



Companies Act 1985

1985 CHAPTER 6

PART III

CAPITAL ISSUES

CHAPTER II

ISSUES BY COMPANIES INCORPORATED, OR TO BE INCORPORATED, OUTSIDE GREAT BRITAIN

78 Consequences (criminal and civil) of non-compliance with ss. 72 to 77

- (1) A person who is knowingly responsible for the issue, circulation or distribution of a prospectus, or for the issue of a form of application for shares or debentures, in contravention of any of sections 72 to 77 is liable to a fine.
- (2) Sections 67, 68 and 69 extend to every prospectus offering for subscription shares in or debentures of a company incorporated or to be incorporated outside Great Britain (whether the company has or has not established, or when formed will or will not establish, a place of business in Great Britain), substituting for any reference to section 61 a reference to section 74.
- (3) In the event of non-compliance with or contravention of any of the requirements of section 72(2) as regards the particulars to be contained in the prospectus, or section 72(3) as regards compliance with Schedule 3, a director or other person responsible for the prospectus incurs no liability by reason of the non-compliance or contravention if—
 - (a) as regards any matter not disclosed, he proves that he was not cognisant of it, or
 - (b) he proves that the non-compliance or contravention arose from an honest mistake of fact on his part, or
 - (c) the non-compliance or contravention was in respect of matters which, in the opinion of the court dealing with the case, were immaterial or were otherwise

Status: This is the original version (as it was originally enacted).

such as ought, in the court's opinion, having regard to all the circumstances of the case, reasonably to be excused.

- (4) In the event of failure to include in a prospectus to which this Chapter applies a statement with respect to the matters contained in paragraph 13 of Schedule 3, no director or other person incurs any liability in respect of the failure unless it is proved that he had knowledge of the matters not disclosed.
- (5) Nothing in section 72 or 73 or this section, limits or diminishes any liability which a person may incur under the general law or this Act, apart from those provisions.