



Prevention of Fraud (Investments) Act 1958

1958 CHAPTER 45

Supplementary Provisions

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;

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

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" 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—

- (a) a corporation incorporated by an Act of the Parliament of the United Kingdom or the Parliament of Northern Ireland, or

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(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.