

Companies (Exemption) Notification 1998

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No. S 328

COMPANIES ACT (CHAPTER 50)

COMPANIES (EXEMPTION) NOTIFICATION 1998

In exercise of the powers conferred by section 119(1) of the Companies Act, the Minister for Finance hereby makes the following Notification:

Citation and commencement

1. This Notification may be cited as the Companies (Exemption) Notification 1998 and shall come into operation on 12th June 1998.

Exemption

2. The Minister hereby exempts any company that —

- (a)* issues or offers any unit trust to the public for subscription or purchase; or
- (b)* invites the public to subscribe for or purchase any unit trust,

from section 113 of the Act, subject to the conditions set out in the First and Second

Schedules.

FIRST SCHEDULE

1.—(1) Before a company to which paragraph 2 of this Notification applies (referred to hereinafter as an exempted company) or its agent issues or offers to the public for subscription or purchase or invites the public to subscribe for or purchase any unit trust, it shall issue or cause to be issued a statement in writing in connection therewith which statement shall for all purposes be deemed to be a prospectus issued by a company, and, subject to sub-paragraph (2), the provisions of the Act (except section 48) and rules of law relating to prospectuses or to the offering or to an intended offering of shares for subscription or purchase to the public shall apply, with the necessary modifications, and have effect accordingly as if the unit trust were shares offered or intended to be offered to the public for subscription or purchase and as if persons accepting any offer or invitation in respect of or subscribing for or purchasing any such interest were subscribers for shares.

(2) Subject to sub-paragraph (3), the statement shall set out –

- (a) the matters and reports specified in the Seventh Schedule to the Act; and
- (b) such other matters as are required by any regulations made under the Act to be set out in the statement,

with such adaptations as the circumstances of each case require and the Registrar approves.

(3) A matter or report referred to in sub-paragraph (2) may be omitted from a statement if, having regard to the nature of the interest, the Registrar is of the opinion that the matter or report is not appropriate for inclusion in the statement and has, by writing under his hand, approved the omission.

2. Every advertisement in any form (excluding press conferences) offering or calling attention to an offer or intended offer of units in a unit trust or proposed unit trust to the public for subscription or purchase shall comply with the provisions of the Second Schedule.

3. Any report or brochure relating to any unit trust which is required by law or by any statutory board or regulatory agency to be distributed need not comply with the provisions of the Second Schedule.

SECOND SCHEDULE

1. All advertisements shall not —

- (a) make any prediction, projection or forecast on the future or likely performance of the unit trust, except that any forecast on the economy, stock market, bond market and the economic trends of the markets targeted by the unit trust is permitted provided the advertisement contains a statement which is given due prominence to the effect that the forecast is not necessarily indicative of the future or likely performance of the unit trust;
- (b) use the word “guarantee” or “warranty” or any other expression suggesting that the rate of return on the unit trust is guaranteed or that such rate of return is certain, if there is no guarantee or warranty given for the rate of return; and