
STATUTORY INSTRUMENTS

1995 No. 1536

The Financial Services Act 1986 (Investment Advertisements) (Exemptions) (No. 2) Order 1995

Investment advertisements issued for the purpose of promoting or encouraging industrial or commercial activity or enterprise

3.—(1) Section 57 of the Act shall not apply to an investment advertisement issued or caused to be issued by a body corporate of the kind described in paragraph (2) below which—

- (a) relates to shares in or debentures of a private company;
 - (b) contains no invitation or information which would make it an investment advertisement other than an invitation or information which it is reasonable to expect a person engaged in an activity of the kind described in that paragraph to give in the course of engaging in that activity; and
 - (c) complies with the requirements of paragraph (3) of this article.
- (2) A body corporate falls within this paragraph if—
- (a) it is a body corporate which has as its principal object or one of its principal objects the promotion or encouragement of industrial or commercial activity or enterprise in the United Kingdom or in any particular area of it or the dissemination of information concerning persons engaged in such activity or enterprise or requiring capital in order to become so engaged; and
 - (b) it has no direct or indirect pecuniary interest in any matters which are the subject of any investment advertisement it issues which is exempt by virtue of this article or in any investment agreement which may be entered into following such an advertisement.

(3) The requirements referred to in paragraph (1)(c) of this article are that the advertisement should contain the following statements presented in a manner which, depending upon the medium through which the advertisement is issued, are calculated to bring the contents of the statements prominently to the attention of recipients of the advertisement—

“Investment in new business carries high risks, as well as the possibility of high rewards. It is highly speculative and potential investors should be aware that no established market exists for the trading of shares in private companies. Before investing in a project about which information is given, potential investors are strongly advised to take advice from a person authorised under the Financial Services Act 1986 who specialises in advising on investments of this kind.

The persons to whose order this advertisement has been issued have taken reasonable steps to ensure that the information it contains is neither inaccurate nor misleading.”