
STATUTORY INSTRUMENTS

1995 No. 1266

The Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1995

Investment advertisements relating to relevant securities

4.—(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 advertisement fulfils the conditions specified in paragraph (2) of this article and either—

- (a) relevant securities issued by the body corporate, or, in a case in which the body corporate is a wholly-owned subsidiary within the meaning of section 736 of the 1985 Act⁽¹⁾, by its holding company, are permitted to be traded or dealt in on a relevant EEA market or an approved securities market; or
- (b) the advertisement consists of or is accompanied by the whole or any part of the body corporate's annual accounts or by the directors' report prepared and approved under sections 234 and 234A of the 1985 Act⁽²⁾ or the corresponding Northern Ireland enactment or consists of or is accompanied by any report prepared and approved under the law of another EEA State corresponding to the said sections 234 and 234A.

(2) The conditions specified in this paragraph are that the advertisement—

- (a) does not contain any invitation or offer to persons to underwrite, subscribe for, otherwise acquire, or dispose of any investments or advise persons so to do;
- (b) does not contain any invitation or offer to persons to effect any transaction with, or to make use of any services provided by, the body corporate or any person named in the advertisement in the course of any activity falling within any of paragraphs 12 to 16 of Schedule 1 to the Act in which the body corporate or the relevant person engages;
- (c) does not contain any information calculated to lead directly or indirectly to persons doing any of the things mentioned in section 57(2) of the Act in relation to any investment which is not a relevant security issued by the body corporate or another body corporate in the same group; and
- (d) in a case in which the advertisement contains information about the price at which relevant securities issued by the body corporate have been bought or sold in the past or, except where the information is restricted to a statement as to earnings per share, dividend or nominal rate of interest payable, about the yield on such securities, it states prominently a warning that past performance cannot be relied upon as a guide to future performance.

(3) For the purposes of paragraph (1)(b) of this article, “annual accounts” means any of the following, that is to say—

- (a) accounts produced by virtue of Part VII of the 1985 Act⁽³⁾ or the corresponding Northern Ireland enactment including accounts produced by virtue of Part VII or the corresponding Northern Ireland enactment as applied by virtue of any enactment;

⁽¹⁾ 1985 c. 6. Section 736 of the Companies Act 1985 was inserted by section 144 of the Companies Act 1989 (c. 40).

⁽²⁾ Sections 234 and 234A were inserted by section 8(1) of the Companies Act 1989.

⁽³⁾ Part VII of the Companies Act 1985 has been amended by Part I of the Companies Act 1989 (c. 40).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (b) a summary financial statement prepared under section 251 of the 1985 Act⁽⁴⁾;
- (c) accounts delivered to the registrar under Chapter II of Part XXIII of the 1985 Act⁽⁵⁾; and
- (d) accounts produced or published by virtue of the law of an EEA State other than the United Kingdom which correspond to accounts falling within sub-paragraph (a), (b) or (c) of this paragraph.

⁽⁴⁾ Section 251 of the Companies Act 1985 was inserted by section 15 of the Companies Act 1989.

⁽⁵⁾ Chapter II of Part XXIII of the Companies Act 1985 was inserted by section 23 of the Companies Act 1989.