



# Companies Act 2006

## 2006 CHAPTER 46

### PART 27

#### MERGERS AND DIVISIONS OF PUBLIC COMPANIES

### CHAPTER 2

#### MERGER

##### *Requirements applicable to merger*

#### **909 Expert's report (merger)**

- (1) An expert's report must be drawn up on behalf of each of the merging companies.
- (2) The report required is a written report on the draft terms to the members of the company.
- (3) The court may on the joint application of all the merging companies approve the appointment of a joint expert to draw up a single report on behalf of all those companies.

If no such appointment is made, there must be a separate expert's report to the members of each merging company drawn up by a separate expert appointed on behalf of that company.

- (4) The expert must be a person who—
  - (a) is eligible for appointment as a statutory auditor (see section 1212), and
  - (b) meets the independence requirement in section 936.
- (5) The expert's report must—
  - (a) indicate the method or methods used to arrive at the share exchange ratio;
  - (b) give an opinion as to whether the method or methods used are reasonable in all the circumstances of the case, indicate the values arrived at using each such

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*Status: Point in time view as at 03/01/2018. This version of this provision has been superseded.*

*Changes to legislation: Companies Act 2006, Section 909 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

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- method and (if there is more than one method) give an opinion on the relative importance attributed to such methods in arriving at the value decided on;
- (c) describe any special valuation difficulties that have arisen;
  - (d) state whether in the expert's opinion the share exchange ratio is reasonable; and
  - (e) in the case of a valuation made by a person other than himself (see section 935), state that it appeared to him reasonable to arrange for it to be so made or to accept a valuation so made.
- (6) The expert (or each of them) has—
- (a) the right of access to all such documents of all the merging companies, and
  - (b) the right to require from the companies' officers all such information, as he thinks necessary for the purposes of making his report.
- (7) The requirement in this section is subject to section 915 (circumstances in which reports not required) [<sup>F1</sup>, section 915A (other circumstances in which reports and inspection not required)] [<sup>F2</sup> and section 918A (agreement to dispense with expert's report)] .

#### Textual Amendments

- F1** Words in s. 909(7) inserted (1.8.2011 with application in accordance with reg. 1(2)) by [The Companies \(Reporting Requirements in Mergers and Divisions\) Regulations 2011 \(S.I. 2011/1606\)](#), **reg. 8**
- F2** Words in s. 909(7) inserted (6.4.2008) by [The Companies \(Mergers and Divisions of Public Companies\) \(Amendment\) Regulations 2008 \(S.I. 2008/690\)](#), **reg. 2(1)**

**Status:**

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