

CAPITAL MARKETS AND SERVICES ACT 2007 (Act 671)

An Act to consolidate the Securities Industry Act 1983 [Act 280] and Futures Industry Act 1993 [Act 499], to regulate and to provide for matters relating to the activities, markets and intermediaries in the capital markets, and for matters consequential and incidental thereto.

**Section 190 of the CMSA**

**PART V**

**MARKET MISCONDUCT AND OTHER PROHIBITED CONDUCT**

**Division 1**

**Prohibited conduct – Securities**

**Subdivision 1 – Offences relating to false trading and market rigging, stock market manipulation, etc.**

**Secrecy arrangements by corporation**

**190.**

(1) For the purposes of this Subdivision, a corporation is deemed to possess any information—

(a) **which an officer of the corporation—**

*(i) possesses and which came into his possession in the course of his duties as an officer of the corporation; or*

*(ii) knows or ought reasonably to have known because he is an officer of the corporation;*  
*or*

(b) **which an officer of the corporation possesses and which came into his possession in the course of his duties as an officer of a related corporation of the first-mentioned corporation where—**

*(i) the officer is an insider by reason of being in possession of the information;*

*(ii) the officer is involved in, the decision, transaction or agreement of the first-mentioned corporation in acquiring or disposing of securities in relation to which the officer is an insider or entering into an agreement to acquire or dispose of such securities, procuring another person to acquire or dispose of such securities or enter into an agreement to do so, or communicating the information in circumstances referred to in subsection 188(3);*  
*or*

*(iii) it is reasonable to expect that the officer would communicate the information to another officer of the first-mentioned corporation acting in his capacity as such, unless it is proved that the information was not in fact so communicated.*

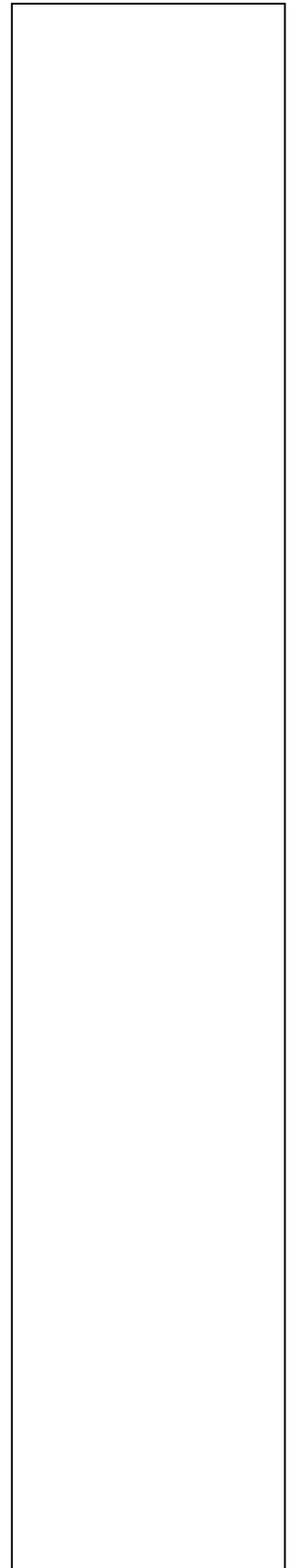
(2) In this section, “information” refers to information which a corporation is deemed to possess and where a person in possession of the information is an insider.

(3) A corporation does not contravene subsection 188(2) by entering into the transaction or agreement at any time merely because of information in the possession of the corporation if—

(a) the decision to enter into the transaction or agreement was taken on behalf of the corporation by a person or persons other than an officer of the corporation in possession of the information;

*(i) the information was not communicated to a person or one of the persons who was involved in, or made the decision to enter into, or be involved in, the transaction or agreement;*

*(ii) no advice with respect to the decision to enter into, or be involved in, the transaction or agreement was given to that person by the person in possession of the information; or*



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*(iii) the person in possession of the information would not be involved in the decision to enter into or be involved in, the transaction or agreement, or involved in the transaction or agreement; and*

(c) the information was not so communicated, no such advice was given and the person in possession of the information was not involved in the decision to enter into, or be involved in, the transaction or agreement or was not involved in the transaction or agreement.

