

# SAINT CHRISTOPHER AND NEVIS

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## STATUTORY RULES AND ORDERS

1997, No. 28

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### *The Financial Services (Prospectuses) Order, 1997.*

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**AN ORDER** made by the Minister under sections 29 and 219 of the Companies Act, 1996 - 22; sections 33 and 73 of the Limited Partnerships Act, 1996 - 24; and sections 69 and 105 of the Trusts Act 1996 - 23.

#### **1. Citation and commencement**

- (1) This Order may be cited as the Financial Services (Prospectuses) Order, 1997.
- (2) This Order shall come into force on 3<sup>rd</sup> of April, 1997.

#### **2. Interpretation**

- (1) In this Order unless the context otherwise requires -
  - “the Acts” means the Acts under which this Order is made;
  - “institution” means any -
    - (a) company;
    - (b) partnership; or
    - (c) trust,incorporated or established under the law of the Federation or, if incorporated or established under the law of any other country or territory, carrying on business in the Federation or having an address in the Federation which is used regularly for the purpose of its business;
  - “this Order” means this Order as amended, or as extended or applied, by or under any other Order made under the Acts;
  - “principal Order” means the Financial Services (Regulations) Order, 1997 - 25, as amended, or as extended or applied, by or under any other Order made under the Acts.
- (2) Subject to sub-section (1), any words defined in the Acts and in the principal Order shall, if not inconsistent with the subject or context, bear the same meaning in this Order.
- (3) A references in this Order to an enactment is a reference to that enactment as amended, and includes a reference to that enactment as extended or applied by or under any other enactment, including any other provision of that enactment.

#### **3. Circulation of prospectus**

- (1) Subject to sub-section (2), no prospectus offering securities in an institution shall be circulated in the Federation or elsewhere unless -
  - (a) it contains the information specified in Part I of the Schedule to this Order;
  - (b) it includes the statements specified in Part II of that Schedule;
  - (c) there has been delivered to the Director General -
    - (i) a copy of the prospectus, signed by or on behalf of all of the directors of the institution,
    - (ii) a signed copy of any report included in, or attached to, the prospectus, and
    - (iii) such other particulars as the Director General may require; and

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- (d) the Minister has given his consent to the circulation of the prospectus.
- (2) The Minister may give his consent to the circulation of a prospectus which does not comply in every respect with the requirements of sub-section (1) if he is satisfied that the deviation from those requirements does not affect the substance of the prospectus or is not calculated to mislead.

Made by the Minister this 3<sup>rd</sup> of April, 1997.

Denzil L. Douglas  
Minister of Finance

**SCHEDULE**

**PART I**

**Information to be Specified in Prospectuses**

**1. Details relating to the offer**

The following shall be stated -

- (a) the names, occupations and addresses of -
  - (i) the offerors or vendors; and
  - (ii) any promoter, of the securities;
- (b) the offer price for the securities, including the method, time and place of payment;
- (c) the opening and closing dates and times of the offer;
- (d) the minimum amount required to be raised by the offer;
- (e) when and how moneys will be returned in the event of the offer not being completed or any securities applied for not being allotted;
- (f) general particulars of any property which is to be acquired with the proceeds of the offer;
- (g) in the case of any business which is to be acquired with the proceeds of the offer, the length of time during which that business has been carried on;
- (h) If dividends or interests are payable on the securities, then the terms and conditions under which such dividends or interests are to be paid;
- (i) If the securities are redeemable, then the terms and conditions under which they are to be redeemed.

**2. Capital**

There shall be stated particulars of -

- (a) the paid-in capital of the institution; and
- (b) the securities which are the subject of the offer, together with details of any existing issued securities which are not part of the offer.

**3. Goodwill, preliminary expenses etc.**

There shall be stated particulars of any amounts to be written off or provided for in respect of goodwill or preliminary expenses, or of any benefit given to a promoter.

**4. Contracts**

There shall be stated the dates of, parties to and general nature of every material contract, not being a contract entered into in the ordinary course of the business carried on, or intended to be carried on, by the institution or a contract entered into more than two years before the date of issue of the prospectus.

**5. Interest of directors**

There shall be stated -

- (a) full particulars of the nature and extent of the interest, if any, of every director in the promotion of or in the property proposed to be acquired by, the institution, or where the interest of such a director consists of being a partner in a partnership or a trustee of a trust, the nature and extent of the interest of the partnership or trust (as the case may be); and
- (b) details of all sums paid or agreed to be paid to him or to the partnership or trust (as the case may be) in cash or shares or otherwise by any person to induce him to become, or to qualify him as, a director, or

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otherwise for services rendered by him or by the partnership or trust (as the case may be) in connexion with the promotion or formation of the institution.

**6. Debentures and loans**

There shall be stated details of any subscriptions, allotments or options to be given, or already existing, in respect of any other securities of the institution, including any which have a prior right over the securities covered by the offer to a distribution of the institution's profits.

**7. Accounts and reports**

The following shall be included in the prospectus -

- (a) a copy of the institution's latest accounts accompanied by a report thereon by the institution's auditors;
- (b) any other reports of a specialist nature by any person who could be described as an expert on any aspect of the institution's business, identifying any unusual element of risk to the investor.

**8. Registered office or office for service**

There shall be stated the address of the institution's registered office or office for service (as the case may be) and if the institution is not keeping its register of members at that office, the address of the office at which such register is kept.

**9. Principal establishments**

The location and nature of the institution's principal operating establishments shall be stated.

**10. Directors and other officers**

The following shall be stated in respect of each director, chief executive and manager of the institution -

- (a) his forenames and surname;
- (b) his business or usual residential address;
- (c) his business occupation (if any); and
- (d) his qualifications (if any).

**11. Advisers**

The following shall be stated -

- (a) the name and address of the institution's auditors;
- (b) the name and address of the institution's legal advisers;
- (c) the name and address of the institution's principal bankers.

**12. Additional information**

There shall be included any other material information which an investor (including a person who cannot be expected to have any special knowledge of investments of the nature being offered) would reasonably require to enable him to make an informed judgement about the merits of investing in the securities offered in the prospectus.

**13. Date of issue**

The date of issue of the prospectus shall be stated.

**PART II**

**Statements to be Included in the Prospectus**

The following statements shall be included -

- (a) “A copy of this document has been delivered to the Minister of Finance of the Federation of Saint Christopher and Nevis in accordance with Article 6 of The Prospectuses (Regulations) Order 1996, and he has given, and has not withdrawn, his consent to its circulation.”
- (b) “It must be distinctly understood that, in giving these consents, the Minister of Finance of the Federation of Saint Christopher and Nevis takes no responsibility whatsoever for the financial soundness of the institution or for the correctness of any statements made, or opinions expressed, with regard to it.”
- (c) “The persons responsible for this document have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All these persons accept responsibility accordingly.”
- (d) “If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.”
- (e) “It should be remembered that the price of securities and the income from them can go down as well as up.”