Global Public M&A Guide - Australia

Timeline

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# 5. Timeline

[Last updated: 1 January 2025, unless otherwise noted]

**5.1 Timetable for an off-market takeover bid**

This indicative timetable is based on the minimum timetable for an off-market bid. References to time are calendar days, not business days (unless otherwise noted). All section references are to the Corporations Act unless otherwise indicated.

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| **Timing** | **Action** | **Comments** |
| **On or before Day 1** | Public announcement of intention to make a bid | Takeover offers must be sent to shareholders within two months of the announcement (section 631). |
| **Day 1** | Bidder’s Statement (which includes the offer terms) lodged with ASIC | - |
| **Day 1** | Bidder’s Statement served on target and given to ASX | The Bidder’s Statement must be served on the target within 21 days after it is lodged with ASIC (section 633). If the target is listed, a copy must be given to ASX. Service is usually made on the same day as ASIC lodgement. |
| **Every day during the bid period** | Bidder lodges substantial holder notices as required | The bidder must notify the target and ASX of its total voting power:   * when it first makes the bid; * when its voting power reaches 5%; and * every day its voting power changes by at least 1% (for example, as it receives acceptances).   The notice must be given by 9.30am on the next trading day (section 671B). |
| **Day 15** | Bidder’s Statement and offer document sent to target shareholders | Dispatch of these documents must be done within a three-day period between 14 and 28 days after service on the target (section 633). The target may agree to an earlier dispatch date. In a hostile bid, an application by the target to the Takeovers Panel may delay the dispatch pending resolution of the  dispute. Notice that the documents have been dispatched must be given to the target, ASIC and ASX (section 633). |
| **By day 30** | Target’s Statement sent to bidder and target shareholders | The Target’s Statement must be sent no later than 15 days after the bidder sends its documents to the target’s shareholders (section 633). A copy is also given to ASIC and ASX. |
| **Any time during the offer period** | Extend the offer period | A formal notice of variation is sent to the target, ASIC and offerees (section 650D).  If the offer is still conditional the offer period cannot be extended after the publication of the notice as to the status of the bid conditions (see below), unless a competing bid is announced or made after the date of publication or the consideration under a competing takeover bid is improved (section 650C).  Any number of extensions can be made, up to a total offer period of 12 months (section 624(1)). An extension for more than one month (in total) will trigger withdrawal rights for previously accepted shares if the offer is still conditional. |
| **Any day before or on the end of the offer period** | Waive conditions of the bid | Notice waiving a condition is given to the target and ASX (section 650F).  Conditions as to the non-occurrence of certain corporate actions by the target (section 652C(1) and (2) events, commonly called "**prescribed occurrences**") may be waived up to three business days after the end of the offer period. |
| **Seven days before the end of the offer** | Publish notice as to the status of bid conditions | The offer document must specify a date between seven and 14 days before the end of the offer period for publishing this notice (section 630(1)). Seven days before the end is the day usually specified. The publication date is automatically deferred by the length of any extension in the offer period (section 630(2)).  The notice is sent to the target and ASX. |
| **Day 15 plus one calendar month** | Earliest date for close of the offer period | The offer period will be automatically extended under section 624(2) if, in the last seven days, the bid price is increased or the bidder’s voting power in the target increases to more than 50%. The automatic extension is to 14 days after the relevant event. |
| **Up to 21 days after the end of the offer period** | Pay the bid price to accepting shareholders | The bid price must be paid by the earlier of:   * the later of one month after acceptance and one month after the bid becomes unconditional; and * 21 days after the end of the offer period (section 620(2)). |
| **Immediately after the end of the offer period** | Commence compulsory acquisition procedure | A bidder which satisfies the 90% and 75% thresholds may send notices to the remaining target shareholders under section 661B to initiate the compulsory acquisition procedure. The notices must be sent within one month after the end of the offer period. The notice must be copied to ASIC and ASX. |
| **Five business days after compulsory acquisition noticies sent** | Target shares are suspended from trading on ASX | This happens automatically (ASX Listing Rule 17.4). |
| **Three business days after suspension of trading** | Target is delisted by ASX | This happens automatically (ASX Listing Rule 17.14). |
| **One month after compulsory acquisition notices sent** | Complete compulsory acquisition procedure | The earliest that compulsory acquisition can be completed is one month after the notices are sent to shareholders (section 666A). However, the process can be delayed if minority shareholders apply to the court under section 661E to stop the acquisition on the grounds that the bid price is not fair value for the shares. |

**5.2 Timetable for an on-market takeover bid**

This indicative timetable is based on the minimum timetable for an on-market takeover bid. References to time are calendar days, not business days (unless otherwise noted). All section references are to the Corporations Act unless otherwise indicated.

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| **Timing** | **Action** | **Comments** |
| On or before Day 1 | Public announcement of intention to make a bid | The on-market takeover offer must be made within two months of the announcement (section 631). |
| Day 1 | Bidder’s Statement (which includes the offer terms) lodged with ASIC | The contents of the formal announcement are set out in the ASIC Market Integrity Rules (ASX Market), at rule 6.1.1. |
| Day 1 | Bidder’s Statement lodged with target, ASIC and ASX | This must be done on the same day as the formal announcement to ASX (section 635). |
| Any time on or after Day 1 | Bidder may purchase shares on-market | On-market purchases can be made after the formal announcement, even before the full on-market takeover offer commences (section 611, item 2). |
| Every day during the bid period | Bidder lodges substantial holder notices as required | The bidder must notify the target and ASX of its total voting power:   * when it first makes the bid; * when its voting power reaches 5%; and * every day its voting power changes by at least 1% (for example, as it receives acceptances).   The notice must be given by 9.30am on the next trading day (section 671B). |
| By Day 15 | Bidder’s Statement sent to target shareholders | The must be done within 14 days after the formal announcement. Copies of all documents sent are lodged with ASIC and ASX (section 635). |
| By Day 15 | Target’s Statement sent to target shareholders and bidder | This must be done within 14 days after the bidder’s formal announcement. Copies of all documents sent are lodged with ASIC and ASX on the same day (section 635). |
| Day 16 | Full takeover offer made on the ASX | A stockbroker acting for the bidder must make an on-market offer for all quoted shares in the target at the bid price on this day (section 635).  Payment terms for on-market acquisitions (including under the bid) are full payment on the second trading day after the transaction (called "**T + 2**"). |
| Up to five trading days before the end of the offer period | Increase the bid price | The broker acting for the bidder must publicly announce the increased price to ASX before placing the higher bid (ASIC Market Integrity Rule 6.2). |
| Up to five trading days before the end of the offer period | Extend the offer period | The extension is notified to ASX, the target and ASIC (section 649C). |
| Day 16 plus one month | Earliest date for close of the offer period | The offer period will be automatically extended under section 624(2) if, in the last seven days, the bidder’s voting power in the target increases to more than 50%. The automatic extension is to 14 days after the bidder’s voting power increases to more than 50%. |
| Immediately after the end of the offer period | Commence compulsory acquisition procedure | A bidder which satisfies the 90% and 75% thresholds (see section 9.1) may send notices to the remaining target shareholders under section 661B to initiate the compulsory acquisition procedure. The notices must be sent within one month after the end of the offer period. The notice must be copied to ASIC and ASX |
| Five business days after compulsory acquisition notices sent | Target shares are suspended from trading on ASX | This happens automatically (ASX Listing Rule 17.4). |
| Three business days after suspension of trading | Target is delisted by ASX | This happens automatically (ASX Listing Rule 17.14). |
| One month after compulsory acquisition notices sent | Complete compulsory acquisition procedure | The earliest that compulsory acquisition can be completed is one month after the notices are sent to shareholders (section 666A). However, the process can be delayed if minority shareholders apply to the court under section 661E to stop the acquisition on the grounds that the bid price is not fair value for the shares. |

**5.3 Timetable for a scheme of arrangement**

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| **Timing** | **Action** | **Comments** |
| On or before Day 1 | Public announcement of agreed scheme terms (as set out in the Scheme Implementation Agreement between bidder and target) | Unlike a takeover bid, there is no specific legal obligation to send documents to target shareholders within a particular period after the announcement. |
| Day 1 | Lodge draft Scheme Booklet, including independent expert's report and shareholder meeting documents, with ASIC Apply for a court date | 14 days’ notice must be given to ASIC prior to the first court hearing, together with draft scheme documents. |
| Days 1 to 14 | Consider ASIC comments. Lodge final documents with the court | - |
| Day 15 | First court hearing | 14 days after ASIC lodgement. |
| Day 22 | Send Scheme Booklet and meeting documents to shareholders | Seven days assumed for printing and mailing. |
| Day 50 | Scheme meeting | Minimum 28 days’ notice of meeting. |
| Day 53 | Second court hearing | - |
| Day 53 | Effective Date | Lodge with ASIC a copy of the court order approving the scheme, and notify ASX.  Trading in target shares is suspended from close of trading. |
| Day 53 + 3 business days | Record Date | The Record Date for determining entitlements to receive scheme price (three business days after the Effective Date). |
| By Day 63 | Implementation Date | The scheme is completed, and the scheme price paid to target shareholders (usually three to five business days after Record Date). |

Set out below are overviews of the main steps for a typical [off-market takeover offer](https://resourcehub.bakermckenzie.com/en/-/media/global-public-ma-handbook/files/2020-version/timeline_australia.pdf), an [on-market takeover offer](https://resourcehub.bakermckenzie.com/en/-/media/global-public-ma-handbook/files/2020-version/timeline_australia_.pdf) and a [scheme of arrangement](https://resourcehub.bakermckenzie.com/en/-/media/global-public-ma-handbook/files/2020-version/timeline_australia__.pdf) in Australia.

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