



AUTORITÉ  
DES MARCHÉS FINANCIERS

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## **The AMF is launching a public consultation on the conditions for implementing squeeze-outs and fairness opinions in the context of public offers**

**The AMF is publishing the findings of the working group on conditions for implementing squeeze-outs and fairness opinions in the context of public offers and is holding a consultation on proposals for changes to its regulations.**

Further to the PACTE Law, whose provisions have resulted in lowering the threshold for implementing squeeze-outs, the AMF set up a working group comprising the various stakeholders, for the purpose of improving the regulations applicable to squeeze-outs and fairness opinions.

The deliberations of this group, co-chaired by AMF Board members Thierry Philipponnat and Patrick Suet, led to the submission of a report containing 18 proposals designed to enhance the protection of minority shareholders and ensure the independence and transparency of fairness opinions more effectively.

In this framework, the following main regulatory amendments are proposed:

- Make the competent statutory corporate body of the target company central to the public offer process by strengthening the independence requirements which should

govern the appointment of the independent appraiser and monitoring of their work, and the content of their reasoned opinion;

- Submit the name of the independent appraiser being considered to the AMF for approval when the company targeted by the offer has not appointed an ad hoc internal committee, consisting mostly of independent directors;
- Impose a minimum period of 15 trading days between filing of the information prospectus and the memorandum in reply in the case of a simplified public offer, enabling the independent appraiser and the competent statutory corporate body of the target company to examine any observations from minority shareholders;
- Comply with certain valuation benchmarks such as net book value, average share price and significant recent financial operations affecting the company, or justify any offer price less than those benchmarks, where applicable;
- Enhance the transparency of the process for appointment of the independent appraiser and the content of their letter of engagement which shall be appended to the report;
- Justify the attestation of fairness in the conclusion of the appraisal report, in light of the context and regulatory foundations of the independent appraiser's assignment;
- Extend the minimum period of work performed by the independent appraiser to 20 trading days after receiving the main documents needed to prepare the assignment and allow them to not submit an attestation of fairness when they consider they have not had sufficient time to produce their report;
- In the independent appraisal report, provide for a section dedicated to an analysis and assessment of shareholders' written observations received by the independent appraiser, specifying, where applicable, the reasons why the appraiser did, or did not, take into account the observations submitted;
- Provide for the possibility of the AMF requesting that the target company appoint a new independent appraiser, whose identity has been submitted for its prior agreement, when it notes significant shortcomings in the content of the initial appraisal report;
- Improve information and transparency regarding remuneration of the independent appraiser and review of the quality of their work.

These proposals may lead to amendments to the AMF regulations, the content of which is submitted this day for public consultation. Contributions should be returned **no later than 15 October 2019** to the following address: [directiondelacomcommunication@amf-france.org](mailto:directiondelacomcommunication@amf-france.org)  
URL = [mailto:directiondelacomcommunication@amf-france.org].

## About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected and that investors are provided with adequate information. The AMF also supervises the orderly operations of markets.

Visit our website <https://www.amf-france.org>

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