

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 196 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.

Unsolicited transaction

196.

(1) A holder of a Capital Markets Services Licence who carries on the business of dealing in securities or its representative does not contravene subsection 188(2) by entering into a transaction or an agreement as an agent for another person, being a transaction or an agreement entered into on the stock market of a stock exchange in securities which are quoted for trading on the stock market of that stock exchange if—

(a) the transaction or agreement is entered into under a specific instruction by the other person which was not solicited by the holder of a Capital Markets Services Licence who carries on the business of dealing in securities or its representative;

(b) the holder of a Capital Markets Services Licence who carries on the business of dealing in securities or its representative has not given any advice to the other person in relation to the transaction or agreement or otherwise sought to procure the other person's instructions to enter into the transaction or agreement; and

(c) the other person is not associated with the holder of a Capital Markets Services Licence who carries on the business of dealing in securities or its representative.

(2) Nothing in this section shall affect the application of subsection (1) in relation to the principal.

