

40A. Criminal liability for misstatements in prospectus

- (1) Where a prospectus issued after the commencement[#] of the Companies (Amendment) Ordinance 1972 (78 of 1972) includes any untrue statements, any person who authorized the issue of the prospectus 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 of the prospectus believe that the statement was true. *(Amended 7 of 1990 s. 2)*
- (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 38C 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)*
- (4) This section shall apply to a publication falling within section 38B(2) as if the publication were a prospectus. *(Added 30 of 2004 s. 2)*

(Added 78 of 1972 s. 8)

[cf. 1948 c. 38 s. 44 U.K.]

Editorial Note:

[#] Commencement date: 1 March 1973.