

# ORDER IN COUNCIL

**XXX**  
**1989**

ratifying a Projet de Loi

ENTITLED

## **The Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1989**

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(Registered on the Records of the Island of Guernsey  
on the 6th February, 1990.)

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1989

# ORDER IN COUNCIL



IN THE ROYAL COURT OF THE ISLAND OF GUERNSEY

*The 6th day of February, 1990 before Sir Charles Frossard, Kt., Bailiff; present:— Harry Wilson Bisson, Herbert Nicolle Machon, James de Sausmarez Carey, Geoffrey Ernest Le Page, Stanley Walter John Jehan, Raymond Arthur Heaume, Esquires, Mrs. Dorothy Winifred Le Pelley, Leonard Arthur Moss, John Edward Morris, Charles Anthony Spensley and Kenneth John Rowe, Esquires, Jurats.*

The Bailiff having this day placed before the Court an Order of Her Majesty in Council dated the 19th December, 1989 approving and ratifying a *Projet de Loi* of the States of Guernsey entitled “The Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1989”, the Court, after the reading of the said Order in Council and after having heard Her Majesty’s Procureur thereon, ordered:—

1. That the said Order in Council be registered on the records of this Island; and
2. That an extract of this present Act, together with a copy of the said Order in Council, be sent by Her Majesty’s Greffier to the Clerk of the Court of Alderney and to the Seneschal of Sark for registration on the records of those Islands respectively, of which Order in Council the tenor followeth:—

## At the Court at Buckingham Palace

The 19th day of December 1989

PRESENT,

### The Queen's Most Excellent Majesty in Council

WHEREAS there was this day read at the Board a Report from the Right Honourable the Lords of the Committee of Council for the Affairs of Guernsey and Jersey dated the 27th day of November 1989 in the words following, viz.:—

“YOUR MAJESTY having been pleased, by Your General Order of Reference of the 22nd day of February 1952, to refer unto this Committee the humble Petition of the States of the Island of Guernsey setting forth:—

- ‘1. That in pursuance of their Resolution of the 29th day of September, 1988 the States of Deliberation at a meeting held on the 30th day of November, 1989 approved a Bill or “Projet de Loi” entitled “The Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1989”, and requested the Bailiff to present a most humble Petition to Your Majesty in Council praying for Your Royal Sanction thereto.
2. That the States of the Island of Alderney at a meeting held on the 1st day of March, 1989, considered the said Bill or “Projet de Loi” when a Resolution was passed agreeing to the application of the same to Alderney.
3. That the Chief Pleas of the Island of Sark at a meeting held on the 18th day of January, 1989 considered the said Bill or “Projet de Loi” when a Resolution was passed agreeing to the application of the same to Sark.
4. That the said Bill

or "Projet de Loi" is set forth in the Schedule hereunto annexed. And most humbly praying that Your Majesty might be graciously pleased to grant Your Royal Sanction to the Bill or "Projet de Loi" of the States of Guernsey entitled "The Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1989", and to order that the same shall have force of law in the Bailiwick of Guernsey.'

"THE LORDS OF THE COMMITTEE, in obedience to Your Majesty's said Order of Reference, have taken the said Petition and the said Projet de Loi into consideration and do this day agree humbly to report, as their opinion, to Your Majesty, that it may be advisable for Your Majesty to comply with the prayer of the said Petition and to approve of and ratify the said Projet de Loi."

HER MAJESTY having taken the said Report into consideration is pleased, by and with the advice of Her Privy Council, to approve of and ratify the said Projet de Loi, and to order, and it is hereby ordered, that the same shall have the force of Law within the Bailiwick of Guernsey.

AND HER MAJESTY doth hereby further direct that this Order, and the said Projet de Loi (a copy whereof is hereunto annexed), be entered upon the Register of the Island of Guernsey and observed accordingly.

AND the Lieutenant-Governor and Commander-in-Chief of the Island of Guernsey, the Bailiff and Jurats, and all other Her Majesty's Officers for the time being in the said Island, and all other persons whom it may concern, are to take notice and govern themselves accordingly.

*G. I. de Deney.*



# PROJET DE LOI

ENTITLED

## **The Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1989**

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# PROJET DE LOI

ENTITLED

## **The Company Securites (Insider Dealing) (Bailiwick of Guernsey) Law, 1989**

THE STATES, in pursuance of their Resolution of the 29th day of September, 1988, have approved the following provisions which, subject to the Sanction of Her Most Excellent Majesty in Council, shall have force of law in the Bailiwick of Guernsey.

### PART I

#### REGULATION OF INSIDER DEALING

1. (1) Subject to section 3, an individual who is, or at any time in the preceding 6 months has been, knowingly connected with a company shall not deal on a recognised stock exchange in securities of that company if he has information which—

Prohibition  
on stock  
exchange  
deals by  
insiders, etc.

- (a) he holds by virtue of being connected with the company;
- (b) it would be reasonable to expect a person so connected, and in the position by virtue of which he is so connected, not to disclose except for the proper performance of the functions attaching to that position; and
- (c) he knows is unpublished price sensitive information in relation to those securities.

(2) Subject to section 3, an individual who is, or at any time in the preceding 6 months has been, knowingly connected with a company shall not deal on a recognised stock exchange in securities of any other company if he has information which—



- (a) he holds by virtue of being connected with the first company;
- (b) it would be reasonable to expect a person so connected, and in the position by virtue of which he is so connected, not to disclose except for the proper performance of the functions attaching to that position;
- (c) he knows is unpublished price sensitive information in relation to those securities of that other company; and
- (d) relates to any transaction (actual or contemplated) involving both the first company and that other company, or involving one of them and securities of the other, or to the fact that any such transaction is no longer contemplated.

(3) Subsection (4) applies where—

- (a) an individual has information which he knowingly obtained (directly or indirectly) from another individual—
  - (i) who is connected with a particular company, or was at any time in the 6 months preceding the obtaining of the information so connected; and
  - (ii) who the former individual knows or has reasonable cause to believe held the information by virtue of being so connected; and
- (b) the former individual knows or has reasonable cause to believe that, because of the latter's connection and position, it would be reasonable to expect him not to

disclose the information except for the proper performance of the functions attaching to that position.

(4) Subject to section 3, the former individual in that case—

- (a) shall not himself deal on a recognised stock exchange in securities of that company if he knows that the information is unpublished price sensitive information in relation to those securities; and
- (b) shall not himself deal on a recognised stock exchange in securities of any other company if he knows that the information is unpublished price sensitive information in relation to those securities and it relates to any transaction (actual or contemplated) involving the first company and the other company, or involving one of them and securities of the other, or to the fact that any such transaction is no longer contemplated.

(5) Subject to section 3, where an individual is contemplating, or has contemplated, making (whether with or without another person) a take-over offer for a company in a particular capacity, that individual shall not deal on a recognised stock exchange in securities of that company in another capacity if he knows that information that the offer is contemplated, or is no longer contemplated, is unpublished price sensitive information in relation to those securities.

(6) Subject to section 3, where an individual has knowingly obtained (directly or indirectly), from an individual to whom subsection (5) applies, informa-

tion that the offer referred to in that subsection is being contemplated or is no longer contemplated, the former individual shall not himself deal on a recognised stock exchange in securities of that company if he knows that the information is unpublished price sensitive information in relation to those securities.

(7) Subject to section 3, an individual who is prohibited by any provision of this section from dealing on a recognised stock exchange in any securities—

- (a) shall not counsel or procure any other person to deal in those securities, knowing or having reasonable cause to believe that that person would deal in them on a recognised stock exchange;
- (b) by reason of his having any information, shall not communicate that information to any other person if he knows or has reasonable cause to believe that that or some other person will make use of the information for the purpose of dealing, or of counselling or procuring any other person to deal, on a recognised stock exchange in those securities.

**Abuse of  
information  
obtained in  
official  
capacity.**

2. (1) This section applies to any information—

- (a) which is held by a public servant or former public servant by virtue of his position or former position as a public servant, or which is knowingly obtained by an individual (directly or indirectly) from a public servant or former public servant who he knows or has reasonable cause to believe held the information by virtue of any such position;

- (b) which it would be reasonable to expect an individual in the position of the public servant or former position of the former public servant not to disclose except for the proper performance of the functions attaching to that position; and
- (c) which the individual holding it knows is unpublished price sensitive information in relation to securities of a particular company ("relevant securities").

(2) This section applies to a public servant or former public servant holding information to which this section applies and to any individual who knowingly obtained any such information (directly or indirectly) from a public servant or former public servant who that individual knows or has reasonable cause to believe held the information by virtue of his position or former position as a public servant.

(3) Subject to section 3, an individual to whom this section applies—

- (a) shall not deal on a recognised stock exchange in any relevant securities;
- (b) shall not counsel or procure any other person to deal in any such securities, knowing or having reasonable cause to believe that that other person would deal in them on a recognised stock exchange; and
- (c) shall not communicate to any other person the information held or (as the case may be) obtained by him as mentioned in subsection (2) if he knows or has reasonable cause to believe that that or some other person will make use of the information

for the purpose of dealing, or of counselling or procuring any other person to deal, on a recognised stock exchange in any such securities.

Actions not  
prohibited  
by section 1  
or 2.

3. (1) No provision of section 1 or 2 prohibits an individual by reason of his having any information from—

- (a) doing any particular thing otherwise than with a view to the making of a profit or the avoidance of a loss (whether for himself or another person) by the use of that information;
- (b) entering into a transaction in the course of the exercise in good faith of his functions as liquidator, receiver or trustee or proper officer in matters of bankruptcy; or
- (c) doing any particular thing in relation to any particular securities if the information—
  - (i) was obtained by him in the course of a business of a market maker in those securities in which he was engaged or employed; and
  - (ii) was of a description which it would be reasonable to expect him to obtain in the ordinary course of that business, and he does that thing in good faith in the course of that business;

and in this section—

“market maker” means a person (whether an individual, partnership or company) who—

- (aa) holds himself out at all normal times in compliance with the rules of a

recognised stock exchange as willing to buy and sell securities at prices specified by him; and

(bb) is recognised as doing so by that recognised stock exchange.

(2) An individual is not, by reason only of his having information relating to any particular transaction, prohibited—

(a) by section 1(2), (4)(b), (5) or (6) from dealing on a recognised stock exchange in any securities;

(b) by section 1(7) from doing any other thing in relation to securities which he is prohibited from dealing in by any provision mentioned in paragraph (a); or

(c) by section 2 from doing anything,

if he does that thing in order to facilitate the completion or carrying out of the transaction.

4. (1) Subject to section 6, sections 1 to 3 apply to—

Off-market  
deals in  
advertised  
securities.

(a) dealing otherwise than on a recognised stock exchange in the advertised securities of any company—

(i) through an off-market dealer who is making a market in those securities, in the knowledge that he is an off-market dealer, that he is making a market in those securities and that the securities are advertised securities; or

(ii) as an off-market dealer who is making a market in those securities or as an officer, employee or agent of such a

dealer acting in the course of the dealer's business;

- (b) counselling or procuring a person to deal in advertised securities in the knowledge or with reasonable cause to believe that he would deal in them as mentioned in paragraph (a);
- (c) communicating any information in the knowledge or with reasonable cause to believe that it would be used for such dealing or for such counselling or procuring,

as they apply to dealing in securities on a recognised stock exchange and to counselling or procuring or communicating any information in connection with such dealing.

(2) In its application by virtue of this section the definition of "market maker" in section 3(1) has effect as if the references to a recognised stock exchange were references to a recognised investment exchange (other than a recognised investment exchange which has its head office outside the British Islands).

Restriction  
on promoting  
off-market  
deals abroad.

5. (1) An individual who, by reason of his having information, is prohibited by any provision of section 1 or 2 from dealing in any securities shall not—

- (a) counsel or procure any other person to deal in those securities in the knowledge or with reasonable cause to believe that that person would deal in the securities outside the Bailiwick and Great Britain on any stock exchange other than a recognised stock exchange; or

- (b) communicate that information to any other person in the knowledge or with reasonable cause to believe that that or some other person will make use of the information for the purpose of dealing, or of counselling or procuring any other person to deal, in the securities outside the Bailiwick and Great Britain on any stock exchange other than a recognised stock exchange.

(2) Subsection (1) does not prohibit an individual by reason of his having any information from acting as mentioned in section 3(1)(a), (b) or (c).

(3) An individual is not, by reason only of having information relating to a particular transaction, prohibited by any provision of this section from doing anything if he does that thing in order to facilitate the completion or carrying out of the transaction.

6. No provision of section 1, 2, 4 or 5 prohibits an individual from doing anything for the purpose of stabilising the price of securities if it is done in conformity with rules under section 48 of the Financial Services Act 1986(a) and—

Price  
stabilisa-  
tion.

- (a) in respect of securities which fall within any of paragraphs 1 to 5 of Schedule 1 to that Act and which are specified by the rules; and
- (b) during such period before or after the issue of those securities as is specified by the rules.

7. (1) Where a trustee or personal representative or, where a trustee or personal representative is a

Trustees and  
personal  
representa-  
tives.

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(a) An Act of Parliament (1986 c. 60).



body corporate, an individual acting on behalf of that body corporate who, apart from section 3(1)(a) or (as the case may be) section 5(2), would be prohibited by section 1, 2, 4 or 5 from dealing, or counselling or procuring any other person to deal, in any securities deals in those securities or counsels or procures any other person to deal in them, he is presumed to have acted with propriety if he acted on the advice of a person who—

- (a) appeared to him to be an appropriate person from whom to seek such advice; and
- (b) did not appear to him to be prohibited by section 1, 2, 4 or 5 from dealing in those securities.

(2) “With propriety” means otherwise than with a view to the making of a profit or the avoidance of a loss (whether for himself or another person) by the use of the information in question.

Transac-  
tions not  
void.

8. No transaction is void or voidable by reason only that it was entered into in contravention of section 1, 2, 4 or 5.

## PART II

### INVESTIGATION AND SEARCH

Investiga-  
tions into  
insider  
dealing.

9. (1) If it appears to the President of the Committee—

- (a) that there may have been a contravention of section 1, 2, 4 or 5; or
- (b) that there may have been a contravention of the laws of another country or territory relating to insider dealing and that a person in the Bailiwick—

(i) may have been concerned (directly or indirectly) in any such contravention;  
or

(ii) may have information or documents which may be of assistance in the investigation of any such contravention,

he may, after consulting Her Majesty's Procureur, appoint in writing one or more competent inspectors to carry out such investigations as are requisite to establish whether or not any such contravention has occurred and, if any such contravention has occurred, to investigate it, and to report the results of their investigations to him.

(2) The appointment under this section of an inspector may limit the period during which he is to continue his investigation, or confine his investigation to particular matters.

(3) If the inspectors consider that any individual is or may be able to give information concerning the contravention or suspected contravention they may require that individual—

(a) to produce to them any document in his possession or under his control relating to—

(i) the company to the securities of which the contravention or suspected contravention relates; or

(ii) its securities;

(b) to attend before them; and

(c) otherwise to give them all assistance in connection with the investigation which he is reasonably able to give.

(4) The inspectors may—

- (a) examine on oath any individual who they consider is or may be able to give information concerning the contravention or suspected contravention, and may administer an oath accordingly;
- (b) require any individual who appears to them to be in possession or control of any such document as is mentioned in subsection (3)(a) to produce the document to them;
- (c) take copies of or extracts from any document produced to them;
- (d) if they consider that any individual is or may be able to provide an explanation of any such document, require him to provide such an explanation;
- (e) require any individual to state, to the best of his knowledge and belief, the whereabouts of any such document as is mentioned in subsection (3)(a) (whether or not the individual is in possession or control of the document).

(5) The inspectors shall make such interim reports to the President of the Committee as they think fit or as he may direct, and on the conclusion of the investigation they shall make a final report to him.

(6) A statement made by a person in compliance with a requirement under this section may be used in evidence against him.

(7) A person shall not under this section be required to disclose any information or produce any document which he would be entitled to refuse to disclose or produce on grounds of legal professional privilege in proceedings before the court.

(8) Nothing in this section requires a person carrying on the business of banking to disclose any information or produce any document relating to the affairs of a customer unless—

- (a) the customer is a person who the inspectors consider is or may be able to give information concerning the contravention or suspected contravention; and
- (b) the President of the Committee is satisfied that the disclosure or production is necessary for the purposes of the investigation.

(9) Where a person claims a lien on a document its production under this section does not prejudice his lien.

(10) In this section “document” includes information recorded in any form; and in relation to information recorded otherwise than in legible form references to its production include references to producing a copy of the information in legible form.

(11) Functions conferred by this section on inspectors may, where more than one inspector is appointed, be exercised by one or any of them.

10. (1) If, on the application of an inspector, the Bailiff is satisfied on information on oath— Search  
warrants.

- (a) that there are reasonable grounds for suspecting that there is on any premises material (whether or not it can be particularised) likely to be of relevance (whether by itself or together with other material) to the investigation for the purposes of which the application is made; and

- (b) that the investigation might be seriously prejudiced unless immediate entry can be secured to the premises,

he may issue a warrant authorising the inspector and any other person named in the warrant to enter and search the premises, using such force as is reasonably necessary for the purpose.

(2) A person who enters any premises under the authority of a warrant issued under this section may seize, retain and copy any material (other than material the disclosure or production of which could be refused on grounds of legal professional privilege in proceedings before the court) likely to be of relevance (whether by itself or together with other materials) to the investigation or to criminal proceedings in respect of any such contravention as is mentioned in section 9(1)(a) or (b).

(3) Her Majesty's Procureur, if satisfied that any material seized under subsection (2) is likely to be of relevance to criminal proceedings in the United Kingdom, Isle of Man or Bailiwick of Jersey in respect of a contravention of the laws of those places relating to insider dealing, may make an ex parte application to the Bailiff for permission to transmit that material to the prosecuting authorities of those places for the purposes of those proceedings, and the Bailiff may grant permission in that behalf on such conditions as he thinks fit.

(4) It shall be a condition of any permission granted by the Bailiff under subsection (3) that the material in question shall be returned to the Bailiwick authorities within such period as may be specified in the permission or (if no period is so specified) within 7 days of any request in that behalf being made by Her Majesty's Procureur.

(5) The Bailiff's decision on an application under subsection (3) (including his decision as to the conditions on which permission is to be granted) is final.

(6) In this section, "premises" includes any place, vehicle, vessel, aircraft, hovercraft, offshore installation, tent and movable structure.

### PART III

#### INTERPRETATION

11. For the purposes of this Law, an individual is connected with a company if, but only if—

"Connected  
with a  
Company".

- (a) he is a director of that company or a related company; or
- (b) he occupies a position—
  - (i) as an officer (other than a director) or employee of that company or a related company; or
  - (ii) involving a professional or business relationship between himself (or his employer or a company of which he is a director) and the first company or a related company,

which in either case may reasonably be expected to give him access to information which, in relation to securities of either company, is unpublished price sensitive information, and which it would be reasonable to expect a person in his position not to disclose except for the proper performance of his functions.

“Unpublished price sensitive information”.

12. In this Law “unpublished price sensitive information”, in relation to any securities of a company, means information which—

- (a) relates to specific matters relating or of concern (directly or indirectly) to that company, that is to say, is not of a general nature relating or of concern to that company; and
- (b) is not generally known to those persons who are accustomed or would be likely to deal in those securities but which would if it were generally known to them be likely materially to affect the price of those securities.

“Company”  
“related company”  
etc.

13. (1) In this Law—

“company” means any body corporate, whether or not a company within the meaning of the Companies Laws;

“related company”, in relation to a company, means any body corporate which is that company’s subsidiary or holding company, or a subsidiary of that company’s holding company.

(2) For the purposes of subsection (1), a company is, subject to subsection (5), a subsidiary of another if (but only if)—

(a) that other—

- (i) is a member of it and controls the composition of its board of directors; or
- (ii) holds more than half in nominal value of its equity share capital; or

- (b) the first-mentioned company is a subsidiary of any company which is that other's subsidiary.
- (3) For the purposes of subsection (2)(a)—
- (a) the composition of a company's board of directors is controlled by another company if (but only if) that other company, by the exercise of some power exercisable by it without the consent or concurrence of any other person, can appoint or remove the holders of all or a majority of the directorships;
  - (b) "equity share capital" means the company's issued share capital excluding any part thereof which, as respects neither dividends nor capital, carries any right to participate beyond a specified amount in a distribution.
- (4) For the purposes of subsection (3)(a), the other company has power to appoint to a directorship if—
- (a) a person cannot be appointed to it without the exercise in his favour by the other company of such a power as is mentioned in subsection (3)(a);
  - (b) a person's appointment to it follows necessarily from his appointment as director of the other company; or
  - (c) the directorship is held by the other company itself or by a subsidiary of it.
- (5) In determining whether one company is a subsidiary of another—



- (a) any shares held or power exercisable by the other in a fiduciary capacity are to be treated as not held or exercisable by it;
- (b) subject to paragraphs (c) and (d), any shares held or power exercisable—
  - (i) by any person as nominee for the other (except where the other is concerned only in a fiduciary capacity), or
  - (ii) by, or by a nominee for, a subsidiary of the other (not being a subsidiary which is concerned only in a fiduciary capacity),

are to be treated as held or exercisable by the other;

- (c) any shares held or power exercisable by any person by virtue of the provisions of any debentures of the first-mentioned company or a trust deed for securing any issue of such debentures are to be disregarded;
- (d) any shares held or power exercisable by, or by a nominee for, the other or its subsidiary (not being held or exercisable as mentioned in paragraph (c)) are to be treated as not held or exercisable by the other if the ordinary business of the other or its subsidiary (as the case may be) includes the lending of money and the shares are held or the power is exercisable as above mentioned by way of security only for the purposes of a transaction entered into in the ordinary course of that business.

(6) For the purposes of subsection (1), a company is deemed to be another's holding company if (but only if) the other is its subsidiary.

## 14. In this Law—

“Securities”  
etc.

“securities” means listed securities and, in the case of a company—

- (a) within the meaning of the Companies Laws, or having a place of business in the Bailiwick; or
- (b) within the meaning of the Companies Act, 1985(b), or a company registered under Chapter II of Part XXII of that Act, or a body corporate to which the provisions of that Act specified in Schedule 22 to that Act apply by virtue of section 718 of that Act,

the following securities (whether or not listed), that is to say, any shares, any debentures, or any right to subscribe for, call for or make delivery of a share or debenture;

“listed securities”, in relation to a company, means any securities of the company listed on a recognised stock exchange;

“advertised securities”, in relation to a particular occurrence, means listed securities or securities in respect of which, not more than 6 months before that occurrence, information indicating the prices at which persons have dealt or were willing to deal in those securities has been published for the purpose of facilitating deals in those securities.

15. (1) For the purposes of this Law, a person deals in securities if (whether as principal or agent) he buys or sells or agrees to buy or sell any securities. “Deal in securities”.

(2) For the purposes of this Law, a person who (whether as principal or agent) buys or sells or agrees to buy or sell investments within subsection (3) where

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(b) An Act of Parliament (1985 c. 6).

the purpose or pretended purpose mentioned in that subsection is to secure a profit or avoid a loss wholly or partly by reference to fluctuations in the value or price of securities shall be treated as if he were dealing in those securities.

(3) The investments referred to in subsection (2) are rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of property of any description or in an index or other factor designated for that purpose in the contract.

“Off-market dealer”, etc.

16. (1) In this Law “off-market dealer” means a person who is an authorised person within the meaning of the Financial Services Act 1986.

(2) For the purposes of this Law, an off-market dealer is taken—

(a) to deal in advertised securities, if he deals in such securities or acts as an intermediary in connection with deals made by other persons in such securities (references to such a dealer’s officer, employee or agent dealing in such securities to be construed accordingly); and

(b) to make a market in any securities, if in the course of his business as an off-market dealer he holds himself out both to prospective buyers and to prospective sellers of those securities (other than particular buyers or sellers) as willing to deal in them otherwise than on a recognised stock exchange.

(3) For the purposes of section 4, an individual is taken to deal through an off-market dealer if the

latter is a party to the transaction, is an agent for either party to the transaction or is acting as an intermediary in connection with the transaction.

(4) The States may by Ordinance amend any meaning or construction assigned or attributed by this section to any expression.

17. In this Law, "take-over offer for a company" means an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of—

"Take-over offer".

- (a) the shares in the company, to acquire those shares or a specified proportion of them;  
or
- (b) a particular class of those shares, to acquire the shares of that class or a specified proportion of them.

18. (1) In this Law—

interpreta-  
General

"Bailiff"—

- (a) in relation to the Bailiwick, means the Bailiff, the Deputy Bailiff, a Lieutenant-Bailiff or the Juge Délégué;
- (b) in relation to Alderney includes the Chairman of the Court of Alderney;  
and
- (c) in relation to Sark, includes the Seneschal;

"Bailiwick" means the Bailiwick of Guernsey;

"Committee" means the States of Guernsey Advisory and Finance Committee or such other Committee or like body of the States of Guernsey as the States may by Ordinance appoint;

“the Companies Laws” means the Law entitled “Loi relative aux Sociétés Anonymes ou à Responsabilité Limitée” registered on the 22nd of May, 1894, as amended(c) and the Law entitled “Loi relative aux Sociétés Anonymes ou à Responsabilité Limitée” registered on the 21st of March, 1908, as amended(d);

“court” means the Royal Court of Guernsey sitting as an Ordinary Court;

“debenture” means any debenture, debenture stock or bonds of a company, whether constituting a charge on the assets of the company or not;

“Her Majesty’s Procureur” includes Her Majesty’s Comptroller;

“inspector” means an inspector appointed under section 9(1);

“public servant” means—

- (a) an officer or employee of the Crown;
- (b) a member, officer or employee of the States of Guernsey or Alderney, or of the Chief Pleas of Sark, or of any Authority, Board, Committee, Council or like body thereof;
- (c) a member, officer or employee of the Guernsey Financial Services Commission;
- (d) any person declared by an order of the Committee under section 19 to be a public servant for the purposes of this Law;

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(c) Ordres en Conseil Vol. II, p. 451; Vol. XIX, p. 33.

(d) Ordres en Conseil Vol. IV, p. 178; Vol. X, p. 298; Vol. XVII, p. 444; Vol. XX, p. 17; and Vol. XXIV, p. 17.

(e) any person who is a public servant within the meaning of section 2(4) of the Company Securities (Insider Dealing) Act 1985(e);

“recognised investment exchange” means a body declared by an order of the Committee to be a recognised investment exchange for the purposes of this Law;

“recognised stock exchange” means the International Stock Exchange of Great Britain and Ireland and any other investment exchange declared by an order of the Committee to be a recognised stock exchange for the purposes of this Law;

“shares” means shares in the share capital of a company, and includes stock.

(2) The Interpretation (Guernsey) Law 1948(f) applies to the interpretation of this Law throughout the Bailiwick.

(3) Any reference in this Law to an enactment is a reference to that enactment as amended, extended, re-enacted or applied by or under any other enactment, including this Law.

19. If it appears to the Committee that the members, officers or employees of or any person otherwise connected with any body appearing to it to exercise public functions may have access to unpublished price sensitive information relating to securities, it may by order declare those persons to be public servants for the purposes of this Law.

Power of Committee to extend meaning of “public servant”.

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(e) An Act of Parliament (1985 c. 8).

(f) Ordres en Conseil Vol. XIII, p. 355.

## PART IV

## OFFENCES AND PENALTIES

Offences.

20. An individual who—

- (a) contravenes section 1, 2, 4 or 5;
- (b) intentionally or recklessly obstructs a person acting under the authority of a warrant issued under section 10;
- (c) in purported compliance with a requirement imposed on him under section 9(3) or (4) by an inspector, or when being examined on oath under section 9(4)(a) by an inspector, furnishes information which he knows to be false or misleading in a material particular or recklessly furnishes information which is false or misleading in a material particular;
- (d) without reasonable excuse refuses to comply with a requirement imposed on him under section 9(3) or (4) by an inspector; or
- (e) without reasonable excuse refuses to answer a question put to him by an inspector for the purposes of an investigation under section 9,

is guilty of an offence and liable—

- (i) on conviction on indictment, to imprisonment for a term not exceeding 7 years, a fine, or both;
- (ii) on summary conviction, to imprisonment for a term not exceeding 6 months, a fine not exceeding level 5 on the uniform scale, or both.

21. An individual does not, for the purposes of section 20(d) or (e), have a reasonable excuse for refusing to comply with a requirement or answer a question, where the investigation relates to dealing by him on the instructions or for the account of another person, by reason that at the time of the refusal—

Meaning of  
"reasonable  
excuse".

- (a) he did not know the identity of that other person; or
- (b) he was subject to the law of a country or territory outside the Bailiwick which prohibited him from disclosing information relating to the dealing without the consent of that other person, if he might have obtained that consent or obtained exemption from that law.

## PART V

### GENERAL

22. The Committee may by order exempt any person, transaction, or security, or any class thereof, from any provision of this Law.

Exemptions.

23. An Ordinance of the States under section 16(4), 18(1) or 25, or an order of the Committee under section 18(1), 19 or 22—

Subordinate  
legislation  
(general).

- (a) may be amended or repealed by a subsequent Ordinance or (as the case may be) order thereunder;
- (b) may contain transitional, consequential, incidental and supplemental provisions;
- (c) in the case of an order of the Committee, shall be laid before a meeting of the States of Deliberation as soon as possible; and if, at



that or the next meeting, the States resolve to annul the order, it shall cease to have effect, but without prejudice to anything done under it or to the making of a new order.

Citation.        24. This Law may be cited as the Company Securities (Insider Dealings) (Bailiwick of Guernsey) Law, 1989.

Commence-  
ment.        25. This Law shall come into operation on the day appointed by Ordinance of the States, and different days may be appointed for different provisions and for different purposes.

K. H. TOUGH,  
Her Majesty's Greffier.