PREVENTION OF FRAUD (INVESTMENTS)

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Appointed Day

ORDER OF THE MINISTRY OF COMMERCE, DATED DECEMBER 19, 1945, UNDER SECTION 22 OF THE PREVENTION OF FRAUD (INVESTMENTS) ACT (NORTHERN IRELAND), 1940, (4 & 5 GEO. 6 CHAP. 9).

1945. No. 129

The Ministry of Commerce in exercise of the powers conferred upon it by sub-Secton (1) of Section 22 of the Prevention of Fraud (Investments) Act (Northern Ireland), 1940, and of all other powers enabling it in that behalf hereby orders that the first day of March, 1946, shall be the appointed day for the purposes of the said Act.

Sealed with the Official Seal of the Ministry of Commerce this 19th day of December, 1945, in the presence of

(L.S.) *W. Robson*,
Assistant Secretary.

Licensed Dealers : Conduct of Business

RULES MADE BY THE MINISTRY OF COMMERCE FOR NORTHERN IRELAND UNDER THE PREVENTION OF FRAUD (INVESTMENTS) ACT (NORTHERN IRELAND), 1940 (4 GEO. 6, C. 9), WITH RESPECT TO CONDUCT OF BUSINESS OF LICENSED DEALERS.

1945. No. 77

PART I.

Offers of Securities for Purchase

1. For the purpose of this Part of these Rules the expression "securities" shall not include

(*a*) securities of the Government of any part of His Majesty's dominions or the Government of any foreign state or of any municipal body in His Majesty's dominions or any foreign state, or

(*b*) securities of any corporation incorporated by Royal Charter or by special Act of Parliament, or

(*c*) rights (whether actual or contingent) in respect of money lent to or deposited with any industrial and provident society or building society.

2.—(i) A licensed dealer shall not in writing offer securities for purchase or invite a person to make an offer to purchase securities unless

(*a*) in the case of securities which are quoted on or are dealt in on any recognised stock exchange the offer or invitation as the case may be so states and specifies the stock exchange on which they are quoted or dealt in, or

(*b*) in the case of securities which are units of an authorised unit trust scheme the offer or invitation as the case may be contains the name and address of the manager and the name and address of the trustee or is accompanied by the booklet issued by the manager which contains the particulars aforesaid, or

(*c*) in the case of other securities the offer or invitation as the case may be is accompanied by a document which conforms to the requirements of the Companies Act (Northern Ireland), 1932, with respect to the contents of prospectuses or by a statement in writing which contains the particulars specified in the Schedule to these Rules.

(ii) The statement in writing referred to in this Rule shall be entitled " Statement delivered pursuant to the Prevention of Fraud (Investments) Act (Northern Ireland), 1940," and shall not contain any matter other than the particulars specified in the Schedule to these Rules, and shall not be in characters less large or less conspicuous than any characters used in the offer or any document sent therewith, and shall be dated and signed by the licensed dealer making the offer.

(iii) A licensed dealer shall not in consequence of any offer made by telegraph or advertisement enter into any contract for the sale of securities unless before the contract is so entered into he has furnished to the purchaser a written statement containing the particulars required by this Rule to accompany an offer in writing.

3.—(i) A licensed dealer shall not, during or as a consequence of a call upon any person, deal in securities unless—

(*a*) he calls upon such person at his request ; and

(*b*) before any contract is entered into he furnishes to such person a written statement containing the particulars required by Rule 2 to accompany an offer in writing.

(ii) The expression " call " includes a communication by telephone.

4. Any offer or invitation in writing shall state whether or not the licensed dealer is prepared to effect settlement of all transactions through the bank of the person to whom the offer or invitation is made.

5. Nothing in this part of these Rules shall apply to any offer made by a licensed dealer to—

(*a*) a person whose business involves the acquisition holding and disposal of securities (whether as principal or agent) or the authorised representative of any such person, or

(*b*) a person with whom he can show that he has done business in the purchase or sale of securities at least three times in the period of seven years immediately preceding the offer, or

(*c*) the shareholders or debenture-holders of a corporation in regard to the securities of that corporation.

Part II.

Contract Notes

6. A licensed dealer shall issue a contract note in respect of every transaction of sale or purchase of securities to the purchaser or vendor with or for whom he contracts, whether as principal or agent, provided that nothing in these Rules shall make it obligatory on a licensed dealer to issue a contract note in respect of a transaction between a licensed dealer and a person whose business involves the acquisition and disposal or the holding of securities.

7. Every contract note shall include the following particulars—

(i) the name in which the licensed dealer is authorised to carry on business and the address at which he is carrying on business ;

(ii) (*a*) the name of the licensed dealer where he carries on business in a name other than his own, or

(*b*) the names of all the partners where the licensed dealer is a firm consisting of two or more holders of principal's licences, or

(*c*) the names of all directors where the licensed dealer is a corporation ;

(iii) the nationality, if not British, and former nationality (if any) of the licensed dealer, and where the licensed dealer is a firm or a corporation the nationality, if not British, and former nationality (if any) of all members of the firm or directors of the Corporation as the case may be ; and where the Corporation is incorporated in any country other than Great Britain or Northern Ireland the name of the country in which it is incorporated ;

(iv) a statement that the licensed dealer is acting in the capacity of principal when he is so acting ;

(v) the name of the person with whom the licensed dealer has entered into the contract ;

(vi) the date of the contract ;