

## **UNIVERSAL SUCCESSION AT MERGERS OF SAVINGS BANKS WITH LIMITED LIABILITY COMPANIES**

### **New Executive Order entered into Force on 28 September 2012**

Today, the Danish FSA published a new executive order: Executive order on mergers of savings banks with limited liability companies licensed to operate a banking business. The executive order entered into force on 28 September 2012.

The Danish FSA has published the new executive order under the authority of the Danish Financial Business Act, according to which some of the provisions of the Danish Companies Act are applicable to the merger of a savings bank with a bank or a limited savings bank company.

The executive order sets out which provisions of the Danish Companies Act are to apply at mergers of a savings bank with, respectively, a bank, a limited savings bank company converted according to the so-called embedding model and a limited savings bank company converted according to the fund model.

### **Significant Changes**

The most significant change is that it will be possible for a savings bank to merge with a bank or a limited savings bank company where the savings bank will be the continuing institution and where the Danish Companies Act's principles on universal succession at mergers will apply.

### **Remuneration**

Remuneration to shareholders in the discontinuing limited liability company (the bank or the limited savings bank company) will take place through an exchange of their shares for warranty certificates in the continuing savings bank.

If you have any questions or require additional information on above, please contact Partner Claus Molbech Bendtsen (cmb@mwblaw.dk) or Junior Associate Maria Thomsen (mth@mwblaw.dk).

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