

## Criminal liability for untrue statements in merger documents

1148. (1) Where any untrue statement has been included in—

- (a) the common draft terms of merger;
- (b) the explanatory report, if any, referred to in section 1132; or
- (c) the merger financial statement, if any, prepared under section 1134;

the following:

(i) each of the persons who was a director of any of the merging companies at the date of the common draft terms of merger or, in the case of the foregoing explanatory report or merger financial statement, at the time of the report's or statement's preparation; and

(ii) any person who authorised the issue of the document;

shall be guilty of a category 2 offence.

(2) Where any untrue statement has been included in the expert's report prepared under section 1133, the expert and any person who authorised the issue of the report shall be guilty of a category 2 offence.

(3) In any proceedings against a person in respect of an offence under subsection (1) or (2), it shall be a defence to prove that, having exercised all reasonable care and skill, the defendant had reasonable grounds for believing and did, up to the time of the issue of the document concerned, believe that the statement concerned was true.