The City of London Law Society

The Law Society

Consultation on the Practice Statement for schemes of arrangement under Part 26 and restructuring plans under Part 26A of the Companies Act 2006

11 June 2025

Introduction

1. The views set out in this response have been prepared by a Joint Working Party of the Company Law Committees of the City of London Law Society (**CLLS**) and the Law Society of England and Wales (the **Law Society**).

2. The CLLS represents approximately 20,000 City lawyers through individual and corporate membership, including some of the largest international law firms in the world. These law firms advise a variety of clients from multinational companies and financial institutions to Government departments, often in relation to complex, multijurisdictional legal issues. The CLLS responds to a variety of consultations on issues of importance to its members through its 22 specialist committees.

3. The Law Society is the professional body for solicitors in England and Wales, representing over 170,000 registered legal practitioners. It represents the profession to Parliament, Government and regulatory bodies in both the domestic and European arena and has a public interest in the reform of the law.

4. The Joint Working Party is made up of senior and specialist corporate lawyers from both the CLLS and the Law Society who have a particular focus on issues relating to takeovers.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Response

5. We support the response of the City of London Law Society Insolvency Committee to the consultation.

6. Similarly to the Insolvency Committee, we have concerns regarding the requirement in paragraph 5 of the draft Practice Statement for a claim form to be issued on a named basis before the date of any Court hearings is arranged. As the Insolvency Committee response notes, this is a departure from current practice which allows companies to informally reserve time under a code name prior to issuing of the claim form. This is of particular relevance in the context of public takeovers conducted by way of a scheme of arrangement under Part 26 in light of (a) the need for the company to maintain confidentiality prior to announcement of the takeover given that the existence of the proposed transaction will typically constitute inside information – this makes the requirement to file on a named basis prior to announcement of the transaction to the market problematic (it would be inappropriate and disproportionate effectively to require a public announcement of the potential takeover purely so that the claim form can be issued on a named basis and this could have materially adverse consequences for the parties or even deter some from prosecuting transactions) and (b) the time constraints imposed by the UK Takeover Code on the publication of the scheme document following the announcement of a firm offer. As such, removing the ability to book dates without disclosing publicly the relevant company name would be unhelpful to UK market competitiveness and efficiency at a time when significant efforts are being made to ensure its competitiveness. It seems clear to us that any benefits of the proposal are significantly outweighed by the disadvantages.

7. In our view the Court should continue to permit the existing informal process. To do otherwise would significantly disrupt what we consider to be an efficient and well-established practice that ensures that takeovers by way of scheme can be conducted in an orderly manner.