



Financial Services Act 1986

1986 CHAPTER 60

PART V

OFFERS OF UNLISTED SECURITIES

166 Compensation for false or misleading prospectus

- (1) Subject to section 167 below, the person or persons responsible for a prospectus or supplementary prospectus shall be liable to pay compensation to any person who has acquired the securities to which the prospectus relates and suffered loss in respect of them as a result of any untrue or misleading statement in the prospectus or the omission from it of any matter required to be included by section 163 or 164 above.
- (2) Where rules applicable to a prospectus by virtue of section 162 above require it to include information as to any particular matter on the basis that the prospectus must include a statement either as to that matter or, if such is the case, that there is no such matter, the omission from the prospectus of the information shall be treated for the purpose of subsection (1) above as a statement that there is no such matter.
- (3) Subject to section 167 below, a person who fails to comply with section 164 above shall be liable to pay compensation to any person who has acquired any of the securities in question and suffered loss in respect of them as a result of the failure.
- (4) This section does not affect any liability which any person may incur apart from this section.
- (5) References in this section to the acquisition by any person of securities include references to his contracting to acquire them or an interest in them.