

Power to make certain regulations (Chapter 4)

1380. (1) The Minister may make regulations for the purposes of—

(a) giving effect to the Transparency (Regulated Markets) Directive or any supplemental Directive; and

(b) supplementing and making consequential provision in respect of any Regulation or Decision made by the Commission in consequence of the first-mentioned Directive in paragraph (a) pursuant to the procedure referred to in Article 27(2) of that Directive.

(2) Regulations under this section may contain such incidental, supplementary and consequential provisions as appear to the Minister to be necessary or expedient for the purposes of those regulations, including—

(a) provisions creating offences (but the regulations may only provide penalties in respect of a summary conviction for any such offence); and

(b) provisions creating civil liability in respect of contraventions of the regulations so as to enable any person suffering loss thereby to recover compensation for that loss.

(3) Civil liability shall not be created by regulations under subsection (2) in respect of a contravention of regulations under this section save in respect of such a contravention that involves either—

(a) an untrue or misleading statement; or

(b) the omission from a statement of any matter required to be included in it;

being, in either case, a statement—

(i) that is contained in a publication made in purported compliance with a provision of transparency (regulated markets) law specified in the regulations; and

(ii) in respect of which a person suffers a loss by reason of the person's acquiring or contracting to acquire securities (or an interest in them) in reliance on that publication at a time when, and in circumstances in which, it was reasonable for the person to rely on that publication, and the following condition is fulfilled in respect of that publication.

(4) That condition is that a person discharging responsibilities within the issuer of the securities referred to in subsection (3) in relation to that publication (being responsibilities of a kind specified in regulations under this section)—

(a) knew the statement concerned to be untrue or misleading or was reckless as to whether it was untrue or misleading; or

(b) knew the omission concerned to be dishonest concealment of a material fact.

(5) Regulations under this section may also make, for the purposes of those regulations, provision analogous to that which is made by Chapter 5 of Part 5 and Chapter 4 of Part 17.

(6) This section is without prejudice to section 3 of the European Communities Act 1972 .