

James Purchas and Daniel Khoo represent FCA in important CoA case clarifying FSMA s. 21 'Financial Conduct Authority v Skinner & Ors.'

The Court of Appeal handed down its judgment this morning in the case of [Financial Conduct Authority v Skinner & Ors.](#)

The case involved the unlawful promotion of shares to retail investors in Our Price Records Limited. The Financial Conduct Authority sought relief from the directors of the company and those involved in the marketing of the shares in order to return monies to investors. The trial court judge found for the Financial Conduct Authority against all the defendants. One of the issues was what knowledge that director needed to have as to company's unlawful conduct in order to be knowingly concerned in the company's contravention under FSMA s. 21.

The [lower court](#) judge found that a director who was concerned and knew that the promotions were being made by way of business would be knowingly concerned, regardless of their knowledge or belief as to whether the promotion had been authorised such that the prohibition in FSMA s. 21 (1) applied.

The Court of Appeal held that was not sufficient and it was also necessary to consider whether the director's knowledge and belief as to whether the promotion had been authorised and overturned the lower court judge's finding in respect of that one director.