



Financial Services Act 1986

1986 CHAPTER 60

PART I

REGULATION OF INVESTMENT BUSINESS

CHAPTER VIII

COLLECTIVE INVESTMENT SCHEMES

Promotion of schemes

76 Restrictions on promotion

- (1) Subject to subsections (2), (3) and (4) below, an authorised person shall not—
- (a) issue or cause to be issued in the United Kingdom any advertisement inviting persons to become or offer to become participants in a collective investment scheme or containing information calculated to lead directly or indirectly to persons becoming or offering to become participants in such a scheme ; or
 - (b) advise or procure any person in the United Kingdom to become or offer to become a participant in such a scheme,
- unless the scheme is an authorised unit trust scheme or a recognised scheme under the following provisions of this Chapter.
- (2) Subsection (1) above shall not apply if the advertisement is issued to or the person mentioned in paragraph (b) of that subsection is—
- (a) an authorised person ; or
 - (b) a person whose ordinary business involves the acquisition and disposal of property of the same kind as the property, or a substantial part of the property, to which the scheme relates.
- (3) Subsection (1) above shall not apply to anything done in accordance with regulations made by the Secretary of State for the purpose of exempting from that subsection the

Status: This is the original version (as it was originally enacted).

promotion otherwise than to the general public of schemes of such descriptions as are specified in the regulations.

- (4) The Secretary of State may by regulations make provision for exempting single property schemes from subsection (1) above.
- (5) For the purposes of subsection (4) above a single property scheme is a scheme which has the characteristics mentioned in subsection (6) below and satisfies such other requirements as are specified in the regulations conferring the exemption.
- (6) The characteristics referred to above are—
 - (a) that the property subject to the scheme (apart from cash or other assets held for management purposes) consists of—
 - (i) a single building (or a single building with ancillary buildings) managed by or on behalf of the operator of the scheme ; or
 - (ii) a group of adjacent or contiguous buildings managed by him or on his behalf as a single enterprise, with or without ancillary land and with or without furniture, fittings or other contents of the building or buildings in question ; and
 - (b) that the units of the participants in the scheme are either dealt in on a recognised investment exchange or offered on terms such that any agreement for their acquisition is conditional on their admission to dealings on such an exchange.
- (7) Regulations under subsection (4) above may contain such supplementary and transitional provisions as the Secretary of State thinks necessary and may also contain provisions imposing obligations or liabilities on the operator and trustee (if any) of an exempted scheme, including, to such extent as he thinks appropriate, provisions for purposes corresponding to those for which provision can be made under section 85 below in relation to authorised unit trust schemes.