

342F. Criminal liability for misstatements in prospectus

- (1) Where a prospectus relating to shares in or debentures of a company incorporated outside Hong Kong (whether the company has or has not established a place of business in Hong Kong) which is issued, circulated or distributed in Hong Kong after the commencement[#] of the Companies (Amendment) Ordinance 1992 (86 of 1992) includes any untrue statements, any person who authorized the issue, circulation or distribution of the prospectus in Hong Kong shall be liable to imprisonment and a fine, unless he proves either that the statement was immaterial or that he had reasonable grounds to believe and did up to the time of the issue, circulation or distribution of the prospectus in Hong Kong believe that the statement was true.
- (2) A person shall not be deemed for the purposes of this section to have authorized the issue of a prospectus by reason only of his having given the consent required by section 342B to the inclusion therein of a statement purporting to be made by him as an expert.
- (3) Subsection (1) shall not apply—
 - (a) to the Commission;
 - (b) where the relevant prospectus is authorized by a recognized exchange company pursuant to a transfer order made under section 25 of the Securities and Futures Ordinance (Cap. 571), to the Commission or the recognized exchange company; or
 - (c) where the relevant prospectus is authorized by a recognized exchange controller pursuant to a transfer order made under section 68 of that Ordinance, to the Commission or the recognized exchange controller. (*Replaced 5 of 2002 s. 407*)

(Added 86 of 1992 s. 16)

Editorial Note:

[#] Commencement date: 1 February 1993 — see L.N. 19 of 1993.