

**Jersey Law 14/1967**

**DEPOSITORS AND INVESTORS (PREVENTION OF FRAUD)  
(JERSEY) LAW, 1967.**

---

**A LAW** to provide for the registration of persons carrying on the business of accepting money for investment on deposit, to penalise fraudulent inducements to invest money, and generally to provide for purposes connected with the matters aforesaid, sanctioned by Order of Her Majesty in Council of the

**28th day of JUNE, 1967.**

---

*(Registered on the 28th day of July, 1967).*

---

**STATES OF JERSEY.**

---

The 11th day of April, 1967.

---

**THE STATES**, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law: –

**ARTICLE 1**

**INTERPRETATION**

(1) In this Law, unless the context otherwise requires –

“building society” means any building society or Northern Ireland society within the meaning of the Building Societies Act 1962 (of the United Kingdom), and any unincorporated society to which section 125 of that Act applies ;

“the Committee” means the Finance Committee ;

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

“debentures” means any debentures, debenture stock or bonds of a company, whether constituting a charge on the assets of the company or not ;

“enactment” includes any enactment of the Parliament of the United Kingdom or of Northern Ireland ;

“friendly society” means a society registered under the Friendly Societies Act, 1896 (of the United Kingdom), or under that Act as it applies in Northern Ireland ;

“industrial and provident society” means a society registered under the Industrial and Provident Societies Act 1965 (of the United Kingdom) or under that Act as it applies in Northern Ireland ;

“prescribed” means prescribed by order ;

“registered” means registered under this Law ;

“securities” means –

- (a) shares or debentures, or rights or interests (described whether as units or otherwise) in any shares or debentures ; or
- (b) securities of the States or of the Government of the United Kingdom or of Northern Ireland or the Government of any country or territory outside the United Kingdom ; or
- (c) rights (whether actual or contingent) in respect of money lent to, or deposited with, any industrial and provident society or building society ;

and includes rights or interests (described whether as units or otherwise) which may be acquired under any unit trust scheme under which all property for the time being subject

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

to any trust created in pursuance of the scheme consists of such securities as are mentioned in sub-paragraph (a), (b) or (c) of this definition ;

“shares” means shares in the share capital of a company or stock of a company, or shares in such an unincorporated building society as is mentioned in section seven of the Building Societies Act 1874 (of the United Kingdom) ;

“unit trust scheme” means any arrangements made for the purpose, or having the effect, of providing facilities for the participation by persons, as beneficiaries under a trust, in any profits or income arising from the acquisition, holding, management or disposal of securities or any other property whatsoever.

(2)      References in this Law to any other enactment shall be construed as references to that enactment as amended by or under any subsequent enactment.

## ARTICLE 2

### MEANING OF “DEPOSIT”

In this Law, “deposit” means a loan of money at interest, or repayable at a premium, but does not include a loan to a person on terms involving the issue of debentures or other securities, and references to the deposit of money or the investment of money on deposit shall be construed accordingly.

## ARTICLE 3

### PROHIBITION OF ACCEPTANCE OF INVESTMENTS ON DEPOSIT

(1)      Subject to the provisions of this Law, no person shall carry on or hold himself out as carrying on the business of accepting

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

money for the purpose of investment on deposit unless he is for the time being registered.

(2) This Article shall not apply to the doing of anything by or on behalf of –

- (a) the States ;
- (b) any London Clearing Bank ;
- (c) the post office savings bank within the meaning of the Post Office Savings Bank Act, 1954 ;
- (d) any savings bank certified under the Trustee Savings Banks Act, 1863, or the Trustee Savings Banks Act, 1954 (of the United Kingdom) ;
- (e) any building society, friendly society or industrial and provident society ;
- (f) any person who carries on a business of such class or description as may be prescribed :

Provided that sub-paragraph (e) of this paragraph shall not apply to any building society during any period in respect of which a direction given by the Chief Registrar of Friendly Societies under section 51 of the Building Societies Act, 1962 (of the United Kingdom) is in force.

ARTICLE 4

**APPLICATIONS FOR, AND GRANT AND EXTENT OF,  
REGISTRATION**

(1) Subject to the provisions of this Law, on an application in that behalf made by any person in the prescribed manner and on payment of the prescribed fee, the Committee shall register that person.

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

(2) Every registration shall, unless previously cancelled, expire on the thirty-first day of January next following the day on which it takes effect.

ARTICLE 5

**REFUSAL AND REVOCATION OF REGISTRATION**

(1) The Committee may refuse to grant an application for registration or, where registration has been granted, may cancel the registration, if –

- (a) the applicant or the registered person has not, on the occasion of the application or, as the case may be, at any prescribed time during the currency of the registration, furnished to the Committee such information relating to himself, and to any circumstances likely to affect his method of conducting business, as may be prescribed, being information verified in such manner as the Committee may require ; or
- (b) it appears to the Committee that by reason of the applicant or the registered person, or any person employed by, or associated with, the applicant or that person for the purpose of his business –
  - (i) having been convicted within the Commonwealth of an offence, his conviction for which necessarily involved a finding that he acted fraudulently or dishonestly ; or
  - (ii) having been convicted of an offence under this Law or any order made thereunder ;

or it appears to the Committee that by reason of any other circumstances whatsoever which either are likely to lead to improper conduct of business by, or reflect discredit on the method of conducting business of, the applicant or the

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

registered person or any person so employed by or associated with him as aforesaid ;

the applicant or registered person is not or, as the case may be, is no longer a fit and proper person to be registered.

(2) Notwithstanding anything in the foregoing provisions of this Article, the Committee may attach such conditions as it thinks fit to the registration of any person and may at any time vary such conditions.

ARTICLE 6

**PENALTY FOR FAILURE TO REGISTER OR TO COMPLY  
WITH REGISTRATION CONDITIONS**

If any person –

- (a) contravenes the provisions of Article 3 of this Law ; or
- (b) fails to comply with any condition attached to his registration ;

he shall for each offence be liable to a fine or to imprisonment for a term not exceeding two years or to both such fine and such imprisonment.

ARTICLE 7

**REGISTRATION CERTIFICATES**

Where the Committee registers any person it shall issue to that person a registration certificate, free of charge.

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

ARTICLE 8

**PRODUCTION AND DELIVERY OF REGISTRATION  
CERTIFICATES**

- (1) Every registered person shall –
  - (a) when required by or on behalf of the Committee so to do, produce or deliver his registration certificate to the Committee or to an officer authorized in that behalf ;
  - (b) deliver his registration certificate to the Committee immediately on the expiration of the period to which it relates.

(2) If any registered person fails to comply with the provisions of this Article, he shall for each offence be liable to a fine not exceeding twenty pounds and to a further fine not exceeding one pound for each day during which the offence continues after conviction thereof.

ARTICLE 9

**PROCEDURE AND RIGHT OF APPEAL ON REFUSAL OR  
CANCELLATION OF REGISTRATION ETC**

(1) The Committee shall not refuse an application for registration or cancel any registration, or attach or vary any condition, unless it has given to the applicant or the registered person, as the case may be, not less than seven days' notice in writing of its intention so to do and of its reasons for so doing, and every such notice shall contain an intimation that, if within seven days after the receipt of the notice the applicant or the registered person informs the Committee in writing that he desires so to do, the Committee will, before refusing the application, cancelling the registration or attaching or varying the condition, give him an opportunity of being heard, in person or by a representative.

(2) If the Committee, after giving to the applicant or the registered person, as the case may be, an opportunity of being heard,

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

decides to refuse the application or to cancel the registration or to attach or vary a condition, it shall, if required by the applicant or the registered person, deliver to him, within seven days of the receipt of such requirement, particulars in writing of the reasons for such refusal or cancellation or attaching or variation of the condition.

(3) Any person aggrieved by such refusal or cancellation, or by the conditions attached to his registration or by any variation of such conditions may appeal to the Inferior Number of the Royal Court, either in term or in vacation, on the ground that the decision of the Committee was unreasonable having regard to all the circumstances of the case, and the decision of the Inferior Number of the Royal Court shall be final and without further appeal, but without prejudice to the right of the Inferior Number to refer the matter to the Superior Number of the Royal Court.

(4) Where any person appeals against the cancellation of his registration or against the variation of any conditions attached to his registration under paragraph (2) of Article 5 of this Law, or, where his original registration was granted without any conditions attached thereto, against any subsequent attaching of conditions, the registration shall not be cancelled or the conditions varied or attached, as the case may be, until the appeal has been determined or abandoned.

## ARTICLE 10

### **PUBLICATION OF NAMES OF REGISTERED PERSONS**

The Committee shall from time to time by order cause to be published the names and addresses of all registered persons, together with such other information appertaining to such persons as the Committee may think appropriate.

*Jersey Law 14/1967*      *Depositors and Investors (Prevention of Fraud) (Jersey) Law, 1967*

ARTICLE 11

**FALSE STATEMENTS**

Any person who, in furnishing any information for any of the purposes of this Law or of any order made thereunder, makes a statement which to his knowledge is false in a material particular shall be liable to a fine or to imprisonment for a term not exceeding two years or to both such fine and such imprisonment.

ARTICLE 12

**FRAUDULENT INDUCEMENT TO INVEST MONEY**

Any person who, by any statement, promise or forecast which he knows to be misleading, false or deceptive, or by any dishonest concealment of material facts, or by the reckless making (dishonestly or otherwise) of any statement, promise or forecast which is misleading, false or deceptive, induces or attempts to induce another person –

- (a) (i) to lend to him or to any other person money on terms involving payment of interest or repayment at a premium ;  
or
- (ii) to enter into or offer to enter into any agreement for that purpose ; or
- (b) to enter into or offer to enter into –
  - (i) any agreement for, or with a view to, acquiring, disposing of, subscribing or underwriting securities ;  
or
  - (ii) any agreement the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities ; or

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

- (c) to take part or offer to take part in any arrangements with respect to property other than securities, being arrangements the purpose or effect, or pretended purpose or effect, of which is to enable persons taking part in the arrangements (whether by becoming owners of the property or any part of the property or otherwise) to participate in or receive profits or income alleged to arise or to be likely to arise from the acquisition, holding, management or disposal of such property, or sums to be paid or alleged to be likely to be paid out of such profits or income ; or
  
- (d) to enter into or offer to enter into an agreement the purpose or pretended purpose of which is to secure a profit to any of the parties by reference to fluctuations in the value of any property other than securities ;

shall be liable to a fine or to imprisonment for a term not exceeding seven years or to both such fine and such imprisonment :

Provided that the provisions of sub-paragraph (a) of this Article shall not apply to any inducement or attempted inducement made to any person whose ordinary business includes the business of banking, or who carries on a business of such other class or description as may be prescribed.

## ARTICLE 13

### ORDERS

(1) The Committee may by order make provision for the purpose of carrying this Law into effect and, in particular but without prejudice to the generality of the foregoing, for prescribing any matter which is to be prescribed under this Law.

(2) The Subordinate Legislation (Jersey) Law, 1960,<sup>1</sup> shall apply to orders made under this Law.

<sup>1</sup> Tome 1957–1960, page 519.

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

ARTICLE 14

**SERVICE OF NOTICES**

(1) Any notice required by this Law to be given to a person being a body corporate shall be duly given if it is given to the secretary or clerk of the body corporate.

(2) Subject to the provisions of this Article, any notice required by this Law to be given to any person may be given –

- (a) by delivering it to that person ; or
- (b) by leaving it at his proper address ; or
- (c) by registered post ; or
- (d) by the recorded delivery service.

ARTICLE 15

**OFFENCES BY MANAGERS, AGENTS ETC**

Where an offence for which a registered person is liable under this Law had, in fact, been committed by some manager, agent, servant or other person, the manager, agent, servant or other person, as well as the registered person, shall be deemed to be guilty of that offence and shall be liable to be prosecuted and punished accordingly.

ARTICLE 16

**SHORT TITLE AND COMMENCEMENT**

(1) This Law may be cited as the Depositors and Investors (Prevention of Fraud) (Jersey) Law, 1967.

*Jersey Law 14/1967      Depositors and Investors (Prevention of  
Fraud) (Jersey) Law, 1967*

(2)      This Law shall come into force at the expiration of the period of four months from the date on which the first order under Article 4 of this Law is made.

**A.D. LE BROCQ,**

*Greffier of the States.*