



Companies Act 1985

1985 CHAPTER 6

[^{F1}] PART III

CAPITAL ISSUES

CHAPTER I

ISSUES BY COMPANIES REGISTERED, OR TO BE REGISTERED, IN GREAT BRITAIN

[^{F1}] *The prospectus*

Textual Amendments

- F1** Pt. III (ss. 56-79) repealed by [Financial Services Act 1986](#) (c. 60, SIF 69), ss. 211(1), 212(3), [Sch. 17 Pt. I](#) (the repeal coming into force as mentioned in [S.I. 1986/2246](#), art. 5, [Sch. 4](#), [S.I. 1988/740](#), arts. 2-7, Sch. (as amended by [S.I. 1988/1960](#), arts. 2-4 and by [S.I. 1988/2285](#), [arts. 2-6](#)) and [S.I. 1995/1538](#), [art. 2](#) and otherwise prosp.)

56 Matters to be stated, and reports to be set out, in prospectus.

- (1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, must comply—
 - (a) with Part I of Schedule 3 to this Act, as respects the matters to be stated in the prospectus, and
 - (b) with Part II of that Schedule, as respects the reports to be set out.
- (2) It is unlawful to issue any form of application for shares in or debentures of a company unless the form is issued with a prospectus which complies with the requirements of this section.

Status: Point in time view as at 06/04/2005.

Changes to legislation: Companies Act 1985, Cross Heading: The prospectus is up to date with all changes known to be in force on or before 18 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) Subsection (2) does not apply if it is shown that the form of application was issued either—
- (a) in connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures, or
 - (b) in relation to shares or debentures which were not offered to the public.
- (4) If a person acts in contravention of subsection (2), he is liable to a fine.
- (5) This section does not apply—
- (a) to the issue to existing members or debenture holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons, or
 - (b) to the issue of a prospectus or form of application relating to shares or debentures which are or are to be in all respects uniform with shares or debentures previously issued and for the time being listed on a prescribed stock exchange;
- but subject to this, it applies to a prospectus or a form of application whether issued on or with reference to the formation of a company or subsequently.

Modifications etc. (not altering text)

C1 S. 56(1) modified by S.I. 1991/823, reg. 2(1), Sch. 1.

57 Attempted evasion of s. 56 to be void.

A condition requiring or binding an applicant for shares in or debentures of a company to waive compliance with any requirement of section 56, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, is void.

58 Document offering shares etc. for sale deemed a prospectus.

- (1) If a company allots or agrees to allot its shares or debentures with a view to all or any of them being offered for sale to the public, any document by which the offer for sale to the public is made is deemed for all purposes a prospectus issued by the company.
 - (2) All enactments and rules of law as to the contents of prospectuses, and to liability in respect of statements in and omissions from prospectuses, or otherwise relating to prospectuses, apply and have effect accordingly, as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures.
- This is without prejudice to the liability (if any) of the persons by whom the offer is made, in respect of mis-statements in the document or otherwise in respect of it.
- (3) For purposes of this Act it is evidence (unless the contrary is proved) that an allotment of, or an agreement to allot, shares or debentures was made with a view to their being offered for sale to the public if it is shown—
 - (a) that an offer of the shares or debentures (or of any of them) for sale to the public was made within 6 months after the allotment or agreement to allot, or

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- (b) that at the date when the offer was made the whole consideration to be received by the company in respect of the shares or debentures had not been so received.
- (4) Section 56 as applied by this section has effect as if it required a prospectus to state, in addition to the matters required by that section—
 - (a) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates, and
 - (b) the place and time at which the contract under which those shares or debentures have been or are to be allotted may be inspected.

Modifications etc. (not altering text)

C2 S. 58(2)(4) modified by S.I. 1991/823, reg. 2(1), Sch.1.

F259

Textual Amendments

F2 S. 59 repealed (1.12.2001) by S.I. 2001/3649, art. 5

F360

Textual Amendments

F3 S. 60 repealed (1.12.2001) by S.I. 2001/3649, art. 5

61 Prospectus containing statement by expert.

- (1) A prospectus inviting persons to subscribe for a company's shares or debentures and including a statement purporting to be made by an expert shall not be issued unless—
 - (a) he (the expert) has given and has not, before delivery of a copy of the prospectus for registration, withdrawn his written consent to its issue with the statement included in the form and context in which it is in fact included; and
 - (b) a statement that he has given and not withdrawn that consent appears in the prospectus.
- (2) If a prospectus is issued in contravention of this section, the company and every person who is knowingly a party to the issue of the prospectus is liable to a fine.

Modifications etc. (not altering text)

C3 S. 61(1)(b) modified by S.I. 1991/823, reg. 2(1), Sch.1.

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62 Meaning of “expert”.

The expression “expert”, in both Chapters of this Part, includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

63 Prospectus to be dated.

A prospectus issued by or on behalf of a company, or in relation to an intended company, shall be dated; and that date shall, unless the contrary is proved, be taken as its date of publication.]

Modifications etc. (not altering text)

C4 [S. 63](#) modified by [S.I. 1991/823](#), reg. 2(1), [Sch.1](#)

Status:

Point in time view as at 06/04/2005.

Changes to legislation:

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