, where an issuer:

- fully explains the particular circumstances surrounding the capital raise;
- consults with a representative sample of its major shareholders; and
- allocates the new shares with the involvement of company management on a basis that allows existing shareholders to subscribe for shares in proportion to their existing holdings.

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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