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Financial Services and Markets Act 2000 c. 8

Schedule 10 COMPENSATION: EXEMPTIONS

para. 1 Statements believed to be true



Law In Force

Version 2 of 2

24 January 2013 - Present

Subjects

Financial regulation

Keywords

Compensation; Exemptions; False statements; Listing particulars; Misleading statements; Non-disclosure; Prospectuses; Reasonable belief

1.— Statements believed to be true

(1) In this paragraph “*statement*” means—

- (a) any untrue or misleading statement in listing particulars; or
- (b) the omission from listing particulars of any matter required to be included by [section 80 or 81](#).

(2) A person does not incur any liability under [section 90\(1\)](#) for loss caused by a statement if he satisfies the court that, at the time when the listing particulars were submitted to the [FCA] ¹, he reasonably believed (having made such enquiries, if any, as were reasonable) that—

- (a) the statement was true and not misleading, or
- (b) the matter whose omission caused the loss was properly omitted,

and that one or more of the conditions set out in sub-paragraph (3) are satisfied.

(3) The conditions are that—

- (a) he continued in his belief until the time when the securities in question were acquired;
- (b) they were acquired before it was reasonably practicable to bring a correction to the attention of persons likely to acquire them;
- (c) before the securities were acquired, he had taken all such steps as it was reasonable for him to have taken to secure that a correction was brought to the attention of those persons;
- (d) he continued in his belief until after the commencement of dealings in the securities following their admission to the official list and they were acquired after such a lapse of time that he ought in the circumstances to be reasonably excused.

Notes

- 1 Words substituted by Financial Services Act 2012 c. 21 [Pt 2 s.16\(13\)](#) (January 24, 2013 for the purpose of making rules as specified in SI 2013/113 art.2 and Sch.1 Pt 3; April 1, 2013 otherwise)
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