
STATUTORY INSTRUMENTS

1996 No. 1586

The Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996

Investment advertisements issued by body corporate to members or creditors

3.—(1) Section 57 of the Act shall not apply to an investment advertisement issued or caused to be issued by a body corporate other than an open-ended investment company if the only persons to whom the advertisement is issued, other than persons to whom it may otherwise lawfully be issued, are reasonably believed by the person who issued the advertisement or who caused it to be issued to be persons who fall within any one or more of the following categories—

- (a) creditors or members of, or persons who are entitled to investments falling within paragraph 1, 2 or 4 of Schedule 1 to the Act issued by, the body corporate;
- (b) creditors or members of, or persons who are entitled to investments falling within paragraph 1, 2 or 4 of Schedule 1 to the Act issued by, another body corporate which is not an open-ended investment company but which is in the same group as the first body corporate; and
- (c) persons who are entitled, whether conditionally or unconditionally, to become members of the body corporate or to have title to an investment of a kind mentioned in sub-paragraph (a) or (b) above issued by the body corporate transferred to them but who have not yet become a member of the body corporate or, as the case may be, acquired title to the investment,

and the advertisement contains no invitation or information which would make it an investment advertisement other than an invitation or information relating to an investment of a kind described in this paragraph issued or to be issued by the body corporate or by another body corporate which is not an open-ended investment company but which is in the same group as the first body corporate.

(2) Section 57 of the Act shall not apply to an investment advertisement issued or caused to be issued by an open-ended investment company if the circumstances are that the only persons to whom the advertisement is issued, other than persons to whom it may otherwise lawfully be issued, are reasonably believed by the person who issued the advertisement or who caused it to be issued to be persons who fall within any one or more of the following categories—

- (a) creditors or members of, or persons who are entitled to investments falling within paragraph 2, 4 or 6 of Schedule 1 to the Act issued by, the open-ended investment company; and
- (b) persons who are entitled, whether conditionally or unconditionally, to become members of the open-ended investment company or to have title to an investment of a kind mentioned in sub-paragraph (a) above issued by the company transferred to them but who have not yet become a member of the company or, as the case may be, acquired title to the investment,

and the advertisement contains no invitation or information which would make it an investment advertisement other than an invitation or information relating to an investment of a kind described in this paragraph issued or to be issued by the open-ended investment company.