

Guernsey's Prospectus Rules 2018

September 2019

The Prospectus Rules 2018 were issued by the Guernsey Financial Services Commission (**GFSC**) and replace the Prospectus Rules 2008.

The Prospectus Rules seek to provide a clear and concise set of requirements for the disclosure of information in respect of prospectuses for certain types of funds or public offerings.

They also restrict the circulation of any prospectus in Guernsey, or any prospectus of a Guernsey entity outside of Guernsey, that do not comply.

In order to be in compliance, such prospectuses must:

- contain the information set out in the Prospectus Rules;
- contain the specific statements set out in the Prospectus Rules; and
- be submitted to and registered by the GFSC.

Submissions to the GFSC require a fee (currently at least £3,435.00) and may involve compliance with any additional requirements the GFSC impose at their discretion.

The Prospectus Rules apply to:

- registered investment schemes in the Bailiwick; and
- offers to the public for any "Category 2" controlled investment in the Bailiwick;

they do not apply to:

- Private Investment Funds; and
- any offer of a "Category 2" controlled investment that is listed or traded on any stock exchange, in respect of a company, limited partnership or unit trust registered or incorporated in a country or territory in which the local regulatory body is an ordinary member, associate member or affiliate of the International Organisation of Securities Commissions (**IOSCO**) or listed on an exchange that is supervised by a member of IOSCO.

The Prospectus Rules set out in some detail specific aspects needing to be set out in the prospectus or offering document relating to any entity or Category 2 offering caught above. These requirements include (not an exhaustive list):

- details on the offerors;
- details on directors, trustee(s) or controller(s);

Regulatory | Real estate | Private client and trusts | Insolvency and restructuring | Dispute resolution | Corporate | Banking and finance

- terms of acquisition of the relevant securities;
- opening and closing dates of the offer;
- when and how monies are returned;
- any preliminary expenses that will be incurred;
- any fee (whether up front, performance or success-based) payable to any party out of the proceeds of the offer;
- details of capital or interests that will be acquired (shares, limited partnership interests etc.);
- material contracts;
- directors' interests;
- borrowing and hedging powers;
- financial information and reporting;
- details of service providers (administrator, custodian etc.);
- details of bankers and legal advisers;
- details of significant beneficial ownership;
- voting or other rights attached to ownership interests (whether shares, units or other) and meeting formalities;

Any such prospectus will also need to contain certain statements prescribed in the Prospectus Rules, in particular responsibility statements on the part of directors/controllers.

The Prospectus Rules include some continuing obligations on the offeror, in that changes to any matter required to be disclosed in the prospectus for an offering must be *immediately* notified to investors in some fashion (whether direct mail, website communication or otherwise).

Any updated prospectus must be registered with the GFSC.

For further information please do contact our Corporate, Finance and Funds team.

For more information please contact:

**Paul Wilkes**

Consultant // Guernsey

t:+44 (0) 1481 734268 // **e:**paul.wilkes@collascrill.com**Wayne Atkinson**

Partner // Guernsey

t:+44 (0) 1481 734225 // **e:**wayne.atkinson@collascrill.com