
STATUTORY INSTRUMENTS

2005 No. 1529

The Financial Services and Markets Act
2000 (Financial Promotion) Order 2005

PART VI

Exempt Communications: Certain Controlled Activities

Sale of body corporate

62.—(1) The financial promotion restriction does not apply to any communication by, or on behalf of, a body corporate, a partnership, a single individual or a group of connected individuals which relates to a transaction falling within paragraph (2).

(2) A transaction falls within this paragraph if—

- (a) it is one to acquire or dispose of shares in a body corporate other than an open-ended investment company, or is entered into for the purposes of such an acquisition or disposal; and
- (b) either—
 - (i) the conditions set out in paragraph (3) are met; or
 - (ii) those conditions are not met, but the object of the transaction may nevertheless reasonably be regarded as being the acquisition of day to day control of the affairs of the body corporate.

(3) The conditions mentioned in paragraph (2)(b) are that—

- (a) the shares consist of or include 50 per cent or more of the voting shares in the body corporate; or
- (b) the shares, together with any already held by the person acquiring them, consist of or include at least that percentage of such shares; and
- (c) in either case, the acquisition or disposal is, or is to be, between parties each of whom is a body corporate, a partnership, a single individual or a group of connected individuals.

(4) “A group of connected individuals” means—

- (a) in relation to a party disposing of shares in a body corporate, a single group of persons each of whom is—
 - (i) a director or manager of the body corporate;
 - (ii) a close relative of any such director or manager; or
 - (iii) a person acting as trustee for, or nominee of, any person falling within paragraph (i) or (ii); and
- (b) in relation to a party acquiring shares in a body corporate, a single group of persons each of whom is—
 - (i) a person who is or is to be a director or manager of the body corporate;

(ii) a close relative of any such person; or

(iii) a person acting as trustee for or nominee of any person falling within paragraph (i) or (ii).

(5) “Voting shares” in relation to a body corporate, means shares carrying voting rights attributable to share capital which are exercisable in all circumstances at any general meeting of that body corporate.