



Prevention of Fraud (Investments) Act 1958

1958 CHAPTER 45

Supplementary Provisions

18 False statements

Any person who, in furnishing any information for any of the purposes of this Act or rules or regulations made thereunder, makes any statement which, to his knowledge, is false in a material particular, shall be liable, on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine not exceeding two hundred pounds or to both such imprisonment and such fine or, on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred pounds or to both such imprisonment and such fine.

19 Offences committed by corporations

Where any offence under this Act committed by a corporation is proved to have been committed with the consent or connivance of any director, manager, secretary or other officer of the corporation, he, as well as the corporation, shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

20 Venue in summary proceedings

Proceedings for the summary trial of a person for an offence under this Act may be taken before the court having jurisdiction in the place where that person is for the time being.

21 Regulations

The Board of Trade may make regulations for prescribing anything which by this Act is required or authorised to be prescribed.

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22 Parliamentary control of rules and regulations

The powers conferred by this Act on the Board of Trade to make rules and regulations shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

23 Service of notices

Any notice to be served under this Act on any person may be served by post, and a letter containing the notice shall be deemed to be properly addressed if it is addressed to that person at his last known residence or last known place of business in Great Britain.

24 Exercise of powers of Board of Trade

Anything required or authorised by or under this Act to be done by, to or before the Board of Trade may be done by, to or before the President of the Board, any secretary, undersecretary or assistant secretary of the Board, or any person authorised in that behalf by the President.

25 Payment of expenses and appropriation of fees

The expenses incurred for the purposes of this Act by the Board of Trade shall be defrayed out of moneys provided by Parliament; and all fees received by the Board by virtue of this Act shall be paid into the Exchequer.

26 Interpretation

(1) In this Act, unless the context otherwise requires, the following expressions have the meanings hereby assigned to them respectively, that is to say:—

" authorised unit trust scheme " means any unit trust scheme declared by an order of the Board of Trade for the time being in force to be an authorised unit trust scheme for the purposes of this Act;

" building society " means a society incorporated under the Building Societies Acts, 1874 to 1940, or such an unincorporated society as is mentioned in section seven of the Building Societies Act, 1874 ;

" corporation " means any body corporate, incorporated whether in Great Britain or elsewhere ;

" the court " means, in relation to any industrial and provident society, the court having jurisdiction to wind up the society;

" dealing in securities " means doing any of the following things (whether as a principal or as an agent), that is to say, making or offering to make with any person, or inducing or attempting to induce any person to enter into or offer to enter into—

(a) any agreement for, or with a view to acquiring, disposing of, subscribing for or underwriting securities or lending or depositing money to or with any industrial and provident society or building society, or

(b) any agreement the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities, and " deal in securities " shall be construed accordingly;

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" debentures " means any debentures, debenture stock or bonds of a corporation, whether constituting a charge on the assets of the corporation or not;

" exempted dealer " means any person declared by an order of the Board of Trade for the time being in force to be an exempted dealer for the purposes of this Act;

" industrial and provident society " means a society registered under the Industrial and Provident Societies Act, 1893 ;

" licence " means a licence under this Act;

" municipal corporation " means the Corporation of the City of London, the council of a metropolitan borough or the body corporate constituted by the incorporation of the inhabitants of a borough ;

" prescribed " means prescribed by regulations of the Board of Trade;

" principal's licence " means a licence authorising the holder thereof to carry on the business of dealing in securities;

" prospectus " has the same meaning as in the Companies Act, 1948 ;

" recognised association of dealers in securities " means a body of persons declared by an order of the Board of Trade for the time being in force to be a recognised association of dealers in securities for the purposes of this Act;

" recognised stock exchange " means the Stock Exchange, London, or a body of persons declared by an order of the Board of Trade for the time being in force to be a recognised stock exchange for the purposes of this Act;

" registered company " means a company formed and registered under the Companies Act, 1948, the Companies Act, 1929, the Companies (Consolidation) Act, 1908, the Companies Act, 1862, or the Joint Stock Companies Acts as defined by section four hundred and fifty-five of the Companies Act, 1948, but does not include a company registered under any of the said enactments in Northern Ireland or in the Republic of Ireland;

" representative's licence " means a licence authorising the holder thereof to deal in securities as a servant or agent of any holder of a principal's licence for the time being in force;

" securities " means—

- (a) shares or debentures, or rights or interests (described whether as units or otherwise) in any shares or debentures, or
- (b) securities of the Government of the United Kingdom or of Northern Ireland or the Government of any country or territory outside the United Kingdom, or
- (c) rights (whether actual or contingent) in respect of money lent to, or deposited with, any industrial and provident society or building society, and includes rights or interests (described whether as units or otherwise) which may be acquired under any unit trust scheme under which all property for the time being subject to any trust created in pursuance of the scheme consists of such securities as are mentioned in paragraph (a), paragraph (b) or paragraph (c) of this definition;

" shares " means shares in the share capital of a corporation or stock of a corporation, or shares in such an unincorporated building society as is mentioned in section seven of the Building Societies Act, 1874;

" statutory corporation " means—

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- (a) a corporation incorporated by an Act of the Parliament of the United Kingdom or the Parliament of Northern Ireland, or
- (b) any other corporation, being a corporation to which functions in respect of the carrying on of an undertaking are entrusted by such an Act or by an order made under, or confirmed by, such an Act;

but, save as is provided in paragraph (b) of this definition, does not include any company within the meaning of the Companies Act, 1948, or of any corresponding enactment of the Parliament of Northern Ireland ; and

" unit trust scheme " means any arrangements made for the purpose, or having the effect, of providing facilities for the participation by persons, as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of securities or any other property whatsoever.

- (2) Any reference in this Act to the holder of a licence shall, in relation to a principal's licence, be construed as a reference to the person named in the licence as being thereby authorised to carry on the business of dealing in securities, and, in relation to a representative's licence, be construed as a reference to the person named in the licence as being thereby authorised to deal in securities as a servant or agent of any holder of a principal's licence.
- (3) Any reference in this Act to a manager under a unit trust scheme or to a trustee under such a scheme shall be construed as a reference to the person in whom are vested the powers of management relating to property for the time being subject to any trust created in pursuance of the scheme or, as the case may be, to the person in whom such property is or may be vested in accordance with the terms of the trust.
- (4) Any reference in this Act to a servant of, or to a person employed by, any person shall, in relation to a corporation, be construed as including a reference to any director or officer of the corporation ; and any reference in this Act to leaving or entering the service of a person shall be construed accordingly.
- (5) Any reference in this Act to Her Majesty's dominions shall be construed as referring also to any country or territory (other than Burma) which formed part of Her Majesty's dominions at the passing of the Prevention of Fraud (Investments) Act, 1939.
- (6) For the purposes of this Act, a person shall be deemed to be a director of a corporation if he occupies in relation thereto the position of a director, by whatever name called, or is a person in accordance with whose directions or instructions the directors of the corporation or any of them act:

Provided that a person shall not, by reason only that the directors of a corporation act on advice given by him in a professional capacity, be taken to be a person in accordance with whose directions or instructions those directors act.

27 Application to Scotland

This Act shall apply to Scotland subject to the following modifications:—

- (1) section six shall have effect, in its application to any investigation held in Scotland, as if for any reference to a summons there were substituted a reference to an order;
- (2) subsection (8) of section fourteen shall have effect as if for any reference to a justice of the peace there were substituted a reference to the sheriff, and subsection (11) of the said section shall not apply;

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- (3) the expression " municipal corporation " means the town council of a burgh.

28 Repeal and savings

- (1) The enactments mentioned in the first and second columns of the Second Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule.
- (2) In so far as any order, rule or regulation made, licence or warrant granted, notice served, direction or undertaking given, summons issued or other thing done under an enactment repealed by this Act, could have been made, granted, served, given, issued or done under a corresponding provision of this Act, it shall not be invalidated by the repeal effected by the foregoing subsection but shall have effect as if it had been made, granted, served, given, issued or done under that corresponding-provision.
- (3) Without prejudice to the last foregoing subsection, any reference in any provision of this Act to the doing of a thing or the happening of an event shall, in so far as the context permits, be construed as including, in relation to times and circumstances in relation to which the corresponding provision in the enactments repealed by this Act had effect, a reference to the doing of the corresponding thing or the happening of the corresponding event under that corresponding provision.
- (4) Any document referring to an Act or enactment repealed by this Act shall be construed as referring to this Act or the corresponding enactment therein.
- (5) Any person holding office by virtue of an enactment repealed by this Act shall continue to hold his office as if he had been appointed by virtue of the corresponding provision of this Act.
- (6) Where an enactment repealed and re-enacted by this Act requires a thing to be done if some other thing is done within a specified period from the date of the giving or service of a notice or empowers a thing to be done after the expiration of a specified period from such a date, and the commencement of this Act falls within the period applicable to the giving or service of a particular notice, the repeal and re-enactment shall be deemed to have taken effect in relation to that notice immediately before the giving or service thereof; and where such an enactment provides for an order's not taking effect until the expiration of a specified period beginning with the day on which it is made, and the commencement of this Act falls within the period applicable to the making of a particular order, the repeal and re-enactment shall be deemed to have taken effect in relation to that order at the beginning of the day on which it was made.
- (7) Subsection (3) of section one of the India (Consequential Provision) Act, 1949, subsection (3) of section one of the Pakistan (Consequential Provision) Act, 1956, and proviso (b) to subsection (1) of section two of the Federation of Malaya Independence Act, 1957, shall apply in relation to the provisions of this Act in the same manner and to the same extent as they applied in relation to the provisions of the enactments repealed thereby.
- (8) The mention of particular matters in this section shall be without prejudice to the general application of subsection (2) of section thirty-eight of the Interpretation Act, 1889, with regard to the effect of repeals.

29 Short title, extent and commencement

- (1) This Act may be cited as the Prevention of Fraud (Investments) Act, 1958.

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- (2) This Act shall not extend to Northern Ireland.
- (3) This Act shall come into operation at the expiration of three months beginning with the date of its passing.