



Prevention of Fraud (Investments) Act 1958

1958 CHAPTER 45

Exemptions

16 Exemption of certain dealers

- (1) The Board of Trade may by order declare any person to be an exempted dealer for the purposes of this Act, subject to the following conditions' being fulfilled so long as the order is in force, that is to say:—
- (a) the main business of that person must consist of one or more of the following activities:—
 - (i) carrying on some business other than the business of dealing in securities, and
 - (ii) dealing in securities in one or more of the ways mentioned in the next following subsection ; and
 - (b) the greater part of any business of dealing in securities done by him in Great Britain otherwise than in one of the ways referred to in sub-paragraph (ii) of paragraph (a) of this subsection must be effected with, or through the agency of, one or more of the following persons, that is to say:—
 - (i) a member of any recognised stock exchange or recognised association of dealers in securities,
 - (ii) the Bank of England, a statutory corporation, a municipal corporation or an exempted dealer,
 - (iii) a person acting in the capacity of manager or trustee under an authorised unit trust scheme,
 - (iv) a person acting on behalf of such a person as is mentioned in sub-paragraph (i), sub-paragraph (ii) or sub-paragraph (iii) of this paragraph, and
 - (v) the holder of a licence,
- or effected, with the consent of the Board of Trade, through the agency of a member of a stock exchange outside Great Britain.

Status: This is the original version (as it was originally enacted).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

- (2) The ways of dealing in securities referred to in sub-paragraph (ii) of paragraph (a) of the preceding subsection are as follows, that is to say:—
- (a) issuing any document which is, or is to be deemed to be, a prospectus within the meaning of the Companies Act, 1948 ;
 - (b) making or offering to make with any person an agreement for, or with a view to, the underwriting of securities;
 - (c) making any invitation to persons to subscribe for securities, or to purchase securities on the first sale thereof;
 - (d) making any invitation to persons to subscribe for, or purchase, 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 securities of any statutory corporation or municipal corporation;
 - (e) effecting any transaction with a person whose business involves the acquisition and disposal, or the holding, of securities, being a transaction with that person as a principal:

Provided that a person shall not, by reason only of his having made such an invitation as is mentioned in paragraph (c) of this subsection, be taken to have dealt in securities in one of the ways referred to in sub-paragraph (ii) of paragraph (a) of the preceding subsection, if permission to deal in such securities as were the subject of the invitation has not been granted by the Stock Exchange, London, within the period of three months beginning with the date on which the invitation was made, or within such longer period (if any) beginning with that date as the Board of Trade think fit.

- (3) If, with respect to any exempted dealer, the Board of Trade consider that the order declaring him to be an exempted dealer ought to be revoked on either of the following grounds, that is to say.—
- (a) that the conditions subject to which the order was made have not been fulfilled in his case, and
 - (b) that the circumstances relevant to the making of the order have materially changed since the making thereof,

the Board may serve on the exempted dealer a written notice that they are considering the revocation of the order on that ground, specifying particulars of the non-fulfilment of the said conditions or of the change of the said circumstances, as the case, may be, and inviting the exempted dealer to make to the Board, within the period of one month from the date of the service of the notice, any representations which he desires to make with respect to the proposed revocation of the order; and the Board may revoke the order after the expiration of the said period, but, before deciding whether or not to revoke the order, shall take into consideration any representations so made by the exempted dealer and, if he so requests, afford him an opportunity of being heard by the Board within that period.

- (4) The Board of Trade shall cause to be published, at such times and in such manner as they think proper, the names and addresses of all persons who are for the time being exempted dealers so, however, that the said information shall be published not less often than once a year.