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A legal update from Dechert's Corporate and Securities Group

SEC to Consider Amendments to Cross Border Rules

The SEC announced on April 29, 2008, that it will consider modifications to rules concerning U.S. investor participation in certain mergers and acquisitions involving non-U.S. target companies. In January 2000, the SEC adopted regulations (Regulations 800 through 802 under the Securities Act of 1933) permitting U.S. investors to participate under certain circumstances in business combinations involving a target company that is a foreign private issuer. The nature and extent of the relief granted under these rules from U.S. takeover legislation is conditioned on a range of factors, including the level of voting share ownership by U.S. persons in the foreign private issuer. The new regulations announced by the SEC are expected to add clarity, in particular to the manner in which U.S. ownership of the securities of a target company is calculated, and may also provide additional exemptive relief permitting U.S. investor participation in a broader array of cross-border business combinations.

We will circulate a detailed update on the proposed amendments when the SEC publishes its proposed rules for public comments. In the interim, please [click here](#) to review the SEC's April 29 announcement.



Practice group contacts

For more information please, contact one of the Dechert lawyers listed or the Dechert attorney with whom you regularly work. Visit us at www.dechert.com/corporateandsecurities.

Bonnie A. Barsamian
New York
+1 212 698 3520
bonnie.barsamian@dechert.com

Douglas L. Getter
London
+44 20 7184 7425
douglas.getter@dechert.com

David S. Rosenthal
New York
+1 212 698 3616
david.rosenthal@dechert.com

Andrew Case
London
+44 20 7184 7532
andrew.case@dechert.com

Christopher G. Karras
Philadelphia
+1 215 994 2412
christopher.karras@dechert.com

Brian D. Short
Philadelphia
+1 215 994 2737
brian.short@dechert.com

Adam M. Fox
New York
+1 212 649 8732
adam.fox@dechert.com

James A. Lebovitz
Philadelphia
+1 215 994 2510
james.lebovitz@dechert.com

Thomas J. Friedmann
Washington, D.C.
+1 202 261 3313
thomas.friedmann@dechert.com

Wayne Rapozo
London
+44 20 7184 7671
wayne.rapozo@dechert.com

