
STATUTORY INSTRUMENTS

1986 No. 1032

The Companies (Northern Ireland) Order 1986

^{F1}PART IV

CAPITAL ISSUES

CHAPTER I

**ISSUES BY COMPANIES REGISTERED, OR TO
BE REGISTERED, IN NORTHERN IRELAND**

The prospectus

^{F1}Matters to be stated, and reports to be set out, in prospectus

66.—(1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, must comply—

- (a) with Part I of Schedule 3, as respects the matters to be stated in the prospectus, and
- (b) with Part II of that Schedule, as respects the reports to be set out.

(2) It is unlawful to issue any form of application for shares in or debentures of a company unless the form is issued with a prospectus which complies with the requirements of this Article.

(3) Paragraph (2) does not apply if it is shown that the form of application was issued either—

- (a) in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures, or
- (b) in relation to shares or debentures which were not offered to the public.

(4) If a person acts in contravention of paragraph (2), he is liable to a fine.

(5) This Article does not apply—

- (a) to the issue to existing members or debenture holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons, or
- (b) to the issue of a prospectus or form of application relating to shares or debentures which are or are to be in all respects uniform with shares or debentures previously issued and for the time being listed on a prescribed stock exchange;

but subject to this, it applies to a prospectus or a form of application whether issued on or with reference to the formation of a company or subsequently.

Annotations:

- F1** Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7,

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Sch. (as amended by S.I 1988/1960, arts. 2-4 and by S.I. 1988/2285, arts. 2-6) and S.I. 1995/1538, art. 2 and otherwise prosp.)

F2 Attempted evasion of Article 66 to be void

67. A condition requiring or binding an applicant for shares in or debentures of a company to waive compliance with any requirement of Article 66, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, is void.

Annotations:

F2 Pt. IV (arts. 66-89) repealed by Financial Services Act 1986 (c. 60), ss. 211(1), 212(3), Sch. 17 Pt. II (the repeal coming into force as mentioned in S.I. 1986/2246, art. 5, Sch. 4, S.I. 1988/740, arts. 2-7, Sch. (as amended by S.I 1988/1960, arts. 2-4 and by S.I. 1988/2285, arts. 2-6) and S.I. 1995/1538, art. 2 and otherwise prosp.)

Document offering shares, etc. for sale deemed a prospectus

68. ^{F3}

Annotations:

F3 Art. 68 repealed (6.4.2008) by Companies Act 2006 (c. 46), ss. 1284(2), 1295, 1300(2), Sch. 16; S.I. 2007/3495, art. 8(a), Sch. 2 Pt. 2 (with arts. 7, 12)

Arts. 69, 70 rep. by SI 2001/3649

F4 Prospectus containing statement by expert

71.—(1) A prospectus inviting persons to subscribe for a company's shares or debentures and including a statement purporting to be made by an expert shall not be issued unless—

- (a) he (the expert) has given and has not, before delivery of a copy of the prospectus for registration, withdrawn his written consent to its issue with the statement included in the form and context in which it is in fact included; and
- (b) a statement that he has given and not withdrawn that consent appears in the prospectus.

(2) If a prospectus is issued in contravention of this Article the company and every person who is knowingly a party to the issue of the prospectus is liable to a fine.

Annotations:

F4 Pt. IV (arts. 66-89) repealed by Financial Services Act 1986 (c. 60), ss. 211(1), 212(3), Sch. 17 Pt. II (the repeal coming into force as mentioned in S.I. 1986/2246, art. 5, Sch. 4, S.I. 1988/740, arts. 2-7, Sch. (as amended by S.I 1988/1960, arts. 2-4 and by S.I. 1988/2285, arts. 2-6) and S.I. 1995/1538, art. 2 and otherwise prosp.)

F5 Meaning of “expert”

72. In this Part, “expert” includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

Annotations:

- F5** Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, [Sch.](#) (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285, arts. 2-6](#)) and [S.I. 1995/1538, art. 2](#) and otherwise prosp.)

F6 Prospectus to be dated

73. A prospectus issued by or on behalf of a company, or in relation to an intended company, shall be dated; and that date shall, unless the contrary is proved, be taken as its date of publication.

Annotations:

- F6** Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, [Sch.](#) (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285, arts. 2-6](#)) and [S.I. 1995/1538, art. 2](#) and otherwise prosp.)

Registration of prospectus

F7 Registration requirement applicable in all cases

74.—(1) No prospectus shall be issued by or on behalf of a company, or in relation to an intended company, unless on or before the date of its publication there has been delivered to the registrar for registration a copy of the prospectus—

- (a) signed by every person who is named in it as a director or proposed director of the company, or by his agent authorised in writing, and
- (b) having endorsed on or attached to it any consent to its issue required by Article 71 from any person as an expert.

(2) Where the prospectus is such a document as is referred to in Article 68, the signatures required by paragraph (1) include those of every person making the offer, or his agent authorised in writing. Where the offer is made by a company or a firm, it is sufficient for the purposes of this paragraph if the document is signed on its behalf by 2 directors or (as the case may be) not less than half of the partners; and a director or partner may sign by his agent authorised in writing.

(3) Every prospectus shall on its face—

- (a) state that a copy has been delivered for registration as required by this Article, and
- (b) specify, or refer to statements in the prospectus specifying, any documents required by this Article or Article 75 to be endorsed on or attached to the copy delivered.

(4) The registrar shall not register a prospectus unless it is dated and the copy of it signed as required by this Article and unless it has endorsed on or attached to it the documents (if any) specified in paragraph (3)(b).

(5) If a prospectus is issued without a copy of it being delivered to the registrar as required by this Article, or without the copy so delivered having the required documents endorsed on or attached to it, the company and every person who is knowingly a party to the issue of the prospectus is liable to a fine and, for continued contravention, to a daily default fine.

Annotations:

- F7** Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7,

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Sch. (as amended by S.I. 1988/1960, arts. 2-4 and by S.I. 1988/2285, **arts. 2-6**) and S.I. 1995/1538, **art. 2** and otherwise prosp.)

^{F8} ***Additional requirements in case of prospectus issued generally***

75.—(1) In the case of a prospectus issued generally the following provisions apply in addition to those of Article 74.

(2) The copy of the prospectus delivered to the registrar must also have endorsed on or attached to it a copy of any contract required by paragraph 11 of Schedule 3 to be stated in the prospectus or, in the case of a contract not reduced into writing, a memorandum giving full particulars of it.

(3) In the case of a contract wholly or partly in a foreign language—

- (a) the copy required by paragraph (2) to be endorsed on or attached to the prospectus must be a copy of a translation of the contract into English or (as the case may be) a copy embodying a translation into English of the parts in a foreign language, and
- (b) the translation must be certified in the prescribed manner to be a correct translation.

(4) If the person making any report required by Part II of Schedule 3 have made in the report, or have (without giving reasons) indicated in it, any such adjustments as are mentioned in paragraph 21 of that Schedule (profits, losses, assets, liabilities), the copy of the prospectus delivered to the registrar must have endorsed on or attached to it a written statement signed by those persons setting out the adjustments and giving the reasons for them.

Annotations:

- F8** Pt. IV (arts. 66-89) repealed by *Financial Services Act 1986* (c. 60), ss. 211(1), 212(3), **Sch. 17 Pt. II** (the repeal coming into force as mentioned in S.I. 1986/2246, art. 5, **Sch. 4**, S.I. 1988/740, arts. 2-7, Sch. (as amended by S.I. 1988/1960, arts. 2-4 and by S.I. 1988/2285, **arts. 2-6**) and S.I. 1995/1538, **art. 2** and otherwise prosp.)

Liabilities and offences in connection with prospectus

^{F9} ***Directors, etc. exempt from liability in certain cases***

76.—(1) In the event of contravention of Article 66, a director or other person responsible for the prospectus does not incur any liability by reason of that contravention if—

- (a) as regards any matter not disclosed, he proves that he was not cognisant of it, or
- (b) he proves that the contravention arose from an honest mistake of fact on his part, or
- (c) the contravention was in respect of matters which, in the opinion of the court dealing with the case, were immaterial or was otherwise such as ought (in the court's opinion, having regard to all the circumstances of the case) reasonably to be excused.

(2) In the event of failure to include in a prospectus a statement with respect to the matters specified in paragraph 13 of Schedule 3 (disclosure of directors' interests), no director or other person incurs any liability in respect of the failure unless it is proved that he had knowledge of the matters not disclosed.

(3) Nothing in Article 66 or 67 or this Article limits or diminishes any liability which a person may incur under the general law or this Order apart from those provisions.

Annotations:

- F9** Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, [Sch.](#) (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285, arts. 2-6](#)) and [S.I. 1995/1538, art. 2](#) and otherwise prosp.)

^{F10} Compensation for subscribers misled by statement in prospectus

77.—(1) Where a prospectus invites persons to subscribe for a company's shares or debentures, compensation is payable to all those who subscribe for any shares or debentures on the faith of the prospectus for the loss or damage which they may have sustained by reason of any untrue statement included in it.

(2) The persons liable to pay the compensation are—

- (a) every person who is a director of the company at the time of the issue of the prospectus,
- (b) every person who authorised himself to be named, and is named, in the prospectus as a director or as having agreed to become a director (either immediately or after an interval of time),
- (c) every person being a promoter of the company, and
- (d) every person who has authorised the issue of the prospectus.

(3) Paragraphs (1) and (2) have effect subject to Articles 78 and 79; and here and in those Articles “promoter” means a promoter who was party to the preparation of the prospectus, or of the portion of it containing the untrue statement, but does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company.

Annotations:

- F10** Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, [Sch.](#) (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285, arts. 2-6](#)) and [S.I. 1995/1538, art. 2](#) and otherwise prosp.)

^{F11} Exemption from Article 77 for those acting with propriety

78.—(1) A person is not liable under Article 77 if he proves—

- (a) that, having consented to become a director of the company, he withdrew his consent before the issue of the prospectus, and that it was issued without his authority or consent, or
- (b) that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue he forthwith gave reasonable public notice that it was issued without his knowledge or consent, or
- (c) that after issue of the prospectus and before allotment under it he, on becoming aware of any untrue statement in it, withdrew his consent to its issue and gave reasonable public notice of the withdrawal and of the reason for it.

(2) A person is not liable under that Article if he proves that—

- (a) as regards every untrue statement nor purporting to be made on the authority of an expert or of a public official document or statement, he had reasonable ground to believe, and did up to the time of the allotment of the shares or debentures (as the case may be) believe, that the statement was true; and

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- (b) as regards every untrue statement purporting to be a statement by an expert or contained in what purports to be a copy of or extract from a report or valuation of an expert, it fairly represented the statement, or was a correct and fair copy of or extract from the report or valuation, and he had reasonable ground to believe and did up to the time of issue of the prospectus believe that the person making the statement was competent to make it and that person had given the consent required by Article 71 to the issue of the prospectus and had not withdrawn that consent before delivery of a copy of the prospectus for registration or, to the defendant's knowledge, before allotment under it; and
- (c) as regards every untrue statement purporting to be made by an official person or contained in what purports to be a copy of or extract from a public official document, it was a correct and fair representation of the statement or copy of or extract from the document.

(3) Paragraphs (1) and (2) do not apply in the case of a person liable, by reason of his having given a consent required of him by Article 71, as a person who has authorised the issue of the prospectus in respect of an untrue statement purporting to be made by him as an expert.

(4) Where under Article 71 the consent of a person is required to the issue of a prospectus and he has given that consent, he is not by reason of his having given it liable under Article 77 as a person who has authorised the issue of the prospectus except in respect of an untrue statement purporting to be made by him as an expert.

(5) A person who, apart from this paragraph, would under Article 77 be liable, by reason of his having given a consent required of him by Article 71, as a person who has authorised the issue of a prospectus in respect of an untrue statement purporting to be made by him as an expert is not so liable if he proves—

- (a) that, having given his consent under Article 71 to the issue of the prospectus, he withdrew it in writing before the delivery of a copy of the prospectus for registration; or
- (b) that, after delivery of a copy of the prospectus for registration and before allotment under it, he, on becoming aware of the untrue statement, withdrew his consent in writing and gave reasonable public notice of the withdrawal and of the reason for it; or
- (c) that he was competent to make the statement and that he had reasonable ground to believe, and did up to the time of the allotment of the shares or debentures (as the case may be) believe, that the statement was true.

Annotations:

F11 Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246](#), art. 5, [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, [Sch.](#) (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285](#), [arts. 2-6](#)) and [S.I. 1995/1538](#), [art. 2](#) and otherwise prosp.)

^{F12}Indemnity for innocent director or expert

79.—(1) This Article applies where—

- (a) the prospectus contains the name of a person as a director of the company, or as having agreed to become a director of it, and he has not consented to become a director, or has withdrawn his consent before the issue of the prospectus, and has not authorised or consented to its issue, or
- (b) the consent of a person is required under Article 71 to the issue of the prospectus and he either has not given that consent or has withdrawn it before the issue of the prospectus.

(2) The directors of the company (except any without whose knowledge or consent the prospectus was issued) and any other person who authorised its issue are liable to indemnify the person named, or whose consent was required under Article 71 (as the case may be), against all damages, costs and

expenses to which he may be liable by reason of his name having been inserted in the prospectus or of the inclusion in it of a statement purporting to be made by him as an expert (as the case may be), or in defending himself against any action or legal proceeding brought against him in respect of it.

(3) A person is not deemed for the purposes of this Article to have authorised the issue of a prospectus by reason only of his having given the consent required by Article 71 to the inclusion of a statement purporting to be made by him as an expert.

Annotations:

F12 Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, [Sch.](#) (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285, arts. 2-6](#)) and [S.I. 1995/1538, art. 2](#) and otherwise prosp.)

^{F13}Criminal liability for untrue statements

80.—(1) If a prospectus is issued with an untrue statement included in it, any person who authorised the issue of the prospectus is guilty of an offence and liable to imprisonment or a fine, or both, unless he proves either—

- (a) that the statement was immaterial, or
- (b) that he had reasonable ground to believe and did, up to the time of the issue of the prospectus, believe that the statement was true.

(2) A person is not deemed for the purpose of this Article to have authorised the issue of a prospectus by reason only of his having given the consent required by Article 71 to the inclusion in it of a statement purporting to be made by him as an expert.

Annotations:

F13 Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, [Sch.](#) (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285, arts. 2-6](#)) and [S.I. 1995/1538, art. 2](#) and otherwise prosp.)

Supplementary

^{F14}Interpretation for Articles 66 to 80

81. For the purposes of Articles 66 to 80—

- (a) a statement included in a prospectus is deemed to be untrue if it is misleading in the form and context in which it is included, and
- (b) a statement is deemed to be included in a prospectus if it is contained in it, or in any report or memorandum appearing on its face, or by reference incorporated in, or issued with, the prospectus.

Annotations:

F14 Pt. IV (arts. 66-89) repealed by [Financial Services Act 1986 \(c. 60\)](#), ss. 211(1), 212(3), [Sch. 17 Pt. II](#) (the repeal coming into force as mentioned in [S.I. 1986/2246, art. 5](#), [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, [Sch.](#) (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285, arts. 2-6](#)) and [S.I. 1995/1538, art. 2](#) and otherwise prosp.)

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Changes and effects yet to be applied to the whole Order associated Parts and Chapters:

- Order applied (with modifications) by [S.I. 2011/245 Sch. 6 Pt. 1](#)
- Order modified by [S.I. 2009/317 art. 3 Sch.](#)
- Order savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2009/1801 Sch. 8](#)
- Order savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2009/1804 Sch. 1 2](#)

Whole provisions yet to be inserted into this Order (including any effects on those provisions):

- s. 172D(3) words substituted by [S.I. 2007/1093 Sch. 3 para. 2](#)
- Sch. 4 para. 89 savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2008/948 art. 9\(1\)](#)
- Sch. 4 para. 88 savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2008/948 art. 9\(1\)\(2\)](#)
- Sch. 4 para. 87 savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2008/948 art. 9\(2\)](#)
- Sch. 6 para. 15(a)(b) words repealed by [S.I. 2008/948 Sch. 1 para. 147\(1\)\(a\)](#) Sch. 2
- Sch. 6 para. 16(a)(b) words repealed by [S.I. 2008/948 Sch. 1 para. 147\(1\)\(b\)](#) Sch. 2
- Sch. 15D para. 16(j)(k) inserted by [S.I. 2008/1277 Sch. 2 para. 79\(b\)](#)
- Sch. 15D para. 16(h) revoked by [S.I. 2008/1277 Sch. 2 para. 79\(a\)](#) Sch. 4 Pt. 2
- Sch. 15D para. 36 words substituted by [S.I. 2007/1093 Sch. 4 para. 54\(a\)](#)
- Sch. 15D para. 36 words substituted by [S.I. 2007/1093 Sch. 4 para. 54\(b\)](#)
- Sch. 15D para. 1 words substituted by [S.I. 2008/948 Sch. 1 para. 149](#)
- art. 21(2)(ba)(bb) substituted for art. 21(2)(b) by [S.I. 2008/948 Sch. 1 para. 113](#)
- art. 250A(2A) inserted by [S.R. 2008/133 reg. 2\(2\)](#)
- art. 372(1)(j) added by [S.R. 2008/379 reg. 2\(2\)](#)
- art. 372A heading text amended by [S.R. 2008/379 reg. 3\(a\)](#)
- art. 372B-372D inserted by [S.R. 2008/379 reg. 4](#)
- art. 446D and cross-heading inserted by [S.I. 2008/948 Sch. 1 para. 141](#)

Commencement Orders yet to be applied to the The Companies (Northern Ireland) Order 1986

Commencement Orders bringing legislation that affects this Order into force:

- [S.I. 2007/1093 art. 2 5 Sch. 2](#) commences (2006 c. 46)
- [S.I. 2007/2194 art. 2-5 8 Sch. 2](#) commences (2006 c. 46)
- [S.I. 2007/2607 art. 2](#) commences (2006 c. 46)
- [S.I. 2007/3495 art. 3-5 8 Sch. 2 3](#) commences (2006 c. 46)
- [S.I. 2008/674 art. 2](#) commences (2006 c. 46)
- [S.I. 2008/1886 art. 2](#) commences (2006 c. 46)
- [S.I. 2008/2860 art. 3 4 Sch. 1](#) commences (2006 c. 46)
- [S.I. 2009/296 art. 2 3 Sch.](#) commences (2009 c. 1)
- [S.I. 2009/1604 art. 2](#) commences (2005 c. 4)
- [S.R. 2007/95 art. 2](#) commences (S.I. 1986/1032 (N.I.))
- [S.R. 2007/194 art. 2 Sch.](#) commences (S.I. 2006/3336 (N.I.))
- [S.R. 2013/145 art. 2 Sch.](#) commences (2008 c. 12 (N.I.))