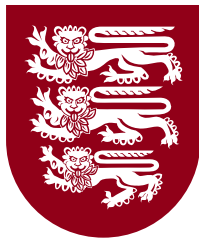


# STATES OF JERSEY



Jersey

## DRAFT COMPANIES (JERSEY) AMENDMENT LAW 202-

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Lodged au Greffe on 21st November 2025  
by the Minister for External Relations  
Earliest date for debate: 20th January 2026

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STATES GREFFE



Jersey

## **DRAFT COMPANIES (JERSEY) AMENDMENT LAW 202-**

### **European Convention on Human Rights**

In accordance with the provisions of Article 16 of the Human Rights (Jersey) Law 2000, the Minister for External Relations has made the following statement –

In the view of the Minister for External Relations, the provisions of the Draft Companies (Jersey) Amendment Law 202- are compatible with the Convention Rights.

Signed: **Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter**  
*Minister for External Relations*

Dated: 18th November 2025

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## REPORT

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### Background and purpose

The Draft Law proposes amendments to the [Companies \(Jersey\) Law 1991](#) (the “Law”).

The Law is the primary piece of legislation in Jersey in relation to companies. A large percentage of businesses operating in the local market and owned by Jersey residents use Jersey companies. Also, in addition to pure corporate structures and transactions, a company is a key entity within a significant proportion of private wealth structures and transactions, and investment holding vehicles. Companies are also often used for holding property.

The Law was last materially amended in 2014 ([Amendment No. 11](#)). Change has been rapid in that time and an update to the Law is timely so that the Jersey company remains the vehicle of choice for international transactions and is fit for purpose for domestic users.

The proposed amendments are largely technical or clarificatory in nature and are aimed at maintaining the flexibility of the Law and enhancing the ease of doing business, in the context of evolving industry practice within an appropriate and legitimate framework.

They respond to the following needs:

1. Legal developments, both domestic and international.
2. Enhancements to reflect provisions or practices adopted in other jurisdictions.
3. Improving clarity and consistency within both the Law and with other legislation.
4. The streamlining of certain processes.
5. Introduction of statutory provisions to enable the Law to reflect how modern companies are operated in practice and to reduce unnecessary administration and associated costs. Many of these also reflect the current customary law and inclusion of proposed statutory amendments should not be automatically read as meaning that such actions are not already legally permissible.
6. Ensuring the Law is user friendly and flexible and maintains its competitive position for ease of doing business.

Overall, the proposed amendments are viewed as maintenance, clarification, and modernisation with the aim of enhancing competitiveness, rather than as a wholesale restatement or significant change in policy direction.

### Consultation

A consultation on the proposed amendments was carried out between October and December 2024. Twenty-two responses were received from a number of law firms and individual banks, accountancy firms, trust companies, the Jersey Association of Trust Companies (JATCo), Jersey Finance Limited, the Association of Restructuring and Insolvency Experts (ARIES), and members of the editorial board of the published work “Jersey Insolvency and Asset Tracking”. The proposals had already been discussed by the Companies Law Working Group comprising leading practitioners from local law firms, and representatives from the Jersey Financial Services Commission, Revenue Jersey and JATCo before publication of the Consultation Paper. Liaison has also taken place with the Viscount and his department and various insolvency lawyers and practitioners through ARIES particularly in relation to the matters relating to Part 21 of the Law. The Government has taken careful note of all responses together with the Working Group, and made amendments to the proposals as was considered most beneficial and appropriate.

## The Draft Amendments

A reference to an Article is to the relevant article in the Law.

In order to consider the amendments most easily, they can be grouped around seven principal themes. Some amendments are mentioned in relation to one area but could of course also be relevant in another category. Consequential amendments are also made to associated laws where necessary.

### 1. Flexibility

Amendments to the Law included within this category aim to provide the company and its directors with wider flexibility as to how a company is structured and managed within an appropriate and legitimate framework. Greater flexibility enables the users of a Jersey company to better achieve their economic objectives, ultimately supporting the basis for enhanced productivity and growth.

For example, the proposed amendments to Articles 3(1), 17(1) and 27 of the Law remove the requirement for public companies to have at least two members, and amendments to Articles 16 and 17, and the repeal of Articles 17A, 17C and 17D, enable companies, in prescribed circumstances to continue as private companies, even with more than 30 members. Article 4A has been amended to remove the requirement for a par value company to have a specified authorised share capital.

In addition, it is proposed that Articles 38 and 38A will permit share capital to be amended by special resolution in any way, provided that it does not effect a reduction of capital (unless effected in accordance with Part 12 of the Law) or increase liability on a share (unless the member agrees). Article 38B is to be amended to permit the redenomination of share capital from one currency to another at a rate of exchange specified in the special resolution.

Other proposed amendments focus on how a decision can be made: for example, decisions as to the purchase of shares (including redeemable shares) by a company can now be made by resolution or other than by special resolution (Article 57) and name changes can now be made by a means specified in the articles of a company in addition to by way of special resolution (Articles 13 and 14).

Proposed amendments are to be made to permit Articles of Association to stipulate: (1) that share certificates do not have to be issued; and (2) what does or does not amount to a variation of class rights (Article 50(1) and Article 52). In addition, members will have a revocable power to waive the right to be issued a share certificate (Article 50(2A)).

Articles 55 and 57 are to be modified so as to enable companies to have only redeemable shares in issue, and to convert non-redeemable shares into redeemable shares (and vice versa), as long as there always remains in issue at least one share that is not a treasury share.

Article 73 has been amended to permit the executor or personal representative of a deceased sole director and member, to appoint a new director. Previously, a court application had to be made with associated costs and time issues.

Articles 77 and 77A expand upon the circumstances in which a director may be indemnified in relation to his actions as a director and as to insurance in that regard, to more fully reflect the day-to-day circumstances of a business and provide consistency with laws in other jurisdictions.

### 2. Clarification

Amendments to the Law included within this category aim to provide enhanced legal certainty, align the approach within the Law with other statutes, and to reflect day-to-day practice of company administration on a statutory basis.

For example, an amendment to Article 1(1) will clarify that “prospectus” refers only to securities of a Jersey company and an amendment to Article 10(1) confirms that a power of attorney granted by an individual within the company’s Articles of Association is validly executed for the purposes of the Power of Attorney (Jersey) Law 1995, including witnessing requirements.

The requirements as to which directors must sign a solvency statement in various situations have been generally revised to clarify that former directors do not have to sign the statement (including if they leave office in the period between the approval of an action and the signing of the solvency statement). [see Articles 55, 61A, 115v and 127YT].

Furthermore, amendments to Articles 55 and 55A clarify what a director (or former director) can or cannot do in specific circumstances, such as when a redemption of shares can be made without a solvency statement. In a similar way, the change to Article 61(3)(a) clarifies that in relation to a reduction of capital, the solvency statement is to be signed only by the directors authorising the transaction and not all of them. The amended Article 61B modifies the requirements for registration of the solvency statement.

The definition of a special resolution in Article 90 has been amended to provide that a resolution is only a special resolution if it is required by the Law to be passed as a special resolution. Therefore, if Articles of Association provide that other types of resolution must be passed by a majority of two-thirds or more, such resolutions will not be required to be filed under Article 100.

Article 97 has been amended to provide that the chairman of a general meeting must call for a poll on a resolution if the chairman believes that, having regard to the direct votes cast or proxies received, the result may differ from that obtained on a show of hands.

Certain of the provisions relating to the continuance into Jersey of a foreign company have been amended to provide greater certainty as to their effect. What is considered to be the current position has been expressly set out in Articles 127P and 127V such that on a continuance of a foreign body corporate into Jersey, the resultant Jersey company is not a new legal entity but the same body corporate as the foreign entity; and likewise, a Jersey company that is continued overseas, is not treated as having been dissolved. The notice provisions for creditors have also been stated more explicitly (Articles 127R and 127T) and the requisite approvals process has also been streamlined (Article 127Q).

### 3. Simplification

In order to ensure that the Jersey company continues to be appropriately regulated and user friendly, and to remove unnecessary administration and associated costs, certain suggestions have been made to simplify the requirements of the Law, often in response to new methods of doing business in a digital environment.

Proposed amendments include:

Permitting a transfer of shares to be carried out in a manner provided for in the Articles of Association rather than just in writing – which is useful for companies which have a relatively high volume of share movements but do not fall within the relevant exemptions (such as companies operating incentive share plans); and removing the requirement for an instrument of transfer where the company is purchasing its own shares otherwise than on a stock exchange (as there will already be a repurchase contract in place). (Article 42).

Removing the need for an application to the court (1) to rectify an error or omission in the share register where there is no adverse effect on any person unless the affected person specifically agrees (Article 47); and (2) to ratify a distribution where there has been a technical breach and the company is solvent (Articles 115ZA and 115ZB). This will save cost and court time where there has been a genuine error.

Removing the need for a shareholders' resolution to permit the holding of treasury shares and to allow treasury shares to be transferred for any purpose. (Article 58A). Article 58B which places limits on the number and nominal value of shares that can be held in treasury has been repealed.

Amending the provisions relating to disclosure of interests by the directors to reduce unnecessary administration and the potential for a court application whilst ensuring due recognition of this safeguard – for example, by providing that a general notice of disclosure can be given by a director, that notice need not be given in certain circumstances, and as to ratification by a majority of directors without a conflict of interest or by special resolution where there has been a failure to comply with the disclosure requirements (Articles 75, 75A and 76). This provides consistency with the UK.

Amending the percentage from 95% to 90% to waive the notice period for calling a meeting to pass a special resolution, thereby aligning Article 90(2) with 91(3).

The requirement for a shareholder agreement to be filed is to be removed, provided that it states that it will prevail if there is a conflict between it and the articles of association and the articles will be amended accordingly (Article 100).

Amendments proposed to Article 102 in Part 16 include a revised definition of market traded company to include companies trading on EU/EFTA and UK regulated markets. The [Companies \(Transfers of Shares – Exemptions\) \(Jersey\) Order 2014](#), will also be updated to reflect the revised definition.

A new Part 16A is proposed for companies with securities listed on certain approved non-EU/UK exchanges which are subject to stringent overseas regulatory oversight (equivalently regulated companies). These companies, under foreign regulatory oversight, will be considered as complying with Jersey's public company accounts filing requirements provided that accounts prepared in accordance with the relevant overseas regulatory requirements are also filed at the Companies Registry in Jersey.

Further provisions exempt equivalently regulated companies from the requirements in Part 16 (once it notifies the registrar in writing that it is subject to the regulation of a prescribed regulator in relation to a relevant regulated market, and is subject to the applicable legislative requirements relating to accounts and audit of companies trading on that market). This avoids having to prepare separate accounts complying with Jersey law. (Article 113S).

New Article 113T sets out the filing requirements for accounts by equivalently regulated companies and creates offences for non-compliance (penalties are set out in Schedule 1 as amended by Article 120). New Article 113U empowers the Minister to prescribe regulators of relevant regulated markets on the advice of the Commission if satisfied that the legislative requirements relating to accounts and audit are at least equivalent to Part 16. New Article 113V empowers the States to amend Part 16A by Regulations.

Amendments are proposed to Article 108 to clarify the expectations of the Commission in respect of the filing of accounts and other documents when a public company ceases to be such or is wound up. The key consideration is to ensure transparency in relation to the conduct of affairs of what has been a public company without the imposition of unnecessary cost given the company is being wound up (or is no longer a public company).

Removing the headcount test for members' schemes of arrangements in line with comments by the Royal Court in [Re Castle Trust Plc \[2020\] JRC 185A](#) and to avoid a scheme being blocked despite being voted for by members holding 75% of the voting rights. (Article 125(2)) [It is not intended that the tests for sanctioning compromises or arrangements under Article 125 be changed in any way except for the removal of the headcount test and permitting direct voting.]

Various proposals to streamline the merger regime have been adopted such as removing the need for obtaining separate class consents which can give disproportionate rights for those with non-

voting shares or minority holdings [Article 127F]; and clarifying the notice requirements for creditors [Article 127F].

#### 4. Digital

In the past few years, digitalisation has been a worldwide phenomenon that has challenged the pillars of many legal frameworks around the world. Every jurisdiction must now consider (or at least ensure they do not disincentivise) the use of electronic records, digital communication tools, and online transfers and transactions.

The proposed amendments to the Law therefore include provisions aimed at ensuring the compatibility with or use of electronic means: for example, enabling the use of electronic common seals and electronic official seals (Articles 22, 23 and 24), the enablement of digital transfers of shares (Article 42), electronic delivery of share certificates (Article 51), participation in meetings using electronic communication technology, the appointment of proxies using electronic means (Article 96), or the effectiveness of notices posted on a company's website (Article 91).

#### 5. Competition

The competitiveness of Jersey's economy and Jersey's financial services industry is underpinned by more than thirty thousand companies registered in the Companies Registry maintained by the Jersey Financial Services Commission. Consideration has been given to provisions in other jurisdictions, particularly the UK, where the adoption of similar provisions would streamline and enhance the Jersey regime.

The proposed new Articles 39C to 39F will adopt provisions which are intended to mirror the 'merger relief' provisions appearing in sections 612 to 615 of the UK Companies Act 2006 save that they have been adapted so as to also apply to no par value companies, and that they are optional rather than mandatory. These provisions give relief from the requirements to make transfers to share premium accounts or stated capital accounts when a company acquires or secures 9/10ths of the share capital of another company.

Also, in Article 39G, it is proposed that contributions of cash and assets may be made to companies other than in exchange for allotment of shares provided that this is not prohibited by a company's articles.

Certain amendments have been proposed in relation to the calling and conduct of meetings – including requests for circulation as to objectives (Article 89), the inclusion of rules as to clear days (Article 91), permitting non-unanimous resolutions to be passed in writing (Article 95) and the ability to permit members to circulate a written resolution among themselves (Article 95ZD).

Finally, amendments to the Law also include a new direct voting regime for members inspired by the equivalent regime in Australia (Articles 96A and 125(2A)).

#### 6. Director disqualification under sanctions regulations

Amendments to the Law also seek to support efforts to implement the UK Directors Disqualification Provisions into Jersey Law.

On 27 February 2025, amendments to the Sanctions and Asset-Freezing (Implementation of External Sanctions – Director Disqualification) (Jersey) Amendment Order 2025, came into force, prohibiting a person (natural or legal) designated by the UK for the purpose of a Directors Disqualification from being a director of a Jersey company or a manager of a Jersey limited liability company.

Due regard has been taken of the approach taken by the UK and amendments have been made to Articles 78A and 79 for the automatic removal from office of a UK sanctioned director and for

the establishment of personal liability for any liabilities of a company incurred where a director was acting whilst disqualified. However, other amendments seek to protect third parties dealing with a company in good faith by providing that such persons are not to be treated as being on notice of a director's disqualification due to them appearing in a list of disqualified or sanctioned directors maintained by Jersey or UK authorities (Articles 19 and 80).

## 7. Insolvency

Following the adoption of amendments to the Law in March 2022, it became possible for a creditor to apply to court for an insolvent Jersey company to be wound up and for a liquidator to be appointed to conduct that winding up. A number of winding up applications have now been made to the Royal Court and, as one might expect with a new regime, certain improvements and adaptations have been suggested by those who use it and in response to the decisions of the court. These are reflected in the proposed amendments to Part 21.

In addition, certain other amendments have been proposed which are intended to support efforts to modernise and simplify the Law more generally. There are also certain amendments which arise from other updates being made to the Law.

Corresponding amendments are also proposed to ensure that provisions in (1) the [Bankruptcy \(Désastre\) \(Jersey\) Law 1990](#), and (2) the [Limited Liability Companies \(Winding Up and Dissolution\) \(Jersey\) Regulations 2022](#), which mirror provisions in Part 21 (or otherwise in the Law) remain aligned (with adjustments as appropriate). (Articles 126 and 125 respectively).

The principal amendments in Part 21 are as follows:

- Clarification, following the case of [HWA 555 Owners, LLC v Redox PLC SA \[2023\] JCA 085](#) that it is necessary to have a liquidated claim (being one that is undoubtedly due and payable rather than a contingent claim) before applying for a winding up under Article 157A. A corresponding amendment has been proposed to Article 3 of the [Bankruptcy \(Désastre\) \(Jersey\) Law 1990](#) (the Bankruptcy Law). This reflects what was widely understood to be the position prior to the decision of the Court of Appeal in HWA. (Article 98 amending Article 157A; Article 126 amending Article 3 of the Bankruptcy Law)
- Confirmation that the moratorium which occurs when a winding up is commenced (or a provisional liquidator is appointed), does not prevent a secured creditor from enforcing their security. (Articles 99 and 102 amending Articles 157B and 159).
- Clarification that the order appointing a provisional liquidator should specify whether all the powers of the directors cease or not (Article 99 amending Article 157B) to ensure that the situation is clear.
- Clarification that a court ordered creditors' winding up is deemed to commence on the date that the order is made. (Article 102 amending Article 159; Article 100 amending Article 157C) with consequential effects on certain other time limits for antecedent provisions (such as setting aside a transaction at an undervalue or a preference (Articles 110 – 114 and 118).
- Insertion of a new Schedule 1A which sets out the standard powers usually given to a Liquidator and which will be automatically available to a liquidator unless modified by the Court. This streamlines the process when an Order is made. (Article 109 and 121 amending Article 170 and inserting Schedule 1A).
- Clarification that questions can be referred to the court in relation to a provisional liquidation as well as to a winding up generally and to permit a director to apply to

the court for determination of a question relating to the exercise of any continuing powers they hold. (Article 116 amending Article 186A).

- Clarifications to certain requirements in a summary winding up (shareholder led and solvent) to remove references to a six month time limit which no longer applies, to permit interim distributions in certain circumstances, and to permit the sale of assets in exchange for shares (or other similar interests) in another entity which is useful in intra-group reorganisations. (Articles 92 – 97 amending Articles 145, 146, 148, 149, 150, 151).

Finally, amendments (Article 127) are proposed to Article 19 of the [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Law 2020](#) (the “**Disclosure Law**”) in order to revise the list of persons who may apply to the Royal Court for a declaration that the dissolution of an entity (for non-compliance with the Disclosure Law) is void. The Comptroller of Revenue is added as a potential applicant together with ‘any other person appearing to the Royal Court to be interested’ – which latter phrase aligns the provision with a similar provision in the Law (Article 213).

### **Commencement**

It is proposed that the Draft Law will come into force on the later of 1 June 2026 or 7 days after it is registered. This will permit the due consideration of the Privy Council but also provide time for any changes to be made to systems and forms at the Commission and by industry.

### **Human Rights**

The notes on the human rights aspects of the draft Law in the **Appendix** have been prepared by the Law Officers’ Department and are included for the information of States Members. They are not, and should not be taken as, legal advice.

### **Financial and staffing implications**

There are not additional financial or staffing implications for Government as a result of this proposition.

### **Children’s Rights Impact Assessment**

The decision contained in this proposition has no impact on children or their rights as set out in the United Nations Convention on the Rights of the Child (UNCRC). Accordingly, a Children’s Rights Impact Assessment (CRIA) is not required under the [Children \(Convention Rights\) \(Jersey\) Law 2022](#).

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**APPENDIX TO REPORT****Human Rights Notes on the Draft Companies (Jersey) Amendment Law 202-**

These notes have been prepared in respect of the Draft Companies (Jersey) Amendment Law 202- (the “draft Law”) by the Law Officers’ Department.

**These notes are included for the information of States Members. They are not, and should not be taken as, legal advice.**

The draft Law gives rise to no human rights concerns. It provides for amendments to the Companies (Jersey) Law 1991 (the “Principal Law”) that are intended to clarify, streamline and modernise aspects of the Principal Law.

## EXPLANATORY NOTE

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This Law, if passed, will amend the Companies (Jersey) Law 1991 (“the Law”), on the recommendation of the Government of Jersey’s Financial and Professional Services team, and further to the last major review that resulted in the Companies (Amendment No. 11) (Jersey) Law 2014. The proposed amendments are intended to clarify, simplify, provide flexibility, enable digitalisation and foster the competitiveness of relevant aspects of the Law. This Law will also make consequential amendments to other enactments.

*Article 1* introduces the amendments to the Law made by *Part 1*.

*Article 2* amends Article 1 (interpretation) in Part 1 of the Law (preliminary), to include new definitions, revise definitions, and move definitions from other Articles into Article 1 for general application. New paragraph (4) provides for ambulatory references to United Kingdom legislation.

*Articles 3 to 7* amend Part 2 of the Law (company formation and registration).

*Article 3* amends Article 3 of the Law (method of formation of a company) to allow a single person to form a public company by removing the minimum of 2 persons, as with a private company.

*Articles 4 and 6* amend Articles 4 and 5 of the Law (memorandum of association and articles of association) to remove the requirement of signature in the presence of a witness to facilitate electronic submission of documents.

*Article 5* amends Article 4A of the Law (memorandum of a company with shares) to remove the requirement for a par value company to indicate the amount of share capital with which it is registered.

*Article 7* amends Article 10 of the Law (effect of memorandum and articles) to clarify the binding effect of registration of the memorandum and articles on individual members of the company as if they had been signed and witnessed.

*Articles 8 and 9* amend Article 13 (requirements as to name) and Article 14 (change of name) in Part 3 of the Law (names), allowing a company to change its name otherwise than by special resolution.

*Articles 10 to 13* amend Part 4 of the Law (public companies and private companies).

*Article 10* substitutes Article 16 of the Law (change of status of public company) to allow a public company with more than 30 members to become a private company, subject to exceptions if the company has issued a prospectus unless all the securities sold have been repaid, redeemed, purchased or cancelled, or unless the Commission consents, or if the company is a market traded company or equivalently regulated company. The procedure for an application to the Commission is set out, allowing for an appeal to the Royal Court against an unreasonable decision.

*Article 11* substitutes Article 17 of the Law (change of status of private company) to remove the requirement for private company to have 2 members before becoming a public company, but provides that a private company will be treated as a public company if it circulates a prospectus relating to its securities until all the securities sold have been repaid, redeemed, purchased or cancelled, or unless the Commission consents, or is a market traded company or equivalently regulated company. The procedure for an application to the Commission is set out, allowing for an appeal to the Royal Court against an unreasonable decision.

*Article 12* inserts Article 17AA of the Law, which makes transitional provision regarding the change of status of a private company.

*Article 13* deletes Articles 17A, 17C and 17D of the Law (calculation of number of members, alteration of numbers and power to abolish 30-member limit) and *Article 19* deletes Article 27 of

the Law (minimum membership for carrying on business) in consequence, and a consequential amendment is made by *Article 14* to Article 17B (effective date of change of status).

*Articles 15 to 18* amend Part 5 of the Law (corporate capacity and transactions).

*Article 15* expands Article 19 of the Law (no implied notice of public records) to provide that no person is deemed to have notice that a director has been disqualified by reason only of the inclusion of the director's name in a list that may be maintained by the registrar or Judicial Greffier, or for the purposes of director disqualification legislation of the United Kingdom and international sanctions.

*Articles 16 to 18* amend Articles 22, 23 and 24 of the Law (company seals and official seals) to provide clarification regarding the use of electronic common seals and electronic official seals.

*Articles 20 to 26* amend Part 8 of the Law (share capital).

*Article 20* amends Article 38 of the Law (alteration of capital of par value companies) to allow a par value company, by special resolution, to alter its share capital in any manner, but any reduction of share capital must comply with Part 12. Clarification is given as to certain actions that do not constitute reduction of share capital for the purposes of the Law.

*Article 21* substitutes Article 38A of the Law (alteration of capital of no par value companies) to allow a no par value company, by special resolution, to alter its share capital in any manner, but any reduction of share capital must comply with Part 12.

*Article 22* substitutes Article 38B of the Law (rate of exchange for currency conversions) to remove the requirement for the rate of exchange to be within 40 days of the conversion, if the nominal value of shares is to be expressed in another currency.

*Article 23* amends Article 39 of the Law (share premium accounts for par value companies) to provide for the directors to determine the aggregate amount or value of share premiums to be transferred.

*Article 25* inserts new Articles 39C, 39D, 39E and 39F into the Law, which make provision relating to further relief from the requirements in Articles 39 and 39A to make transfer to share premium accounts or stated capital accounts if a company has secured at least 90% equity holding in another body corporate. *Article 24* amends Article 39A of the Law (stated capital accounts for no par value companies) in consequence.

*Article 26* inserts new Article 39G (other contributions) allowing for the transfer of cash or assets to a company otherwise than for an allotment of shares.

*Articles 27 to 30* amend Part 9 of the Law (register of members and certificates).

*Article 27* amends Article 42 of the Law (transfer and registration) to clarify the requirements for registration of a transfer of shares, and to introduce an exception for an instrument of transfer if the shares are purchased by the company under Article 57 or 57A of the Law otherwise than on a securities exchange.

*Article 28* amends Article 47 of the Law (rectification of share register) to allow for rectification of errors in the register without application to the court, providing that such a rectification does not adversely affect a person without their agreement.

*Article 29* amends Article 50 of the Law (share certificates) to allow a member to waive in writing the right to share certificate, and the process for revocation of such a waiver.

*Article 30* amends Article 51 of the Law (certificate to be evidence of title) to allow persons authorised by the directors in accordance with articles of a company to sign share certificates.

*Article 31* amends Article 52 in Part 10 of the Law (class rights) to allow the articles of a company to specify what is, or is not, to be regarded as a variation of rights of any class of members.

*Articles 32 to 37* amend Part 11 of the Law (redemption and purchase of shares).

*Article 32* amends Article 55 of the Law (power to issue redeemable shares) to remove a restriction on issue of redeemable limited shares, to prohibit redemption of shares if as a result no member would hold shares other than treasury shares, and to provide for solvency statements when directors have ceased to hold office.

*Article 33* inserts new Article 55A into the Law (ratifying redemption of shares not made in accordance with Article 55) to allow the directors of a company to subsequently ratify a redemption of shares by making a statement regarding the ability of the company to discharge its liabilities as they fall due. A director who makes a statement without having reasonable grounds for the opinion expressed commits an offence, the penalties are set out in the amendments to Schedule 1 in *Article 120*.

*Article 34* amends Article 57 of the Law (power of company to purchase its own limited shares) clarifying that the power of a company to purchase its own shares must be sanctioned by a resolution of the company, except as specified.

*Article 35* inserts new Article 57A into the Law (purchase of shares by a third party), modifying the requirement for solvency statements if a company has entered into a contract with a third party to buy, on behalf of the company, the company's shares listed on a securities exchange.

*Article 36* amends Article 58A of the Law (treasury shares) to remove the requirement for holding treasury shares to be authorised by resolution, and the power to transfer treasury shares for purposes of an employees' share scheme.

*Article 37* deletes Article 58B of the Law (limits on number and nominal value of treasury shares) to remove the need for a person to hold at least one non-redeemable share in the company before the company can hold treasury shares.

*Articles 38 to 41* amend Part 12 of the Law (reduction of capital).

*Article 38* amends Article 61 of the Law (reduction of capital accounts) to clarify that a solvency statement relating to reduction of capital must be signed by each director authorising the reduction and delivered to the registrar.

*Article 39* amends Article 61A of the Law (solvency statement) to provide for solvency statements when directors have ceased to hold office.

*Article 40* amends Article 61B of the Law (registration of solvency statement and minute of reduction) to increase from 15 to 21 days the time within which a solvency statement must be delivered to the registrar, and to remove the requirement to register a minute of reduction.

*Article 41* amends Article 64 of the Law (registration of Act and minute of reduction) to provide that registration of a court approved minute is conclusive evidence of the company's share capital and compliance with statutory requirements relating to the reduction of capital.

*Articles 42 to 51* amend Part 14 of the Law (directors and secretary).

*Article 42* amends Article 73 of the Law (directors) to provide that on the death of a sole director and member of a company the deceased's executor or personal representative has the power to appoint a new director, in the absence of any other provision in the articles.

*Article 43* amends Article 75 of the Law (duty of directors to disclose interests) to provide for a general notice (see new Article 75A), and to clarify that a director need not declare an interest in a transaction that cannot reasonably be regarded as likely to give rise to a conflict of interest, or that relates to the director's service contract in specified circumstances.

*Article 44* inserts new Article 75A in the Law (general notice of disclosure), which sets out the requirements for a general notice of disclosure of interest by a director in a body corporate or firm, or other specified person.

*Article 45* amends Article 76 of the Law (consequences of failure to comply with Article 75) in consequence of new Article 75A.

*Article 46* substitutes Article 77 of the Law (indemnification of officers and former officers) with additional provisions including to state that the consent or approval of the officers is not required to vary or extinguish an indemnification provision, but a claim made by an officer under the provision is not affected by any subsequent variation or extinguishment. For the purpose of this Article, officer of a company includes its secretary.

*Article 47* inserts new Article 77A (insurance) to allow a company to purchase and maintain insurance for liabilities incurred by current and former directors and company secretaries.

*Article 48* inserts new Article 78A in the Law (directors disqualified under sanctions regulations) to provide that a person appointed as a company director ceases to hold office if the person is or becomes subject to UK sanctions.

*Article 49* extends the provision of Article 79 of the Law (personal liability where person acts while disqualified) to include a person who has ceased to hold office under new Article 78A.

*Article 50* substitutes Article 80 of the Law (validity of acts of director) to clarify the circumstances in which the acts of a person acting as a director are treated as valid, and to cover disqualification under Article 78 or 78A.

*Article 51* amends Article 83 of the Law (register of directors and secretaries) to substitute a reference to “business day” with “working day”, defined in Article 1.

*Articles 52 to 64* amend Part 15 of the Law (meetings).

*Article 52* amends Article 86 of the Law (participation in meetings) to provide for attendance at a meeting of members or class of members by telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other.

*Article 53* amends Article 89 of the Law (requisition of meetings) to require a company to circulate to the members a short statement of the objects of a general meeting requisitioned by the members.

*Article 54* amends Article 90 of the Law (definition of special resolution) to reduce the requisite majority of total voting rights for a special resolution from 95% to 90%, and to provide that a special resolution may be used when not required by the Law but it will not be treated as a special resolution for filing purposes.

*Article 55* amends Article 91 of the Law (notice of meeting) to clarify that 14 days’ notice means 14 clear days, and to allow a company’s articles to provide that notice of a meeting may be given by drawing the attention of persons who have the right to attend to a notice on the company’s website.

*Article 56* amends Article 92 of the Law (general provisions to meetings and vote) to delete “private”, in consequence of the amendment to Article 3 of the Law that allows a public company to be formed by a single person. *Article 60* makes a similar amendment in Article 95A of the Law (recording of decisions by sole member).

*Article 57* amends Article 95 (resolutions in writing) to allow resolutions to be passed by all, or the specified majority of, eligible members.

*Article 58* amends Article 95ZA of the Law (circulation of written resolutions proposed by directors) to apply the definitions “eligible member” and “circulation date” in that Article to Part 15.

*Article 59* inserts new Article 95ZD in the Law (members may circulate written resolution) to provide for a new process for members to circulate among themselves a written resolution which may be passed by all, or the specified majority of, eligible members.

*Article 61* amends Article 96 of the Law (proxies) to extend to public companies the right of a proxy to speak at a meeting, and clarifies that attendance by a member at a meeting does not revoke the authority of a proxy to vote, but the member may not vote without giving notice of revocation of the proxy to the chairman before the meeting.

*Article 62* inserts new Article 96A in the Law (direct voting), allowing a company's articles to provide for direct postal or electronic voting by members at a general meeting, and setting out the effect of a direct vote on the authority of a proxy and what happens if a member who has cast a direct vote attends in person to vote. Offences are created (similar to those under Article 96) if notices calling a meeting of a company whose articles provide for direct voting do not include a statement that a member is entitled to cast a direct vote, and if direct voting forms are supplied to some members only. Penalties are set out in the amendments to Schedule 1 in *Article 120*.

*Article 63* amends Article 97 of the Law (demand for poll) to require the chairman of a general meeting or of a meeting of any class of members to call for a poll on a resolution if the chairman believes that, having regard to the direct votes cast or proxies received, the result may differ from that obtained on a show of hands.

*Article 64* creates an exception in Article 100 (filing of resolutions) in relation to an agreement between members of a company indicating that, in the event of a conflict between the agreement and the articles, the agreement will prevail and the articles will be amended accordingly.

*Articles 65 to 67* amend Part 16 of the Law (accounts and audit).

*Article 65* amends the definition "market traded company" in Article 102 of the Law (interpretation – Part 16). The revised definition "regulated market" is moved to Article 1.

*Article 66* inserts new Article 102A in the Law (exemption for equivalently regulated companies) to exempt from the requirements of Part 16 an equivalently regulated company that satisfies the requirements of Part 16A.

*Article 67* amends Article 108 of the Law (delivery of accounts to Registrar) to modify the documents that need to be submitted for registration in relation to a public company that becomes a private company or is being wound up.

*Article 68* amends Article 113A of the Law (auditor's report) to require the full name of an individual signing the auditor's report.

*Article 69* inserts new Part 16A into the Law (account and audits – equivalently regulated companies). New Article 113R (interpretation – Part 16A) contains definitions used in this Part. New Article 113S (exemption from Part 16) exempts an equivalently regulated company from Part 16 on notifying the registrar in writing that it is subject to the regulation of a prescribed regulator in relation to a relevant regulated market, and subject to the applicable legislative requirements relating to accounts and audit of companies trading on that market. New Article 113T (requirement to deliver audited accounts to registrar) contains filing requirements and creates offences for non-compliance (penalties are in Schedule 1 as amended by *Article 120*). New Article 113U (prescribed regulators) empowers the Minister to prescribe regulators on the advice of the Commission if satisfied that the legislative requirements relating to accounts and audit are at least equivalent to Part 16. New Article 113V empowers the States to amend Part 16A by Regulations.

*Articles 70 to 73* amend Part 17 of the Law (distributions).

*Article 70* amends Article 115 of the Law (restrictions on distributions) to provide for statements authorising a distribution when directors have ceased to hold office.

*Article 71* makes a clarificatory amendment to Article 115ZA of the Law (order treating distribution as made in accordance with Article 115).

*Article 72* inserts new Article 115ZB into the Law (ratifying a distribution not made in accordance with Article 115) to allow directors to ratify a distribution by making a statement setting out the matters specified if they consider that at the time the distribution was made there were reasonable grounds for believing that it was intended to be a distribution for the purposes of Article 115. A director who makes a statement without having reasonable grounds for the opinion expressed commits an offence (penalties are in Schedule 1 as amended by *Article 120*).

*Article 73* amends Article 115A of the Law (consequences of unlawful distribution) to add a reference to new Article 115ZB.

*Article 74* amends Article 116 of the Law (takeover offers) in Part 16 (takeovers) to align the requirements for publication of offers with other notice provisions.

*Article 75* amends Article 125 of the Law (power of company to compromise with creditors and members) in Part 18A (compromises and arrangements) to clarify the effect of paragraph (2), and to make an amendment to address direct voting.

*Article 76 to 83* amend Part 18B of the Law (mergers).

*Article 76* amends the definition “relevant Jersey company” in Article 127A of the Law (interpretation) to remove the exclusion for a company with unlimited shares or guarantor members.

*Article 77* clarifies a provision in Article 127D of the Law (merger agreement).

*Article 78* amends Article 127E of the Law (resolutions and certificates) in relation to the persons required to sign a certificate.

*Article 79* amends Article 127F of the Law (approval of merger agreement) to remove the requirement for approval by special resolution of a separate meeting of each class of members.

*Article 80* amends Article 127FC of the Law (notice to creditors) to increase the threshold from £5,000 to £25,000 for creditors entitled to written notice of a proposed merger; this figure can be amended by the Minister by Order. It also aligns the requirements for publication of notices with other notice provisions.

*Article 81* amends Article 127FE of the Law (objection by creditor if all solvency statements made) to align the threshold for creditors who may object to a merger and apply to the court to restrain or modify the merger agreement.

*Article 82* amends Article 127FF of the Law (consent of Commission required for mergers involving bodies other than companies) to clarify the extent of obligations to which the merged body will become subject.

*Article 83* makes a similar amendment to Article 127FN of the Law (effect of completion of merger).

*Articles 84 to 90* amend Part 18C of the Law (continuance).

*Article 84* amends Article 127O of the Law (issue of certificate of continuance within Jersey) to restrict the documents that need to be registered to the company’s memorandum of association or equivalent, and articles of continuance.

*Article 85* clarifies the effect of Article 127P of the Law (effect of issue of certificate of continuance within Jersey).

*Article 86* amends Article 127Q of the Law (approval by company and members of proposal continuance overseas) to remove the requirement for approval by special resolution of a separate meeting of each class of members.

*Article 87* amends Article 127R of the Law (notice to creditors of application to Commission for authorization to seek continuance overseas) to align publication requirements, and define “creditor” as one with a claim for a liquidated sum exceeding £25,000 to match the creditor threshold in Part 18B. The Minister is empowered to amend this figure by Order.

*Article 88* amends Article 127T of the Law (application to Commission for authorization to seek continuance overseas) to align the meaning of creditor with Article 127R.

*Article 89* amends Article 127V of the Law (effect of continuance overseas) to clarify that a company continued overseas is not treated as dissolved under the Law.

*Article 90* makes a consequential amendment in Article 127YC of the Law (creation of cells).

*Article 91* amends Article 127YT (liability of protected cell company and its cells) in Part 18D of the Law (cell companies) in relation to statements by former directors.

*Articles 92 to 117* amend Part 21 of the Law (winding up).

*Article 92* amends Article 145 of the Law (application of Chapter 2) so that the Chapter applies to the summary winding up of a company that has no liabilities or liabilities that it will be able to discharge as they fall due.

*Article 93* amends Article 146 of the Law (procedure) in consequence of the amendment to Article 145.

*Article 94* amends Article 148 of the Law (effect on status of company) to allow a special resolution to authorise the transfer of a company's assets to another body corporate, limited liability company or limited liability partnership in exchange for shares etc for the purposes of realisation and distribution under Article 150.

*Article 95* makes a similar amendment to Article 149 of the Law (appointment of liquidator).

*Article 96* amends Article 150 of the Law (application of assets and distribution) requiring a company to satisfy its liabilities as they fall due, and requiring the statement delivered to the registrar following distribution of the assets of a public company to include an account of the acts and dealings of the directors or liquidator during the conduct of the winding up.

*Articles 97* makes a consequential amendment to Article 151 of the Law (effect of insolvency).

*Article 98* makes consequential amendments to Article 157A of the Law (application for creditors' winding up by creditor), and confirms that a creditor must have a liquidated claim to commence a creditors' winding up.

*Article 99* amends Article 157B (appointment of provisional liquidator) requiring an order appointing a liquidator provisionally to specify whether all the powers of directors cease and if they do not sanctioning the continuance of specified powers, and stating that the prohibition on taking action or legal proceeding against the company following appointment of a liquidator provisionally does not restrict a person with security over the whole or part of the assets of the company from enforcing that security as indicated.

*Article 100* amends Article 157C (order of court commencing creditors' winding up) in consequence of other amendments.

*Article 101* amends Article 157D (company's application to terminate creditors' winding up) to extend the validity of a liquidator's actions from the date of appointment to a liquidator appointed provisionally under Article 157B.

*Article 102* amends Article 159 (commencement and effect of creditors' winding up) by modifying the deemed date of commencement of a creditor's winding up, and to state that the prohibition on taking action or legal proceeding against the company following commencement of a winding up does not restrict a person with security over the whole or part of the assets of the company from enforcing that security as indicated.

*Articles 103, 105 and 106* make technical amendments to clarify the application of Article 160 (meeting of creditors in creditors' winding up other than a court ordered creditors' winding up), Article 161 (appointment of liquidator) and Article 164 of the Law (no liquidator appointed).

*Article 104* deletes the definition "working day" from Article 160A of the Law (meeting of creditors following court ordered creditors' winding up) because it has been moved to Article 1.

*Article 107* substitutes Article 165 of the Law (cost of creditor's winding up) to clarify the costs and expenses incurred in a creditors' winding up that are payable out of the company's assets in priority to all other claims.

*Article 108* amends Article 168 of the Law (meetings of company and creditors), to require the liquidator to deliver to the registrar for registration a copy of the account of the conduct of the winding up given to the members.

*Article 109* amends Article 170 of the Law (powers and duties of liquidator) to introduce Schedule 1A (standard powers of liquidator) inserted by *Article 121*, and provides that the standard powers may be exercised without requiring sanction of the court, liquidation committee or creditors, and that the court can modify the powers in a particular winding up.

*Article 110* amends Article 176 of the Law (transactions at an undervalue), in consequence of the modification in Article 159 of the deemed date of commencement of a creditors' winding up, to clarify that the "relevant time" for the purposes of Article 176, if an application for winding up is made to the court under Article 157A(1), runs from 5 years preceding the date of the application through to the date of the winding up order. Similar consequential amendments are made by *Articles 111, 112, 113, 114 and 118* to Articles 176A, 179, 181, 183 and 192 of the Law (giving of preferences, extortionate credit transactions, liability in respect of purchase or redemption of shares, duty to co-operate with liquidator, and liability as contributories of present and past members).

*Article 115* amends Article 185A of the Law (termination of creditors' winding up) to provide that if a creditors' winding up is commenced by the company passing a special resolution, the liquidator may exercise the power to terminate the winding up only if authorised by special resolution.

*Article 116* amends Article 186A of the Law (references to the court) to clarify who is able to apply to the court for determination of certain questions arising in a winding up, and to allow a director to apply to the court for determination of a question relating to the exercise of any continuing sanctioned powers.

*Article 117* amends Article 191 of the Law (notification that company is in liquidation) to apply the provision to a company being wound up rather than in liquidation.

*Article 119* amends Article 201A of the Law (keeping of records by registrar) in Part 23 (registrar) to clarify that the Article applies to documents that are required by law to be delivered to the registrar.

*Article 120* amends Schedule 1 to the Law (punishment of offences) to provide maximum penalties for new offences, and make changes consequential on the deletion of provisions that contained offences.

*Article 121* inserts new Schedule 1A into the Law (standard powers of liquidator in a winding up) as introduced by amendments to Article 170.

*Article 122* deletes most of Schedule 2 to the Law (transitional provisions) required on commencement of the Law on 30 March 1992 and now spent.

The Articles in *Part 2* make consequential amendments to other enactments.

*Article 123* amends the Limited Liability Companies (Jersey) Law 2018 to insert new Articles 28A (managers disqualified under sanctions regulations) and 28B (personal responsibility for liabilities if person acts while disqualified), which make provision similar to Articles 78 and 79 of the Law in relation to disqualified company directors. Article 1 (interpretation) is amended in consequence, to provide for ambulatory references to United Kingdom legislation.

*Article 124* clarifies the definition "prospectus" in Regulation 1 of the Limited Liability Companies (General Provisions) (Jersey) Regulations 2022 (interpretation) as with the revision of the definition in Article 1 of the Law.

*Article 125* amends the Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022 reflecting amendments made to Part 21 of the Law.

*Article 126* clarifies provisions of the Bankruptcy (Désastre) (Jersey) Law 1990.

*Article 127* amends Article 19 of the Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020 (Royal Court may declare dissolution of entity void) to revise the list of persons with standing to make an application under that Article.

*Article 128* clarifies the references to “share capital” in Regulation 3(d)(ii) of the Financial Services (Disclosure and Provision of Information) (Jersey) Regulations 2020.

*Article 129* makes a similar amendment to clarify the references to “share capital” in Article 5(1)(b)(ii)(D) the Financial Services (Disclosure and Provision of Information) (Jersey) Order 2020.

*Article 130* amends the Companies (Demerger) (Jersey) Regulations 2018 reflecting amendments made to Part 18B of the Law.

*Article 131* in Part 3 (final provisions) gives a title for this Law and provides for commencement on 1 June 2026 or, if later, 7 days after it is registered.



Jersey

## DRAFT COMPANIES (JERSEY) AMENDMENT LAW 202-

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Jersey

## DRAFT COMPANIES (JERSEY) AMENDMENT LAW 202-

A LAW to amend the [Companies \(Jersey\) Law 1991](#).

<i>Adopted by the States</i>	<i>[date to be inserted]</i>
<i>Sanctioned by Order of His Majesty in Council</i>	<i>[date to be inserted]</i>
<i>Registered by the Royal Court</i>	<i>[date to be inserted]</i>
<i>Coming into force</i>	<i>[date to be inserted]</i>

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

### PART 1

#### COMPANIES (JERSEY) LAW 1991 AMENDED

#### 1 [Companies \(Jersey\) Law 1991](#) amended

This Part amends the [Companies \(Jersey\) Law 1991](#).

#### 2 Article 1 (interpretation) amended

- (1) Paragraphs (2) to (10) of this Article amend Article 1(1).
- (2) After the definition “director” there is inserted –
  - “direct vote” has the meaning given in Article 96A(2);
- (3) After the definition “document” there is inserted –
  - “employees’ share scheme” means a scheme for encouraging or facilitating the holding of shares or debentures in a company by or for the benefit of –
    - (a) the employees or former employees of the company, the company’s subsidiary or holding company, or a subsidiary of the company’s holding company;
    - (b) wives, husbands, widows, widowers, civil partners or surviving civil partners of those employees or former employees; or
    - (c) minor children of those employees or former employees;
  - “EU/EFTA regulated market” means a regulated market that is authorised and functions regularly and in accordance with Title III of Directive 2014/65/EU

- of the European Parliament and of the Council on markets in financial instruments;
- (4) After the definition “limited share” there is inserted –
- “market operator” means a person who manages or operates the business of a regulated market, and may be the regulated market itself;
- (5) After the definition “Minister” there is inserted –
- “minor children” means children who have not attained the age of majority and includes, in relation to a person –
- (a) the person’s stepchild;
- (b) the person’s adopted child; and
- (c) a child who is the subject of a parental order or a recognition order within the meaning of the [Children \(Jersey\) Law 2002](#) in which the person is named as the child’s parent.
- “multilateral system” means any system or facility in which multiple third-party buying and selling trading interests in financial instruments are able to interact in the system;
- (6) In the definition “printed”, at the end there is inserted “and an electronic record within the meaning of the [Electronic Communications \(Jersey\) Law 2000](#)”.
- (7) In the definition “prospectus”, after “for any securities” there is inserted “of a company”.
- (8) After the definition “registrar” there is inserted –
- “regulated market” means a multilateral system operated or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and systems;
- (9) After the definition “unlimited share” there is inserted –
- “UK regulated market” means a regulated market that is a recognised investment exchange under section 285 of the Financial Services and Markets Act 2000 of the United Kingdom, but not an overseas investment exchange within the meaning of that Act;
- (10) After the definition “variation” there is inserted –
- “working day” means a weekday, within the meaning of Part 1 of the Schedule to the [Public Holidays and Bank Holidays \(Jersey\) Act 2010](#), other than –
- (a) a day specified in that Schedule as a day which is to be observed as a public holiday; or
- (b) a day noted in that Schedule as a day which is by custom observed as a general holiday;
- (11) After Article 1(3) there is inserted –
- (4) Where this Law, or Regulation or Orders made under this Law, refers to an Act or subordinate legislation of the United Kingdom, unless otherwise provided –
- (a) Article 9(3) of the [Interpretation \(Jersey\) Law 1954](#) applies to that reference as it applies to a reference to an enactment; and

- (b) Article 6 of the [Legislation \(Jersey\) Law 2021](#) applies in relation to that Act or subordinate legislation, and to any legislation that repeals or re-enacts it, as it applies in relation to Jersey legislation.

### **3 Article 3 (method of formation of a company) amended**

- (1) This Article amends Article 3.
- (2) In paragraph (1), for “Any 2 or more persons” there is substituted “Any person or 2 or more persons”.
- (3) Paragraphs (3) to (5) are deleted.

### **4 Article 4 (memorandum of association) amended**

- (1) This Article amends Article 4.
- (2) In paragraph (3), “, in the presence of at least one witness who shall attest the signature and insert his or her own name and address” is deleted.
- (3) Paragraph (4) is deleted.

### **5 Article 4A (memorandum of company with shares) amended**

For Article 4A(1)(a) there is substituted –

- (a) if it is a par value company, the memorandum must state the amounts into which the shares of each class are divided, and the limit (if any) on the number or aggregate nominal value of shares of each class that the company is to be authorised to issue;

### **6 Article 5 (articles of association) amended**

- (1) This Article amends Article 5.
- (2) In paragraph (3), “, in the presence of at least one witness who shall attest the signature and insert his or her own name and address” is deleted.
- (3) Paragraph (5) is deleted.

### **7 Article 10 (effect of memorandum and articles) amended**

In Article 10(1), for “by each member” there is substituted “signed by each member, and, in the case of a member who is an individual, witnessed (including for the purposes of the [Powers of Attorney \(Jersey\) Law 1995](#)),”.

### **8 Article 13 (requirements as to names) amended**

In Article 13, for paragraph (1) there is substituted –

- (1) If a name to be registered is in the registrar’s opinion in any way misleading or otherwise undesirable, the registrar may refuse to register –
  - (a) the memorandum;
  - (b) a special resolution changing the name of a company; or

- (c) a change of a company's name effected by other means provided for in the company's articles.

## 9 Article 14 (change of name) amended

- (1) This Article amends Article 14.
- (2) For paragraph (1) there is substituted –
  - (1) Subject to Article 13, a company may change its name –
    - (a) by special resolution; or
    - (b) by other means provided for in the company's articles.
- (3) After paragraph (1) there is inserted –
  - (1A) If a company changes its name otherwise than by special resolution, it must give notice to the registrar of the new name, stating that the change of name has been made by the means provided for in the company's articles.
- (4) In paragraph (3), for “at the time of the passing of the special resolution enabling a company to change its name” there is substituted “at the time a company changes its name”.

## 10 Article 16 (change of status of public company) substituted

For Article 16 there is substituted –

### 16 Change of status of public company

- (1) A public company may become a private company by altering its memorandum to state that it is a private company.
- (2) But paragraph (1) does not apply to a public company that –
  - (a) has circulated a prospectus, unless –
    - (i) all the securities issued or sold pursuant to the prospectus have been repaid, redeemed, purchased by the company or cancelled; or
    - (ii) the Commission consents to the change of status following an application made by the company under this Article;
  - (b) is a market traded company within the meaning of Part 16; or
  - (c) is an equivalently regulated company within the meaning of Part 16A.
- (3) An application for consent under paragraph (2)(a)(ii) must be made in the form specified by the Commission.
- (4) On determining the application, the Commission must inform the applicant of its decision.
- (5) If the application is granted, the Commission must inform the registrar and deliver to the registrar the documents that accompanied the application, and the registrar must record the change of status of the company.
- (6) If the Commission does not grant the application, the company, or a member of the company, may, within 28 days after being informed of the decision, appeal to the court on the ground that the decision was unreasonable having regard to all the circumstances of the case.

- (7) On hearing an appeal under this Article, the court may –
  - (a) confirm or reverse the decision made by the Commission; and
  - (b) make such order as to the costs of the appeal as it thinks fit.

## 11 Article 17 (change of status of private company) substituted

For Article 17 there is substituted –

### 17 Change of status of private company

- (1) A private company may become a public company by altering its memorandum to state that it is a public company.
- (2) A private company is subject to this Law as though it were a public company if –
  - (a) it circulates a prospectus relating to its securities;
  - (b) it is a market traded company within the meaning of Part 16; or
  - (c) it is an equivalently regulated company within the meaning of Part 16A.
- (3) A private company falling within paragraph (2) ceases to be subject to this Law as though it were a public company if any of the following circumstances occur –
  - (a) if the company circulated a prospectus, when –
    - (i) all the securities issued or sold pursuant to the prospectus have been repaid, redeemed, purchased by the company or cancelled; or
    - (ii) the Commission consents to the change of status following an application made by the company under this Article;
  - (b) it ceases to be a market traded company within the meaning of Part 16; or
  - (c) it ceases to be an equivalently regulated company within the meaning of Part 16A.
- (4) But paragraph (3) does not apply to a company to which Article 3A(b) applies.
- (5) An application for consent under paragraph (3)(a)(ii) must be made in the form specified by the Commission.
- (6) On determining the application, the Commission must inform the applicant of its decision.
- (7) If the application is granted, the Commission must inform the registrar and deliver to the registrar the documents which accompanied the application, and the registrar must record the change of status of the company.
- (8) If the Commission does not grant the application, the company, or a member of the company, may, within 28 days after being informed of the decision, appeal to the court on the ground that the decision was unreasonable having regard to all the circumstances of the case.
- (9) On hearing an appeal under this Article, the court may –
  - (a) confirm or reverse the decision made by the Commission; and
  - (b) make such order as to the costs of the appeal as it thinks fit.

**12 Article 17AA (change of status of private company – transitional provisions) inserted**

After Article 17 there is inserted –

**17AA Change of status of private company – transitional provisions**

- (1) On the coming into force of the Companies (Jersey) Amendment Law 202-, a private company that was subject to this Law as though it were a public company solely by reason of having more than 30 members is no longer to be treated as a public company.
- (2) If, on the coming into force of the Companies (Amendment of Law) (No. 2) (Jersey) Order 2021 on 19 October 2021, a private company was subject to this Law as though it were a public company solely by reason of circulating a prospectus before that date that did not fall within the definition of “prospectus” in Article 1(1) (as substituted by that Order), the company is to be treated as not having become subject to this Law as though it were a public company with effect from that date.

**13 Articles 17A (calculation of number of members), 17C (alteration of numbers) and 17D (power to abolish 30-member limit) deleted**

Articles 17A, 17C and 17D are deleted.

**14 Article 17B (effective date of change of status) amended**

In Article 17B, for “16” there is substituted “16(1)”.

**15 Article 19 (no implied notice of public records) amended**

- (1) This Article amends Article 19.
- (2) In the heading, at the end there is inserted “or director disqualification”.
- (3) The text of Article 19 is renumbered as paragraph (1), and after that paragraph there is inserted –
  - (2) No person is deemed to have notice that a director has been disqualified from holding office by reason only of the inclusion of the name of the director in any list maintained –
    - (a) by the registrar or the Judicial Greffier; or
    - (b) for the purposes of the Company Directors Disqualification Act 1986 of the United Kingdom, the [Sanctions and Asset-Freezing \(Jersey\) Law 2019](#) or the Sanctions and Anti-Money Laundering Act 2018 of the United Kingdom.

**16 Article 22 (company seals) amended**

- (1) This Article amends Article 22.
- (2) For paragraph (1) there is substituted –

- (1) A company which has a common seal must have its name engraved, or in the case of an electronic common seal must have its name appear, in legible characters on that seal.
- (3) In paragraph (2)(b), after “characters” there is inserted “or in the case of an electronic seal on which its name does not appear in legible characters,”.

#### **17 Article 23 (official seal for use abroad) amended**

- (1) This Article amends Article 23.
- (2) For paragraph (1) there is substituted –
  - (1) A company which has a common seal or electronic common seal and engages in business outside Jersey may, if authorised by its articles, have for use in any country, territory or place outside Jersey an official seal or electronic official seal, which must be a facsimile of the common seal or electronic common seal of the company with the addition either of the words “Branch Seal” or the name of the country, territory or place where it is to be used.
- (3) In paragraph (2) –
  - (a) after “official seal” there is inserted “or electronic official seal”;
  - (b) after “common seal” there is inserted “or electronic common seal”.
- (4) In paragraph (3) –
  - (a) after “common seal” there is inserted “or electronic common seal”;
  - (b) after “official seal” there is inserted “or electronic official seal”.

#### **18 Article 24 (official seal for securities) substituted**

For Article 24 there is substituted –

##### **24 Official seal for securities**

For the purpose of sealing securities that it issues, and for sealing documents creating or evidencing securities that it issues, a company which has a common seal or electronic common seal may have –

- (a) an official seal or electronic official seal that is a facsimile of its common seal or electronic common seal, with the addition of the word “Securities”; and
- (b) in the case of an official seal, duplicates of such a seal.

#### **19 Article 27 (minimum membership for carrying on business) deleted**

Article 27 is deleted.

#### **20 Article 38 (alteration of capital of par value companies) amended**

- (1) This Article amends Article 38.
- (2) In paragraph (1) –

- (a) for “by altering its memorandum” there is substituted “by special resolution, alter its share capital in any way, including to”;
  - (b) in sub-paragraph (b), “and divide” is deleted;
  - (c) in sub-paragraph (d) –
    - (i) after “subdivide its shares” there is inserted “(whether issued or not)”;
    - (ii) for “is fixed by the memorandum” there is substituted “its existing shares”;
  - (d) after sub-paragraph (d) there is inserted –
    - (da) without prejudice to any provision in the company’s articles that permits conversion otherwise than by special resolution –
      - (i) convert existing non-convertible shares (whether issued or not) into convertible shares or vice versa; or
      - (ii) convert any or all of its fully paid issued and unissued shares of one class into shares of another class;
  - (e) in sub-paragraph (e), “fully paid” is deleted in both places.
- (3) After paragraph (2) there is inserted –
- (3) Unless the special resolution or the company’s articles otherwise provide, in any conversion effected under this Article –
    - (a) if a fully paid share is converted into a share with a higher nominal value, the converted share must be treated as fully paid, unless the member agrees in writing to pay the increase in its nominal value after conversion; and
    - (b) if a fully paid share is converted into a share with a lower nominal value, the difference in value must be credited to the share premium account.
  - (3A) Paragraph (3) does not alter a member’s liability to pay any premium on a share in excess of its original nominal value prior to conversion.
- (4) Paragraph (4) is deleted.
- (5) After paragraph (4) there is inserted –
- (4A) A company may not effect a reduction of share capital unless it complies with the requirements of Part 12.
- (6) In paragraph (5), for “this Article” there is substituted “paragraph (1)(f)”.
- (7) After paragraph (5) there is inserted –
- (6) A transfer from nominal capital account to share premium account in accordance with paragraph (3)(b) does not for the purposes of this Law constitute a reduction of share capital.
  - (7) This Article is subject to Article 11(3).

## 21 Article 38A (alteration of capital of no par value companies) substituted

For Article 38A there is substituted –

### 38A Alteration of capital of no par value companies

- (1) A no par value company may by special resolution alter its share capital in any manner, including –

- (a) to increase or reduce the number of shares that it is authorised to issue;
  - (b) to consolidate all or any of its shares (whether issued or not) into fewer shares;
  - (c) to divide all or any of its shares (whether issued or not) into more shares; or
  - (d) without prejudice to any provision in the company's articles that permits conversion otherwise than by special resolution, to –
    - (i) convert existing non-convertible shares (whether issued or not) into convertible shares or vice versa; or
    - (ii) convert any or all of its shares of one class into shares of another class.
- (2) A company may not effect a reduction of share capital unless it complies with the requirements of Part 12.
- (3) This Article is subject to Article 11(3).

## **22 Article 38B (rate of exchange for currency conversions) substituted**

For Article 38B there is substituted –

### **38B Rate of exchange for currency conversions**

A conversion under Article 38(1)(e) must be effected at the rate of exchange specified in the special resolution.

## **23 Article 39 (share premium accounts for par value companies) amended**

In Article 39(1) –

- (a) in sub-paragraph (a), after “amount or value” there is inserted “, as determined by the directors,”;
- (b) in sub-paragraph (b), after “amount or value” there is inserted “, as determined by the directors,”.

## **24 Article 39A (stated capital accounts for no par value companies) amended**

After Article 39A(4) there is inserted –

- (5) This Article is subject to Articles 39B to 39F.

## **25 Articles 39C, 39D, 39E and 39F (provisions relating to further relief from requirements to make transfer to share premium accounts or stated capital accounts) inserted**

After Article 39B there is inserted –

### **39C Further relief from requirements to make transfers to share premium accounts or stated capital accounts**

- (1) This Article applies if a company (“the issuing company”) has secured at least a 9/10ths equity holding in another body corporate (“the acquired body corporate”) under an arrangement providing for the allotment of equity shares in the issuing company on terms that the consideration for the equity shares allotted is to be provided –
  - (a) by the issue or transfer to the issuing company of equity shares in the acquired body corporate; or
  - (b) by the cancellation of any such equity shares not held by the issuing company.
- (2) Despite Article 39(1) or Article 39A, in respect of the equity shares in the issuing company allotted under the arrangement in consideration for the acquisition or cancellation of equity shares in the acquired body corporate, the company need not transfer any amount or value to a share premium account or stated capital account (as the case may be).
- (3) If the arrangement also provides for the allotment of any shares in the issuing company on terms that the consideration for those shares is to be provided by a method specified in paragraph (4), relief under paragraph (2) extends to any shares in the issuing company allotted on those terms under the arrangement.
- (4) Those methods are –
  - (a) the issue or transfer to the issuing company of non-equity shares in the acquired body corporate; or
  - (b) the cancellation of any non-equity shares in that acquired body corporate not held by the issuing company.

### **39D Meaning of 9/10ths equity holding in Article 39C**

- (1) This Article determines for the purposes of Article 39C(1) whether a company (“company A”) has secured at least a 9/10ths equity holding in another body corporate (“company B”) under the arrangement.
- (2) Company A has secured at least a 9/10ths equity holding in company B if in consequence of an acquisition or cancellation of equity shares in company B (under that arrangement) it holds equity shares in company B that consist of –
  - (a) in the case of a body corporate that has par value shares, not less than 9/10ths in nominal value of the total equity shares in company B; or
  - (b) in the case of a no par value company, not less than 9/10ths in number of the total equity shares in company B.
- (3) For this purpose –
  - (a) it is immaterial whether any of those shares were acquired under the arrangement; and
  - (b) shares in company B held by the company as treasury shares are excluded in determining the nominal value or number of equity shares in company B.
- (4) If the equity share capital of company B is divided into different classes of shares, company A is not regarded as having secured at least a 9/10ths equity

holding in company B unless the requirements of paragraph (2) are met in relation to each of those classes of shares taken separately.

- (5) For the purposes of this Article, shares held by any of the following are treated as held by company A –
- (a) a company that is company A’s holding company or subsidiary;
  - (b) a subsidiary of company A’s holding company; or
  - (c) nominees of a company or subsidiary mentioned in sub-paragraph (a) or (b).

### **39E Relief may be reflected in company’s balance sheet**

If a company allots shares and any amount or value in respect of those shares is not transferred to its share premium account or stated capital account by virtue of the application of any relief under Article 39B or 39C, an equivalent amount or value may also be disregarded in determining the amount or value at which any shares or other consideration provided for the shares issued is to be included in the company’s balance sheet.

### **39F Interpretation of Articles 39C to 39E**

- (1) In Articles 39C to 39E –
- “arrangement” means any agreement, scheme, merger or arrangement, including an arrangement sanctioned in accordance with Part 18A, Part 18B Article 148(4) or Article 149(5);
- “equity share” means a share in a body corporate other than a non-equity share;
- “non-equity share” means a share in a body corporate that does not carry a right to participate in the assets of the body corporate (by way of distribution or return of capital on a winding up or otherwise) beyond a specified amount.
- (2) References in Articles 39C to 39E to the acquisition by a body corporate of shares in another body corporate include the acquisition of shares by a nominee of that body corporate.
- (3) References in Articles 39C to 39E to the issue or allotment of shares to, or the transfer of shares to or by, a body corporate include the issue or allotment or transfer of shares to or by a nominee of that body corporate.
- (4) References in Articles 39C to 39E to the transfer of shares in a body corporate include the transfer of a right to be included in the register of members of that body corporate in respect of those shares.

## **26 Article 39G (other contributions) inserted**

After Article 39F there is inserted –

### **39G Other contributions**

- (1) Despite any other provisions of this Law, but subject to any restrictions in the articles of association of a company, a person may at any time transfer cash or assets to the company (otherwise than for an allotment of shares), the value of

which may be added to any accounts or reserves of the company other than the nominal capital account.

- (2) The directors may determine the value of a transfer made otherwise than in cash and to which accounts or reserves the value is added.

## **27 Article 42 (transfer and registration) amended**

- (1) This Article amends Article 42.
- (2) In paragraph (1), “Notwithstanding anything in its articles,” is deleted.
- (3) In paragraph (1)(a), at the end there is inserted “or the transfer has otherwise been carried out in the manner provided in its articles”.
- (4) After paragraph (1A) there is inserted –
  - (1AA) An instrument of transfer is not required under paragraph (1)(a) if the relevant shares have been purchased by the company under Article 57 or 57A otherwise than on a securities exchange.

## **28 Article 47 (rectification of share register) amended**

After Article 47(4) there is inserted –

- (5) Despite paragraphs (1) to (4), a company may, without application to the court, at any time rectify an error or omission in the register, but such a rectification must not adversely affect any person unless the person agrees to the rectification being made.
- (6) Within 14 days after the rectification of an error or omission under paragraph (5), the company must give notice of the rectification to the registrar if the error or omission also occurs in any document forwarded by the company to the registrar; and in the event of failure to comply with this paragraph the company commits an offence.
- (7) Nothing in paragraph (5) affects the requirement in Article 42(1A) to produce the LTT receipt issued under Article 9 of the [Taxation \(Land Transactions\) \(Jersey\) Law 2009](#) if applicable, before a company registers an instrument of transfer of shares.

## **29 Article 50 (share certificates) amended**

- (1) This Article amends Article 50.
- (2) In paragraph (1), after “conditions of allotment of the shares” there is inserted “or the articles of association”.
- (3) In paragraph (2), before sub-paragraph (a) there is inserted –
  - (aa) if a member has waived in writing the right to a share certificate;
- (4) In paragraph (2)(a), for “stock exchange” there is substituted “securities exchange”.
- (5) After paragraph (2) there is inserted –
  - (2A) A member’s waiver of the right to a share certificate under paragraph (2)(aa) may be revoked by a written revocation delivered to the company at its registered office, in which case the company must comply with paragraph (1) within 2 months of receipt of the revocation.

**30 Article 51 (certificate to be evidence of title) amended**

In Article 51(1), for “either by two of its directors or by one of its directors and its secretary” there is substituted “by one or more of the directors, the secretary, or any other person authorised by the directors in accordance with the articles of association”.

**31 Article 52 (variation of class rights) amended**

- (1) This Article amends Article 52.
- (2) Paragraph (4)(c) is deleted.
- (3) In paragraph (5) –
  - (a) in sub-paragraph (a), “or whose entitlement to benefits is to be so increased” is deleted;
  - (b) in the words after sub-paragraph (b), for “(3)” there is substituted “(4)”.
- (4) After paragraph (5) there is inserted –
  - (5A) Despite paragraph (4), the articles of association may specify what is, or is not to be, regarded as a variation of the rights of any class of members of the company for the purposes of this Article.
- (5) In paragraph (6), after “company” there is inserted “, or of a provision of the type referred to in paragraph (5A)”.

**32 Article 55 (power to issue redeemable shares) amended**

- (1) This Article amends Article 55.
- (2) Paragraphs (2) and (3) are deleted.
- (3) In paragraph (4), “, but only if they are fully paid up” is deleted.
- (4) In paragraph (5), “, but only if they are fully paid up” is deleted.
- (5) After paragraph (5) there is inserted –
  - (5A) A company may not redeem any of its shares if as a result of the redemption there would no longer be a member of the company holding shares other than treasury shares.
- (6) After paragraph (8) there is inserted –
  - (8A) Paragraph (8) does not apply if fully paid shares are being redeemed for nil consideration.
- (7) After paragraph (9) there is inserted –
  - (9A) The requirement for directors who authorise the redemption to make the paragraph (9) statement does not include any directors who cease to hold office before the statement is made (“former directors”), and the statement that the directors authorising the redemption have formed the opinion as set out in paragraph (9) does not include any former directors; but if all of the directors who authorised the redemption have ceased to hold office before the statement is made, either –
    - (a) the statement may be made by all the directors in office; or
    - (b) the directors may re-authorise the redemption and paragraph (8) applies accordingly.
- (8) After paragraph (21) there is inserted –

- (22) Subject to Article 192, if any unpaid or partly paid shares are redeemed under this Article, any liability to pay any unpaid amounts in respect of the shares is released on their redemption, but this does not for the purpose of this Law constitute a reduction of share capital.

### **33 Article 55A (ratifying redemption of shares not made in accordance with Article 55) inserted**

After Article 55 there is inserted –

#### **55A Ratifying redemption of shares not made in accordance with Article 55**

- (1) If a redemption of shares has been made by a company without the directors making a statement as required by Article 55(8) and (9), the directors of the company may subsequently ratify the redemption and confirm that it is to be treated for all purposes as if it had been made in accordance with Article 55 if the directors who are to ratify the redemption –
  - (a) make a statement in accordance with paragraph (2); and
  - (b) consider that at the time the redemption to be ratified was made there were reasonable grounds for believing that the redemption was intended to be a redemption for the purposes of Article 55.
- (2) The statement must state that the directors of the company who are to ratify the redemption have formed the opinion that –
  - (a) immediately after the redemption was made the company was able to discharge its liabilities as they fell due;
  - (b) at the time the statement is made the company is able to discharge its liabilities as they fall due; and
  - (c) if the redemption was made less than 12 months before the date on which the statement is made, the company will be able to carry on business, and discharge its liabilities as they fall due, until the end of the period of 12 months beginning with the date on which the redemption was made.
- (3) A director who makes a statement under this Article without having reasonable grounds for the opinion expressed in the statement commits an offence.

### **34 Article 57 (power of company to purchase its own limited shares) amended**

- (1) This Article amends Article 57.
- (2) For paragraph (2), there is substituted –
  - (2) A purchase under this Article must be sanctioned by resolution of the company, unless it is –
    - (a) a purchase by a company that is a wholly-owned subsidiary of another company; or
    - (b) a purchase by a company of its own shares or depositary certificates for nil consideration.
- (3) For paragraph (3) there is substituted –

- (3) But if the shares or depositary certificates in respect of shares are to be purchased otherwise than on a securities exchange, they may be purchased in accordance with paragraph (3A), (3B) or (3C) as determined by the directors.
- (3A) The shares or depositary certificates in respect of shares may be purchased –
- (a) under a contract approved in advance of the purchase by a resolution of the company; and
  - (b) the shares or depositary certificates in respect of shares to be purchased do not carry the right to vote on the resolution approving the contract under sub-paragraph (a) or sanctioning the purchase (if sanction is required) under paragraph (2).
- (3B) The shares or depositary certificates in respect of shares may be purchased –
- (a) under a contract approved in advance of the purchase by the directors; and
  - (b) the resolution (if one is required) authorising the purchase under paragraph (2) must specify –
    - (i) the maximum number of shares or depositary certificates in respect of shares to be purchased;
    - (ii) the maximum and minimum prices that may be paid, or contain a statement that the relevant shares or depositary certificates in respect of shares will be purchased in accordance with the articles of association of the company; and
    - (iii) a date, being not later than 5 years after the passing of the resolution, on which the authority to purchase is to expire.
- (3C) If the shares or depositary certificates in respect of shares are to be purchased for nil consideration, they may be purchased under a contract approved in advance of the purchase by the directors.
- (4) In paragraph (4), for “stock exchange” there is substituted “securities exchange”.
- (5) In paragraph (4A), after “paragraphs” there is inserted “(3B)(b)(ii)”.
- (6) In paragraph (5), after “(3),” there is inserted “(3A), (3B),”.
- (7) After paragraph (5) there is inserted –
- (5AA) Paragraphs (3), (3A), (3B), (4) and (4ZA) do not apply if a company is purchasing its own shares for nil consideration.
- (8) In paragraph (6) –
- (a) for “Article 55 applies” there is substituted “Articles 55 and 55A apply”;
  - (b) for “it applies” there is substituted “they apply”.
- (9) In paragraph (7), “redeemable shares or” is deleted.
- (10) In paragraph (8), after “this Article” there is inserted “, Article 57A”.

### **35 Article 57A (purchase of listed shares by a third party) inserted**

After Article 57 there is inserted –

#### **57A Purchase of listed shares by a third party**

- (1) This Article applies if –

- (a) a company has entered into a contract (“a relevant contract”) with a third party for the third party to purchase some of the company’s shares or depositary certificates in respect of shares on behalf of the company;
  - (b) the contract has a limit on the total value of the shares or depositary certificates in respect of shares that may be so purchased; and
  - (c) the shares are listed on a securities exchange.
- (2) If this Article applies, any requirement for a solvency statement that would otherwise apply under Article 55, 55A or 57 does not apply, but the directors of the company who have authorised the relevant contract must make a statement in the form specified in paragraph (3), and (if applicable) paragraph (5), before the purchase of any shares under the relevant contract may be made.
- (3) The statement must state that the directors of the company authorising the relevant contract have formed the opinion that –
  - (a) immediately following the entry into the contract, the company will be able to discharge its liabilities as they fall due; and
  - (b) having regard to the relevant matters, the company will be able to continue to carry on business and discharge its liabilities as they fall due until the relevant date.
- (4) If the relevant contract has a duration in excess of 12 months, further solvency statements in the form specified in paragraph (5) must be given by the directors of the company authorising the relevant contract, so that the date of any purchase of shares under the contract falls within the 12-month period following the date of the latest solvency statement.
- (5) The statement must state that the relevant directors of the company have formed the opinion that, having regard to the relevant matters, the company will be able to continue to carry on business and discharge its liabilities as they fall due until the relevant date.
- (6) The requirement for directors who authorise a relevant contract to make a paragraph (3) or (5) statement does not include any directors who cease to hold office before the statement is made (“former directors”), and the statement that the directors authorising the contract have formed the opinion as set out in those paragraphs does not include any such former directors; but if all of the directors who authorised the relevant contract have ceased to hold office before the statement is made, either –
  - (a) the statement may be made by all the directors in office; or
  - (b) the directors may re-authorise the contract and paragraphs (2), (3) and (5) apply accordingly.
- (7) A director who makes a statement under this Article without having reasonable grounds for the opinion expressed in the statement commits an offence.
- (8) In this Article –

“relevant date” means whichever of the following first occurs –

  - (a) the expiry of the period of 12 months immediately following the date of the relevant contract or, for the purposes of a paragraph (5) statement, the date of the statement; or
  - (b) the date that the company is dissolved under Article 150;

“relevant matters” means –

- (a) the prospects of the company and the intentions of the directors with respect to the management of the company’s business;
- (b) the amount and character of the financial resources that will in the view of the directors be available to the company.

### **36 Article 58A (treasury shares) amended**

- (1) This Article amends Article 58A.
- (2) In paragraph (1), for sub-paragraphs (a) and (b) there is substituted “it is not prohibited, by its articles of association, from holding shares as treasury shares”.
- (3) In paragraph (2), for sub-paragraphs (a) to (d) there is substituted –
  - (a) cancel the shares;
  - (b) transfer the shares for any purpose, for or without consideration; or
  - (c) hold the shares without cancelling or transferring them.
- (4) In paragraph (3)(c), “(other than Article 58B)” is deleted.
- (5) Paragraphs (9) and (10) are deleted.

### **37 Article 58B (limits on number and nominal value of shares to be held as treasury shares) deleted**

Article 58B is deleted.

### **38 Article 61 (reduction of capital accounts) amended**

In Article 61(3)(a), after “solvency statement” there is inserted “signed by each director authorising the reduction and delivered to the registrar”.

### **39 Article 61A (solvency statement) amended**

After Article 61A(2) there is inserted –

- (2A) The reference to directors in paragraph (1) does not include any directors who cease to hold office before the solvency statement is made (“former directors”), and the statement that the directors authorising the reduction have formed the opinion as set out in paragraph (2) does not include any former directors; but if all of the directors who authorised the reduction have ceased to hold office before the statement is made, either –
  - (a) the statement may be made by all the directors in office; or
  - (b) the directors may re-authorise the reduction and paragraph (1) applies accordingly.

### **40 Article 61B (registration of solvency statement and minute of reduction) amended**

- (1) This Article amends Article 61B.
- (2) For the heading there is substituted –

**61B Delivery to registrar of solvency statement**

- (3) For paragraphs (1) and (2) there is substituted –
- (1) If a reduction of capital is supported by a solvency statement, the company must, within 21 days after the special resolution is passed, deliver to the registrar a copy of the solvency statement.
  - (2) The resolution for reducing the capital takes effect immediately or, where otherwise stated in the resolution, in accordance with its terms, and is conclusive evidence that –
    - (a) all the requirements of this Law with respect to the reduction of share capital have been complied with; and
    - (b) the company's share capital is as stated in the resolution.
- (4) Paragraphs (3), (4) and (5) are deleted.

**41 Article 64 (registration of Act and minute of reduction) amended**

- (1) This Article amends Article 64.
- (2) In paragraph (2A), at the end there is inserted –

, and is conclusive evidence that –

  - (a) all the requirements of this Law with respect to the reduction of share capital have been complied with; and
  - (b) the company's share capital is as stated in the minute.
- (3) Paragraph (3) is deleted.

**42 Article 73 (directors) amended**

After Article 73(5) there is inserted –

- (6) On the death of a sole director and member of a company, in the absence of any other provision in the articles, the deceased's executor or personal representative has the power to appoint a new director.

**43 Article 75 (duty of directors to disclose interests) amended**

- (1) This Article amends Article 75.
- (2) In paragraph (2) –
  - (a) for “The disclosure shall”, there is substituted “A disclosure under paragraph (1) or a general notice of disclosure under Article 75A must”;
  - (b) for sub-paragraph (b) there is substituted –
    - (b) by notice in writing delivered to the secretary as soon as reasonably practicable after the director concerned becomes aware of the circumstances.
- (3) Paragraphs (2B) and (3) are deleted.
- (4) After paragraph (3) there is inserted –
  - (3A) A director need not declare an interest under this Article –
    - (a) if a transaction cannot reasonably be regarded as likely to give rise to a conflict of interest; or

- (b) if, or to the extent that, it concerns terms of the director's service contract that have been or are to be considered –
  - (i) by a meeting of the directors; or
  - (ii) by a committee of the directors appointed for the purpose under the company's articles.

#### 44 Article 75A (general notice of disclosure) inserted

After Article 75 there is inserted –

##### 75A General notice of disclosure

- (1) For the purposes of Article 75, general notice of disclosure given by a director in accordance with this Article is a sufficient declaration of interest in relation to the matters to which it relates.
- (2) General notice of disclosure means notice given by a director to the other directors of a company to the effect that the director –
  - (a) has an interest (as member, officer, employee or otherwise) in a specified body corporate or firm and is to be regarded as interested in any transaction or arrangement that may, after the date of the notice, be made with that body corporate or firm; or
  - (b) is connected with a specified person (other than a body corporate or firm) and is to be regarded as interested in any transaction or arrangement that may, after the date of the notice, be made with that person.
- (3) The general notice must state the nature and extent of the director's interest in the body corporate or firm or, as the case may be, the nature of the director's connection with the person.

#### 45 Article 76 (consequences of failure to comply with Article 75) amended

For Article 76(2) there is substituted –

- (2) A transaction is not voidable, and a director is not accountable, under paragraph (1) if, despite a failure to comply with Article 75, the nature and extent of the director's interest in the transaction are disclosed in reasonable detail –
  - (a) to all the other directors, if a majority of the directors without a conflicting interest in the transaction authorise the transaction; or
  - (b) to the shareholders eligible to vote, if a special resolution confirming the transaction is passed.
- (2A) For the purposes of sub-paragraph (2)(a), directors with a conflicting interest may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee that authorises the transaction.

#### 46 Article 77 (indemnity of officers and former officers) substituted

For Article 77 there is substituted –

**77 Indemnification of officers and former officers**

- (1) Subject to paragraph (2) and any contrary provision in its articles, a company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with any proceedings, any person who –
  - (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, by reason of the fact that the person is or was an officer of the company; or
  - (b) is or was, at the request of the company, serving as an officer of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.
- (2) Paragraph (1) does not apply to a person referred to in that paragraph unless the person acted honestly and in good faith and in what they believed to be in the best interests of the company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.
- (3) The termination of any proceedings by any judgment, order, settlement or conviction does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the company or that the person had reasonable cause to believe that their conduct was unlawful.
- (4) Expenses, including legal fees, incurred by a person referred to in paragraph (1) in defending any proceedings may be paid by the company in advance of the final disposition of such proceedings upon –
  - (a) receipt of an undertaking by or on behalf of the person to repay the amount if it is ultimately determined that the person is not entitled to be indemnified by the company in accordance with paragraph (5); and
  - (b) such other terms and conditions, if any, as the company deems appropriate.
- (5) If a person referred to in paragraph (1) has been successful in defence at the final disposition of any proceedings, the company may indemnify the person against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.
- (6) The officers or an officer of a company may, subject to any limitation in this Law, enforce a provision in the company's articles that indemnifies its officers.
- (7) The consent or approval of the officers is not required to vary or extinguish an indemnification provision, but a claim made by an officer under the provision is not affected by any subsequent variation or extinguishment of the provision.
- (8) An indemnity is unenforceable against the company to the extent that it purports to indemnify a person who did not act in accordance with paragraph (2).
- (9) Nothing in this Article deprives a person of any exemption or indemnity to which the person was lawfully entitled in respect of anything done or omitted by the person before the coming into force of this Article (whether before or after its substitution by the Companies (Jersey) Amendment Law 202-).
- (10) In this Article and Article 77A –  
“officer”, in relation to a company, includes its secretary;

“proceedings” includes civil, criminal, administrative or investigative proceedings.

#### **47 Article 77A (insurance) inserted**

After Article 77 there is inserted –

##### **77A Insurance**

- (1) A company may purchase and maintain insurance in relation to a person who is or was an officer of the company or who, at the request of the company, is or was serving as an officer of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity.
- (2) Paragraph (1) applies whether or not the company has the power to indemnify the person against the liability under Article 77 (or would have had the power to indemnify the person against the liability under Article 77 before its substitution by the Companies (Jersey) Amendment Law 202-).

#### **48 Inserts Article 78A (directors disqualified under sanctions regulations)**

After Article 78 there is inserted –

##### **78A Directors disqualified under sanctions regulations**

- (1) A person who has been appointed as a director of a company ceases to hold office by virtue of that appointment if the person is subject to director disqualification sanctions.
- (2) For the purposes of this Article and Article 79, a person is subject to director disqualification sanctions if the person is, under sanctions regulations, subject to director disqualification sanctions for the purposes of section 11A of the Company Directors Disqualification Act 1986 of the United Kingdom.
- (3) In this Article –
  - “sanctions regulations” means a UK sanctions provision that imposes director disqualification sanctions within the meaning given by section 3A of the Sanctions and Anti-Money Laundering Act 2018 of the United Kingdom (“SAMLA”);
  - “UK sanctions provision” means a provision made in the United Kingdom by or under regulations made under Part 1 of SAMLA.

#### **49 Article 79 (personal responsibility for liabilities where person acts while disqualified) amended**

- (1) This Article amends Article 79.
- (2) After paragraph (1) there is inserted –
  - (1A) A person who has ceased to hold office under Article 78A is personally responsible for liabilities of the company or other body corporate that are

incurred at a time when that person was involved in its management while subject to director disqualification sanctions.

- (3) In paragraph (2), after “paragraph (1)” there is inserted “or (1A)”.

## **50 Article 80 (validity of acts of director) substituted**

For Article 80 there is substituted –

### **80 Validity of acts of director**

The acts of a person acting as a director are valid even if it is afterwards discovered –

- (a) that there was a defect in the person’s appointment;
- (b) that the person was disqualified from holding office under Article 78 or 78A, the articles of the company, or otherwise;
- (c) that the person had ceased to hold office;
- (d) that the person was not entitled to vote as a director on a matter in question.

## **51 Article 83 (register of directors and secretaries) amended**

In Article 83(2), for “business day” there is substituted “working day”.

## **52 Article 86 (participation in meetings) amended**

- (1) This Article amends Article 86.

- (2) For paragraph (1) there is substituted –

- (1) Subject to the articles of a company, a meeting of the members or any class of members may be held by any means, including by telephone, electronic or other communication facilities, that permits all persons participating in the meeting to communicate with each other, and participation in the meeting constitutes presence in person at the meeting.

- (3) In paragraph (2), for “communication” there is substituted “a meeting”.

- (4) After paragraph (2) there is inserted –

- (3) Subject to the articles of a company, a member may vote at a meeting by means of telephone, electronic or other communication facilities, and a company’s articles may provide for different voting methods to be permitted for different matters.

## **53 Article 89 (requisition of meetings) amended**

After Article 89(3) there is inserted –

- (3A) The requisition may require the company to circulate, to the members who are entitled to receive notice of the general meeting, a statement of not more than 1,000 words on the objects of the meeting.

**54 Article 90 (definition of special resolution) amended**

- (1) This Article amends Article 90.
- (2) For paragraph (1) there is substituted –
  - (1) A resolution is a special resolution –
    - (a) if it is required by this Law to be passed as a special resolution; and
    - (b) when it has been passed by the majority specified in paragraph (1A) of the members who (being entitled to do so) vote in person, or by proxy, at a general meeting of the company or at a separate meeting of a class of members of the company of which in either case not less than 14 days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given.
- (2) In paragraph (2), for “95%” there is substituted “90%”.
- (3) After paragraph (6) there is inserted –
  - (7) Anything that may be done under this Law by resolution may be done by special resolution, but it will not be treated as a special resolution for the purposes of Article 100.

**55 Article 91 (notice of meetings) amended**

After Article 91(3) there is inserted –

- (4) References in this Article to a period of 14 days' notice do not include the day on which the notice is given or the day of the meeting.
- (5) Despite Article 92(2)(a), a company's articles may provide that notice may be given in accordance with this Article by drawing the attention of persons who have the right to attend the meeting to a notice on the company's website.

**56 Article 92 (general provisions as to meetings and votes) amended**

In Article 92(1), “private” is deleted.

**57 Article 95 (resolutions in writing) amended**

- (1) This Article amends Article 95.
- (2) In paragraph (1A), for “the manner” there is substituted “a manner”.
- (3) For paragraph (1B) there is substituted –
  - (1B) Anything that may be done at a meeting of a company or at a meeting of any class of its members may be done by a resolution in writing passed by –
    - (a) all of the eligible members (as defined in Article 95ZA(8)); or
    - (b) members representing not less than the specified majority of the total voting rights of eligible members.
  - (1BA) Unless the memorandum or articles of the company or the terms of admission to membership of the company provide otherwise, on a vote by way of resolution in writing that is to be passed by a specified majority –
    - (a) every member has one vote for each share held by the member;

- (b) every member of a guarantee company who does not have a share has one vote; and
  - (c) in the case of stock, every member has one vote for each share from which the holding of stock arose.
- (1BB) In this Article, the “specified majority” means the relevant majority specified by the articles of a company in respect of a particular members’ resolution or, if no relevant majority is so specified –
- (a) in relation to a special resolution, two-thirds; or
  - (b) in relation to a resolution, a simple majority.
- (4) Paragraph (1C) is deleted.
- (5) For paragraph (1D) there is substituted –
- (1D) The majority specified by the articles of a company –
- (a) in relation to a special resolution may not be less than two-thirds; and
  - (b) in relation to a resolution may not be less than a simple majority.
- (6) For paragraph (3A) there is substituted –
- (3A) A resolution under this Article is deemed to be passed when all, or the specified majority, of the eligible members (as applicable in accordance with paragraph (1B)), have signified agreement to the resolution.
- (7) In paragraph (6), for “95ZC” there is substituted “95ZD”.

## **58 Article 95ZA (circulation of written resolutions proposed by directors) amended**

For Article 95ZA(8) and (9) there is substituted –

- (8) For the purposes of this Part –
  - (a) an “eligible member” is a member who, at the circulation date, would be entitled to vote on the resolution if it were proposed at a meeting;
  - (b) “circulation date” means the date on which copies of the resolution are sent or submitted to members (or, if copies are sent or submitted to members on different days, the first of those days).

## **59 Article 95ZD (members may circulate written resolution) inserted**

After Article 95ZC there is inserted –

### **95ZD Members may circulate written resolution**

- (1) All or any members of a company may circulate among themselves a written resolution that may be passed when signed by all, or the specified majority of, eligible members (as applicable in accordance with Article 95(1B)), and subject to the articles of the company.
- (2) The members signing must send a copy of the written resolution to the company within 14 days of the passing of the resolution.
- (3) The company must circulate the written resolution to all eligible members within 14 days of its receipt.

**60 Article 95A (recording of decisions by sole member) amended**

In Article 95A(1)(a), “private” is deleted.

**61 Article 96 (proxies) amended**

- (1) This Article amends Article 96.
- (2) In paragraph (1), “in the case of a private company” is deleted.
- (3) For paragraph (4B) there is substituted –
  - (4B) Subject to the company’s articles, attendance at a meeting by a member does not revoke the authority of a proxy to vote on the member’s behalf on a resolution proposed at that meeting, but the member may not vote at the meeting without giving notice of revocation of the proxy’s appointment to the chairman prior to the commencement of the meeting.
- (4) In paragraph (5), “in writing of” and “in writing” are deleted.

**62 Article 96A (direct voting) inserted**

After Article 96 there is inserted –

**96A Direct voting**

- (1) A company may in its articles provide for direct voting by members at any general meeting in any manner it deems fit.
- (2) A direct vote is a vote delivered to the company by post or electronic means in accordance with the articles of the company, or otherwise approved by the directors who may, subject to this Law, specify the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.
- (3) Any provisions in a company’s articles relating to direct voting are in addition to the rights of members to attend meetings or appoint a proxy as set out in this Law and the company’s articles.
- (4) Subject to the articles of a company, if the articles provide for direct voting, a member who is entitled to attend a meeting may cast a direct vote in respect of the resolutions upon which they are entitled to vote, and
  - (a) a direct vote cast by the member in respect of a resolution after the appointment of a proxy revokes the authority of the proxy to vote on the member’s behalf on that resolution;
  - (b) the appointment of a proxy by a member after casting a direct vote in respect of a resolution cancels the direct vote; and
  - (c) the attendance at the meeting by the member does not cancel a direct vote submitted by the member, but the member may not vote at the meeting without giving notice of cancellation of the direct vote to the chairman prior to the commencement of the meeting.
- (5) Every notice calling a meeting of a company whose articles provide for direct voting must include with reasonable prominence a statement that a member entitled to attend and vote is entitled to vote by direct vote.
- (6) In the event of failure to comply with paragraph (5) as respects any meeting, every officer of the company who is in default commits an offence.

- (7) A provision contained in a company's articles is void in so far as it would have the effect of requiring the direct voting form, or any other document necessary to show the validity of, or otherwise relating to, the direct vote, to be received by the company or any other person before the beginning of the period commencing 48 hours before a meeting or adjourned meeting in order that the vote may be effective.
- (8) In calculating the period mentioned in paragraph (7), no account is to be taken of any part of a day that is not a working day.
- (9) If, for the purpose of a meeting of a company, forms to vote by direct voting are issued at the company's expense to some only of the members entitled to be given notice of the meeting and to vote at it, then every officer of the company who knowingly and wilfully authorises or permits their issue in that manner commits an offence; but an officer is not so liable by reason only of the issue to a member at the member's request a form of direct vote if the form is available on request to every member entitled to vote at the meeting by direct vote.
- (10) Subject to the articles of a company, a member who delivers a valid direct vote in accordance with a notice of a meeting is taken to be present and voting at the meeting, whether on a show of hands or on a poll, and their direct vote is to be counted as a vote cast on resolutions put to the meeting.
- (11) This Article applies to meetings of any class of members as it applies to general meetings.

### **63 Article 97 (demand for poll) amended**

- (1) This Article amends Article 97.
- (2) In paragraph (3), after "in person" there is inserted ", by direct vote".
- (3) After paragraph (3) there is inserted –
  - (4) The chairman of the meeting must call for a poll on a resolution if the chairman believes that, having regard to the direct votes cast or proxies received, the result may differ from that obtained on a show of hands.

### **64 Article 100 (filing of resolutions) amended**

After Article 100(6) there is inserted –

- (7) Without affecting any other provisions of this Law, or any other legislation or rule of law providing that company resolutions or agreements are not required to be filed, this Article does not apply to an agreement between members of a company that indicates that, in the event of a conflict between the agreement and the articles, the agreement will prevail and the articles will be amended accordingly.

### **65 Article 102 (interpretation – Part 16) amended**

In Article 102(1) –

- (a) for the definition "market traded company" there is substituted –  
"market traded company" means a company, other than an exempt company, –

- (a) whose transferable securities have been admitted to trading on a UK regulated market or an EU/EFTA regulated market; or
- (b) in respect of which transferable securities have been admitted to trading on a UK regulated market or an EU/EFTA regulated market;
- (b) the definition “regulated market” is deleted.

## 66 Article 102A (exemption for equivalently regulated companies) inserted

After Article 102 there is inserted –

### 102A Exemption for equivalently regulated companies

An equivalently regulated company (as defined in Article 113R) that satisfies the requirements of Part 16A is exempt from the requirements of this Part.

## 67 Article 108 (delivery of documents to Registrar) amended

- (1) This Article amends Article 108.
- (2) In paragraph (1), after “to the registrar” there is inserted “for registration”.
- (3) In paragraph (2), after “documents” there is inserted “listed in paragraph (1)”.
- (4) For paragraph (3) there is substituted –
  - (3) A public company, including a private company subject to this Law as though it were a public company, falls within this paragraph if, during a financial period, it –
    - (a) becomes a private company, or ceases to be subject to this Law as though it were a public company;
    - (b) is being wound up under Chapter 2 of Part 21 (summary winding up); or
    - (c) is being wound up under Chapter 3 or 4 of Part 21 (winding up on just and equitable grounds, or creditors’ winding up).
  - (3A) In relation to a company falling within paragraph (3)(a) –
    - (a) the requirement in paragraph (1)(b) (auditor’s report) does not apply in relation to that financial period; and
    - (b) the requirement in paragraph (1)(a) will be satisfied if the accounts delivered to the registrar relate either –
      - (i) to the whole financial period during which the company becomes a private company (including a period when the company was no longer a public company or subject to this Law as though it were a public company); or
      - (ii) only to the part of the financial period during which the company was a public company or subject to this Law as though it were a public company.
  - (3B) Despite paragraph (1), accounts delivered under paragraph (3A)(b) are to be registered by the registrar only if requested by the company.
  - (3C) In relation to a company falling within paragraph (3)(b) –

- (a) the requirement in paragraph (1)(b) (auditor's report) does not apply in relation to that financial period or any subsequent financial period;
- (b) the requirement in paragraph (1)(a) to deliver accounts for registration applies in the financial period during which the public company enters into a summary winding up, and for each subsequent financial period until the company is dissolved unless sub-paragraph (d) applies;
- (c) the directors must deliver for registration a statement of the assets and liabilities of the company, signed by the directors, at the commencement of the summary winding up; and
- (d) if a liquidator is appointed to conduct the summary winding up, the requirement in paragraph (1)(a) to deliver accounts for registration does not apply in any financial period but the liquidator must, at the end of 12 months after appointment and each subsequent anniversary, deliver for registration an account of the liquidator's acts and dealings and of the conduct of the winding up during the preceding 12 months.

(3D) In relation to a company falling within paragraph (3)(c) –

- (a) the requirement in paragraph (1)(b) (auditor's report) does not apply in relation to that financial period or any subsequent financial period; and
- (b) the requirement in paragraph (1)(a) to deliver accounts for registration does not apply in any financial period, but instead the directors or liquidator (as the case may be) must provide to the registrar for registration the statement of affairs when prepared and verified for the purposes of Article 160(2) or Article 160A(2).

(3E) For any financial period in which the requirement in paragraph (1)(b) (auditor's report) does not apply in relation to a company falling within paragraph (3)(a), (b) or (c), the requirement in Article 113(1)(a) (appointment and removal of auditors) is also disappplied.

## 68 Article 113A (auditor's report) amended

For Article 113A(4) there is substituted –

- (4) If the auditor is an individual, the report must be signed by the auditor.
- (4A) If the auditor is a firm, the report must be signed, for and on behalf of the auditor, by the individual in the firm who is responsible to it for examining and reporting on the accounts –
  - (a) in that individual's name; and
  - (b) clearly stating the individual's full name.

## 69 Part 16A inserted

After Article 113Q there is inserted –

## PART 16A

### ACCOUNTS AND AUDITS – EQUIVALENTLY REGULATED COMPANIES

#### 113R Interpretation – Part 16A

In this Part –

“equivalently regulated company” means a company, other than an exempt company (as defined in Article 102), –

- (a) the transferable securities of which have been admitted to trading on a relevant regulated market; or
- (b) in respect of which transferable securities have been admitted to trading on a relevant regulated market;

“prescribed regulator” means a regulator prescribed by the Minister under Article 113U for the purposes of this Part;

“relevant regulated market” means a regulated market that is regulated or supervised by a prescribed regulator, or by a body approved by a prescribed regulator to do so on its behalf.

#### 113S Exemption from Part 16

- (1) An equivalently regulated company is exempt from Part 16 (accounts and audits) if it notifies the registrar that it is subject to –
  - (a) the regulation of a prescribed regulator in relation to a relevant regulated market; and
  - (b) the applicable legislative requirements relating to accounts and audit of companies trading on that market.
- (2) On ceasing to be listed on a relevant regulated market, a company’s exemption from Part 16 ceases and it must notify the registrar as soon as possible.
- (3) Notification under paragraph (1) or (2) must be in writing, in a form specified by the registrar.

#### 113T Requirement to deliver audited accounts to registrar

- (1) This Article applies to an equivalently regulated company that is exempt from Part 16 following notification to the registrar under Article 113S(1).
- (2) An equivalently regulated company must deliver to the registrar for registration a copy of its audited annual accounts no later than 5 working days after they are filed with, or at the direction of, the prescribed regulator.
- (3) An equivalently regulated company must notify the registrar in writing if it is late in filing any of the financial statements required by the prescribed regulator or by any legislative requirements relating to accounts and audit of companies trading on the relevant regulated market.
- (4) An equivalently regulated company must pay the published fee and any late filing fee on delivering documents to the registrar under this Article.
- (5) If an equivalently regulated company fails to comply with paragraph (2) or (3), each officer of the company commits an offence.

**113U Prescribed regulators**

The Minister may by Order prescribe the regulator of a relevant regulated market for the purposes of this Part if, on the advice of the Commission, the Minister is satisfied that the legislative requirements relating to accounts and audit of companies trading on that market are at least equivalent to those applicable to market traded companies in Part 16.

**113V Power to amend Part 16A**

The States may amend this Part by Regulations.

**70 Article 115 (restrictions on distributions) amended**

After Article 115(4) there is inserted –

- (4A) The requirement for directors who authorise the distribution to make the paragraph (4) statement does not include any directors who cease to hold office before the statement is made (“former directors”), and the statement that the directors authorising the distribution have formed the opinion as set out in paragraph (4) does not include any former directors; but if all of the directors who authorised the distribution have ceased to hold office before the statement is made, either –
- (a) the statement may be made by all the directors in office; or
  - (b) the directors may re-authorise the distribution and paragraph (3) applies accordingly.

**71 Article 115ZA (order treating distribution as made in accordance with Article 115) amended**

In Article 115ZA(1), for “and the company makes an application to the court, the court” there is substituted “the company may make an application to the court, and the court”.

**72 Article 157ZB (ratifying distribution not made in accordance with Article 115) inserted**

After Article 157ZA there is inserted –

**115ZB Ratifying distribution not made in accordance with Article 115**

- (1) If a distribution has been made by a company without the directors making a statement under Article 115(3), the directors of the company may subsequently ratify the distribution and confirm that it is to be treated for all purposes as if it had been made in accordance with Article 115, if the directors who are to ratify the redemption –
- (a) make a statement in accordance with paragraph (2); and
  - (b) consider that at the time the distribution that is to be ratified was made there were reasonable grounds for believing that the distribution was intended to be a distribution for the purposes of Article 115.

- (2) The statement must state that the directors of the company who are to ratify the distribution have formed the opinion that –
  - (a) immediately after the distribution was made the company was able to discharge its liabilities as they fell due;
  - (b) at the time when the statement is made the company is able to discharge its liabilities as they fall due; and
  - (c) if the distribution was made less than 12 months before the date on which the statement is made, the company will be able to carry on business, and discharge its liabilities as they fall due, until the end of the period of 12 months beginning with the date on which the distribution was made.
- (3) A director who makes a statement under this Article without having reasonable grounds for the opinion expressed in the statement commits an offence.

### **73 Article 115A (consequences of unlawful distribution) amended**

In Article 115A, after “Article 115ZA” there is inserted “, or subsequent ratification by the directors under Article 115ZB”.

### **74 Article 116 (takeover offers) amended**

In Article 116, for paragraph (2C)(b)(i) there is substituted –

- (i) the offer is published once in the Jersey Gazette, or in any other manner published by the Commission; or

### **75 Article 125 (power of company to compromise with creditors and members) amended**

- (1) This Article amends Article 125.
- (2) In paragraph (2), for the opening words and paragraphs (a) and (b) there is substituted –
  - (2) If –
    - (a) a majority in number representing 3/4ths in value of the creditors or class of creditors; or
    - (b) a member or members representing 3/4ths of the voting rights of the members or class of members,
- (3) After paragraph (2) there is inserted –
  - (2A) Subject to any direction of the court made under paragraph (1), a member or creditor who lodges a valid direct vote in accordance with the notice of the meeting is taken to be present and voting at the meeting, and their direct vote is to be counted as a vote cast on resolutions put to the meeting.

### **76 Article 127A (mergers – interpretation) amended**

In Article 127A(1), in the definition “relevant Jersey company”, “and does not have unlimited shares or guarantor members” is deleted.

**77 Article 127D (merger agreement) amended**

In Article 127D(3)(b), for “what the holders are to receive” there is substituted “whether the holders are to receive anything”.

**78 Article 127E (resolutions and certificates) amended**

Article 127E(7)(b) is deleted.

**79 Article 127F (approval of merger agreement) amended**

- (1) This Article amends Article 127F.
- (2) In paragraph (1), “and, where there is more than one class of members, for approval by a special resolution of a separate meeting of each class” is deleted.
- (3) In paragraph (3), for “all of the special resolutions referred to in paragraph (1)” there is substituted “special resolutions”.

**80 Article 127FC (notice to creditors) amended**

- (1) This Article amends Article 127FC.
- (2) In paragraph (1), for “claim against the company exceeding £5,000” there is substituted “claim against the company for a liquidated sum exceeding £25,000”.
- (3) In paragraph (1A), for “claim against the company exceeding £5,000” there is substituted “claim against the company for a liquidated sum exceeding £25,000”.
- (4) In paragraph (4), after “company” there is inserted “with a claim against the company for a liquidated sum exceeding £25,000”.
- (5) In paragraph (5), for sub-paragraphs (a) and (b) there is substituted –
  - (a) once in the Jersey Gazette; or
  - (b) in any other manner published by the Commission.
- (6) In paragraph (6)(b), after “paragraph (1)” there is inserted “or (1A)”.
- (7) In paragraph (7), for “paragraph (1)” there is substituted “paragraphs (1), (1A) and (4), and Article 127FE(2)”.

**81 Article 127FE (objection by creditor if all solvency statements made) amended**

- (1) This Article amends Article 127FE.
- (2) In paragraph (2), after “creditor of a merging company” there is inserted “with a claim against the company for a liquidated sum exceeding £25,000”.
- (3) In paragraph (3)(a), after “Article 127FC(1)” there is inserted “or (1A)”.

**82 Article 127FF (consent of Commission required for mergers involving bodies other than companies) amended**

- (1) This Article amends Article 127FF.
- (2) Paragraph (5)(b) is deleted.
- (3) In paragraph (8)(b), after “obligations” there is inserted “, including rights and obligations entered into as a trustee or in another fiduciary capacity”.

**83 Article 127FN (effect of completion of merger) amended**

In Article 127FN(2)(b), after “obligations” there is inserted “, including rights and obligations entered into as a trustee or in another fiduciary capacity”.

**84 Article 127O (issue of certificate of continuance within Jersey) amended**

In Article 127O(1), for “the application and those documents” there is substituted “the documents submitted under Article 127K(1)(a) and (b) (the company’s memorandum of association or equivalent, and articles of continuance)”.

**85 Article 127P (effect of issue of certificate of continuance within Jersey) amended**

After Article 127P(1) there is inserted –

- (1A) The issue of the certificate of continuance by the registrar does not –
  - (a) create a new legal entity; or
  - (b) prejudice or affect the continuity of the body corporate that has become a company incorporated under this Law.

**86 Article 127Q (approval by company and members of proposal for continuance overseas) amended**

- (1) This Article amends Article 127Q.
- (2) In paragraph (1), the words following “the company” are deleted.
- (3) In paragraph (2), for “each meeting” there is substituted “a meeting proposing such a resolution”.

**87 Article 127R (notice to creditors of application to Commission for authorization to seek continuance overseas) amended**

- (1) This Article amends Article 127R.
- (2) In paragraph (1) –
  - (a) after “writing” there is inserted “or there are no known creditors”;
  - (b) for “paragraph (2)” there is substituted “this Article”.
- (3) For paragraph (2)(c) there is substituted –
  - (c) must be published –
    - (i) once in the Jersey Gazette; or
    - (ii) in any other manner published by the Commission; and
- (4) After paragraph (4) there is inserted –
  - (5) In this Article, “creditor” means a creditor with a claim for a liquidated sum exceeding £25,000.
  - (6) The Minister may by Order alter the amount specified in paragraph (5).

**88 Article 127T (application to Commission for authorization to seek continuance overseas) amended**

After Article 127T(2) there is inserted –

- (3) In this Article, “creditor” has the same meaning as in Article 127R.

**89 Article 127V (effect of continuance overseas) amended**

The text of Article 127V is renumbered as paragraph (1), and after that paragraph there is inserted –

- (2) A company falling within paragraph (1) is not treated as having been dissolved.

**90 Article 127YC (creation of cells)**

Article 127YC(3) is deleted.

**91 Article 127YT (liability of protected cell company and its cells) amended**

After Article 127YT(5) there is inserted –

- (5A) The requirement in paragraph (5) for directors who authorise the liability being met as described to make a statement does not include any directors who cease to hold office before the statement is made (“former directors”), and the statement that the directors have formed the opinion as set out in paragraph (5)(a) and (b) does not include any former directors; but if all of the directors who authorised the liability being met have ceased to hold office before the statement is made, either –
  - (a) the statement may be made by all the directors in office; or
  - (b) the directors may re-authorise the liability being met and paragraph (5) applies accordingly.

**92 Article 145 (winding up – application of Chapter 2) amended**

For Article 145(1)(a) to (d) there is substituted –

- (a) has no liabilities; or
- (b) has liabilities that it will be able to discharge in full as they fall due.

**93 Article 146 (procedure) amended**

For Article 146(2)(c) to (e) there is substituted –

- (c) the company has liabilities that it will be able to discharge in full as they fall due,

**94 Article 148 (effect on status of company) amended**

After Article 148(3) there is inserted –

- (4) For the purpose of realising and distributing assets as provided by paragraph (2), a company may, if authorised by a special resolution of the

company, transfer the whole or any part of its assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body to be distributed as assets of the company in accordance with Article 150.

- (5) In paragraph (4), “relevant body” means a body corporate, limited liability company or limited liability partnership.

#### **95 Article 149 (appointment of liquidator) amended**

After Article 149(4), there is inserted –

- (5) A liquidator may, if authorised by a special resolution of the company, transfer the whole or any part of a company’s assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body to be distributed as assets of the company in accordance with Article 150.
- (6) In paragraph (5), “relevant body” means a body corporate, limited liability company or limited liability partnership.

#### **96 Article 150 (application of assets and dissolution) amended**

- (1) This Article amends Article 150.
- (2) In paragraph (4) –
- (a) for “the registration of the statement by the registrar” there is substituted “commencement of the winding up”;
- (b) in sub-paragraph (a), “or within 6 months of that commencement, as the case may be” is deleted;
- (c) in sub-paragraph (b) –
- (i) at the beginning there is inserted “if there are no remaining liabilities or”;
- (ii) for “may then” there is substituted “may at any time”.
- (3) In paragraph (5), for “stating that each director” to the end there is substituted –
- (a) stating that each director or the liquidator, having made full enquiry into the company’s affairs, is satisfied that the company has no assets and no liabilities; and
- (b) in the case of a public company, giving an account of their acts and dealings during the conduct of the winding up.

#### **97 Article 151 (effect of insolvency) amended**

In Article 151(1), “within 6 months of the commencement of the winding up or, if they fall due after that date,” is deleted.

#### **98 Article 157A (application for creditors’ winding up by creditor) amended**

- (1) This Article amends Article 157A.
- (2) In paragraph (1) –
- (a) for “claim” there is substituted “liquidated claim”;

- (b) in sub-paragraph (a), after “debts” there is inserted “as they fall due”.
- (3) In paragraph (2), after “debts” there is inserted “as they fall due”.

#### **99 Article 157B (appointment of provisional liquidator) amended**

- (1) This Article amends Article 157B.
- (2) After paragraph (3) there is inserted –
  - (3A) The order appointing the liquidator provisionally –
    - (a) must specify whether all powers of the directors cease on the appointment; and
    - (b) if they do not, must sanction the continuance of the powers of the directors, or specified powers.
- (3) In paragraph (4), for “no action must be taken” there is substituted “no action or legal proceeding is to be commenced”.
- (4) After paragraph (5) there is inserted –
  - (6) Nothing in this Article prevents a person with security over the whole or part of the assets of the company (whether such security was taken before or after the commencement of the Companies (Jersey) Amendment Law 202-) from –
    - (a) enforcing that security;
    - (b) making an application under Article 52 of the [Security Interests \(Jersey\) Law 2012](#); or
    - (c) commencing or proceeding with any action or legal proceeding to enforce that security if it is a hypothec over Jersey immovable property.

#### **100 Article 157C (order of court commencing creditors’ winding up) amended**

In Article 157C(1)(a), “from the date the application is made or such other date as the court deems fit” is deleted.

#### **101 Article 157D (company’s application to terminate creditors’ winding up) amended**

For Article 157D(6) there is substituted –

- (6) An order made under this Article does not affect the validity of any act of the liquidator (including a liquidator appointed provisionally under Article 157B) relating to the company between the date of the liquidator’s appointment and the date of the termination of the creditors’ winding up under paragraph (5).

#### **102 Article 159 (commencement and effects of creditors’ winding up) amended**

- (1) This Article amends Article 159.
- (2) In paragraph (1)(c), for “time the application is made under Article 157A(1), unless the court orders otherwise” there is substituted “time the order is made”.
- (3) In paragraph (4), for “shall be taken” there is inserted “, or legal proceeding is to be commenced,”.
- (4) After paragraph (5) there is inserted –

- (6) Nothing in this Article prevents a person with security over the whole or part of the assets of the company (whether such security was taken before or after the commencement of the Companies (Jersey) Amendment Law 202-) from –
  - (a) enforcing that security;
  - (b) making or continuing an application under Article 52 of the [Security Interests \(Jersey\) Law 2012](#); or
  - (c) commencing or continuing any action or legal proceeding to enforce that security if it is a hypothec over Jersey immovable property.

### **103 Article 160 (meeting of creditors in creditors' winding up other than a court ordered creditors' winding up) amended**

- (1) This Article amends Article 160.
- (2) Paragraph (1A) is renumbered as paragraph (A1) and moved before paragraph (1).
- (3) In paragraph (1), for “give by post to its creditors notice” there is substituted “give to its creditors notice in writing”.

### **104 Article 160A (meeting of creditors following court ordered creditors' winding up) amended**

Article 160A(5) is deleted.

### **105 Article 161 (appointment of liquidator) amended**

Before Article 161(1) there is inserted –

- (A1) Paragraphs (1) to (4) apply in the case of a creditors' winding up that is not ordered by the court.

### **106 Article 164 (no liquidator appointed) amended**

In Article 164(1), after “winding up” there is inserted “that is not ordered by the court”.

### **107 Article 165 (costs of creditors' winding up) amended**

For Article 165 there is substituted –

#### **165 Costs of creditors' winding up**

- (1) All costs, charges and expenses properly incurred in relation to a creditors' winding up are payable out of the company's assets in priority to all other claims.
- (2) Without limiting the generality of paragraph (1), those costs, charges and expenses include –
  - (a) obtaining an order to commence a creditors' winding up under Article 157A;
  - (b) appointing a liquidator, and appointing a liquidator provisionally under Article 157B;

- (c) the remuneration of a liquidator; and
- (d) any expenses of a liquidator incurred in complying with Article 15(5) of the [Dormant Bank Accounts \(Jersey\) Law 2017](#).

### **108 Article 168 (meetings of company and creditors) amended**

In Article 168, after paragraph (1) there is inserted –

- (1A) The liquidator must deliver a copy of the account mentioned in paragraph (1) for each period to the registrar, and in the case of a public company deliver it for registration.

### **109 Article 170 (powers and duties of liquidator) amended**

- (1) This Article amends Article 170.
- (2) After paragraph (1) there is inserted –
  - (1A) The liquidator in a creditors' winding up may, without the sanction of the court, liquidation committee or creditors, exercise any of the standard powers listed in Schedule 1, in addition to any other powers vested in the liquidator by the court or by this Law.
  - (1B) The court may determine that additional powers may be exercised, or that specified powers listed in Schedule 1A may not be exercised, in relation to a particular creditors' winding up.
- (3) In paragraph (2), for “sanction” there is substituted “sanction of the court, liquidation committee or creditors”.
- (4) Paragraphs (3) and (4) are deleted.

### **110 Article 176 (transactions at an undervalue) amended**

In Article 176(8), after “winding up” there is inserted “or, if an application is made under Article 157A(1), during the period beginning 5 years before the date of the application and ending with the date of commencement of the winding up”.

### **111 Article 176A (giving of preferences) amended**

In Article 176A(9), after “winding up” there is inserted “or, if an application is made under Article 157A(1), during the period beginning 12 months before the date of the application and ending with the date of commencement of the winding up”.

### **112 Article 179 (extortionate credit transactions) amended**

In Article 179(2)(b), after “winding up” there is inserted “or, if an application is made under Article 157A(1), during the period beginning 3 years before the date of the application and ending with the date of commencement of the winding up”.

### **113 Article 181 (liability in respect of purchase or redemption of shares) amended**

In Article 181 –

- (a) for paragraph (1)(a) there is substituted –

- (a) it has made a payment under Article 55, 55A, 57 or 57A or under Regulations made under Article 59 in respect of the redemption or purchase of its own shares –
  - (i) within 12 months before the commencement of the winding up; or
  - (ii) if an application is made under Article 157A(1), during the period beginning 12 months before the date of the application and ending with the date of commencement of the winding up;
- (b) in paragraph (6), after “Article 55(9)” there is inserted “, 55A(2) or 57A(3)”.

#### **114 Article 183 (duty to co-operate with liquidator) amended**

In Article 183(2) –

- (a) in sub-paragraph (b), for “within 12 months before the commencement of the winding up” there is substituted “within the period of 12 months before the commencement of the winding up or, if an application is made under Article 157A(1) the period beginning 12 months before the date of the application and ending with the date of commencement of the winding up (“the relevant period”);
- (b) in sub-paragraph (c), for “those 12 months” there is substituted “the relevant period”;
- (c) in sub-paragraph (d), in both places, for “those 12 months” there is substituted “the relevant period”.

#### **115 Article 185A (termination of creditors’ winding up)**

After Article 185A(1) there is inserted –

- (1A) If the winding up is commenced by the company passing a special resolution, the liquidator may exercise the power in paragraph (1) only if the members, by special resolution, authorise the liquidator to do so.

#### **116 Article 186A (references to the Court) amended**

- (1) This Article amends Article 186A.
- (2) For paragraph (1) there is substituted –
  - (1) In a summary winding up, the company may apply to the court for the determination of a question arising in the winding up or for the court to exercise any of its powers in relation to the winding up.
  - (1A) In a creditors’ winding up, the liquidator or a contributory or creditor of the company may apply to the court for the determination of a question arising in the winding up or for the court to exercise any of its powers in relation to the winding up.
  - (1B) In a creditors’ winding up, a director with any continuing powers sanctioned under Article 157B or 163(2) may apply to the court for the determination of a question relating to those continuing powers arising in the winding up or for the court to exercise any of its powers relating to those continuing powers in relation to the winding up.

- (1C) In paragraphs (1A) and (1B), “winding up” includes the appointment of a liquidator provisionally under Article 157B.
- (3) In paragraph (2), for “the application” there is substituted “an application made under this Article”.

### 117 Article 191 (notification that company is in liquidation) amended

In Article 191 –

- (a) in the heading, for “in liquidation” there is substituted “being wound up”;
- (b) in paragraph (1), for “in liquidation” there is substituted “in a summary winding up, a creditor’s winding up or a just and equitable winding up, as the case may be”.

### 118 Article 192 (liability as contributories of present and past members) amended

In Article 192(2)(b), after “winding up” there is inserted “or, if an application is made under Article 157A(1), for 12 months or more before the date of the application”.

### 119 Article 201A (keeping of records by registrar) amended

In Article 201A(1), after “document” there is inserted “required to be”.

### 120 Schedule 1 (punishment of offences) amended

- (1) This Article amends Schedule 1.
- (2) The rows relating to Articles 16(5), 17(5) and 17(8) (both rows) and 58B(4) are deleted.
- (3) The following rows are inserted in their numerical position –

Article of Law creating offence	General nature of offence	Punishment	Daily default fine (where applicable)
47(6)	Company failing to notify registrar of rectification of error or omission in the register	Level 3	Level 2
55A(3)	Director making statement without reasonable grounds for the opinion expressed	2 years or a fine; or both	
96A(6)	Failure to give notice of direct voting option to member entitled to vote at company meeting	Level 3	
96A(9)	Officer of company authorising or permitting irregular issue of direct voting forms	A fine	

Article of Law creating offence	General nature of offence	Punishment	Daily default fine (where applicable)
113T(5)	Officer of equivalently regulated company failing to deliver audited accounts to registrar within 5 days of filing with prescribed regulator, or failing to notify registrar that financial statements were filed late	Level 3	Level 2
115ZB(3)	Director making statement without having reasonable grounds for doing so	2 years or a fine; or both	

## 121 Schedule 1A (standard powers of liquidator in a winding up) inserted

After Schedule 1 there is inserted –

### SCHEDULE 1A

(Article 170(1B))

#### STANDARD POWERS OF LIQUIDATOR IN A WINDING UP

1. Power to –
  - (a) settle a list of contributories (and the list of contributories is *prima facie* evidence of the persons named in it to be contributories);
  - (b) make calls; and
  - (c) summon general meetings of the company for the purpose of obtaining its sanction by special resolution or for any other purpose the liquidator may think fit.
2. Power to pay the company's debts and adjust the rights of the contributories among themselves.
3. Power to take any security for the discharge of any call, debt, liability or claim by or against the company and to give a complete discharge in respect of it.
4. Power to bring or defend any action or other legal proceeding in the name and on behalf of the company.
5. Power to carry on the business of the company so far as may be necessary for its beneficial winding up, and to employ and pay persons for that purpose.
6. Power to sell any of the company's property by public auction or private contract with power to transfer the whole of it to any person or to sell the same in parcels.
7. Power to do all acts and execute, in the name and on behalf of the company, all deeds, receipts and other documents and for that purpose to use, when necessary, the company's seal.
8. Power to prove, rank and claim in the bankruptcy, insolvency or sequestration of any contributory for any balance against the contributory's estate, and to

receive dividends in the bankruptcy, insolvency or sequestration in respect of that balance, as a separate debt due from the bankrupt or insolvent, and rateably with the other separate creditors.

9. Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the company, with the same effect with respect to the company's liability as if the bill or note had been drawn, accepted, made or endorsed by or on behalf of the company in the course of its business.
10. Power to raise on the security of the assets of the company any money requisite.
11.
  - (1) Power to take out in the liquidator's official name letters of administration to any deceased contributory, and to do in the liquidator's official name any other act necessary for obtaining payment of any money due from a contributory or the estate of a contributory that cannot conveniently be done in the name of the company.
  - (2) In all such cases the money due is deemed, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, to be due to the liquidator.
12.
  - (1) Power to transfer the whole or any part of a company's assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body to be distributed as assets of the company in accordance with Article 150.
  - (2) In sub-paragraph (1), "relevant body" means a body corporate, limited liability company or limited liability partnership.
13. Power to appoint an agent to do any business that the liquidator is unable to do in person.
14. Power to do all other things that may be necessary for winding up the company's affairs and distributing its assets.
15. Power to do all things incidental to the exercise of the powers in this Schedule.

## **122 Schedule 2 (transitional provisions) amended**

- (1) This Article amends Schedule 2.
- (2) Paragraphs 1 to 10, 11(2) and 12 are deleted.
- (3) In paragraph 11(1) –
  - (a) in both places, for "any enactment, instrument or document" there is substituted "any instrument or document";
  - (b) for "the former Laws" there is substituted "the Companies (Jersey) Laws 1861 to 1968".

## PART 2

### CONSEQUENTIAL & RELATED AMENDMENTS

#### **123 [Limited Liability Companies \(Jersey\) Law 2018](#) amended**

- (1) This Article amends the [Limited Liability Companies \(Jersey\) Law 2018](#).
- (2) In Article 1 (interpretation), after paragraph (1) there is inserted –
  - (1A) Where this Law, or Regulation or Orders made under this Law, refers to an Act or subordinate legislation of the United Kingdom, unless otherwise provided –
    - (a) Article 9(3) of the [Interpretation \(Jersey\) Law 1954](#) applies to that reference as it applies to a reference to an enactment; and
    - (b) Article 6 of the [Legislation \(Jersey\) Law 2021](#) applies in relation to that Act or subordinate legislation, and to any legislation that repeals or re-enacts it, as it applies in relation to Jersey legislation.
- (3) After Article 28 there is inserted –

#### **28A Managers disqualified under sanctions regulations**

- (1) A person who has been appointed as a manager of a limited liability company ceases to hold office by virtue of that appointment if the person is or becomes subject to director disqualification sanctions.
- (2) For the purposes of this Article and Article 28B, a person is subject to director disqualification sanctions if the person is, under sanctions regulations, subject to director disqualification sanctions for the purposes of section 11A of the Company Directors Disqualification Act 1986 of the United Kingdom.
- (3) In this Article –

“sanctions regulations” means a UK sanctions provision that imposes director disqualification sanctions within the meaning given by section 3A of the Sanctions and Anti-Money Laundering Act 2018 of the United Kingdom (“SAMLA”);

“UK sanctions provision” means a provision made in the United Kingdom by or under regulations made under Part 1 of SAMLA.

#### **28B Personal responsibility for liabilities if person acts while disqualified**

- (1) A person who has ceased to hold office under Article 28A is personally responsible for liabilities of the limited liability company that are incurred at a time when that person was involved in its management while subject to director disqualification sanctions.
- (2) If a person is personally responsible under paragraph (1) for liabilities of a limited liability company, the person is jointly and severally liable in respect of those liabilities with it and with any other person who, whether under this Article or otherwise, is so liable.
- (3) For the purposes of this Article, a person is involved in the management of a limited liability company if that person is a manager or is concerned whether directly or indirectly or takes part in its management.

**124 [Limited Liability Companies \(General Provisions\) \(Jersey\) Regulations 2022](#) amended**

In Article 1(1) (interpretation) of the [Limited Liability Companies \(General Provisions\) \(Jersey\) Regulations 2022](#), in the definition “prospectus”, for “any securities” there is substituted “any securities of a limited liability company”.

**125 [Limited Liability Companies \(Winding Up and Dissolution\) \(Jersey\) Regulations 2022](#) amended**

- (1) This Article amends the [Limited Liability Companies \(Winding Up and Dissolution\) \(Jersey\) Regulations 2022](#).
- (2) In Regulation 4 (application), for paragraph (1)(a) to (d) there is substituted –
  - (a) has no liabilities; or
  - (b) has liabilities that it will be able to discharge in full as they fall due.
- (3) In Regulation 5 (procedure) –
  - (a) for paragraph (1)(c) to (e) there is substituted –
    - (c) the limited liability company has liabilities that it will be able to discharge in full as they fall due.
  - (b) in paragraph (2)(a), after “summarily” there is inserted “by special resolution”.
- (4) In Regulation 6 (effect on status of limited liability), after paragraph (2) there is inserted –
  - (3) For the purpose of realising and distributing assets as provided by paragraph (2), a limited liability company may, with the approval of its members by special resolution, transfer the whole or any part of its assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body, which must be distributed as assets of the limited liability company in accordance with Regulation 8.
  - (4) In paragraph (3), “relevant body” means a body corporate, limited liability company or limited liability partnership.
- (5) In Regulation 7 (liquidator), after paragraph (6) there is inserted –
  - (7) A liquidator may, with the approval of the members by special resolution, transfer the whole or any part of the limited liability company’s assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body, which must be distributed as assets of the limited liability company in accordance with Regulation 8.
  - (8) In paragraph (7), “relevant body” means a body corporate, limited liability company or limited liability partnership.
- (6) In Regulation 8 (distribution of assets and dissolution) –
  - (a) in paragraph (3)(a), “or within 6 months after the commencement of the winding up” is deleted;
  - (b) in paragraph (3)(b) –
    - (i) after “may” there is inserted “at any time”;

- (ii) after “but only if” there is inserted “there are no remaining liabilities or”;
- (c) in paragraph (4), for “stating that each manager” to the end there is substituted –
  - (a) stating that each manager or the liquidator, having made full enquiry into the limited liability company’s affairs, is satisfied that the limited liability company has no remaining assets or liabilities; and
  - (b) giving an account of their acts and dealings during the conduct of the winding up.
- (7) In Regulation 9(1) (effect of insolvency), “within 6 months after that commencement or, if they fall due after that date,” is deleted.
- (8) In Regulation 13A (application for creditors’ winding up by creditor) –
  - (a) in paragraph (1), for “claim” there is substituted “liquidated claim”;
  - (b) in paragraph (1)(a), after “debts” there is inserted “as they fall due”;
  - (c) in paragraph (2), after “debts” there is inserted “as they fall due”;
  - (d) in paragraph (2)(a), for “the Schedule” there is substituted “Schedule 1”.
- (9) In Regulation 13B (appointment of provisional liquidator) –
  - (a) after paragraph (3) there is inserted –
    - (3A) The order appointing the liquidator provisionally –
      - (a) must specify whether all powers of the managers cease on the appointment; and
      - (b) if they do not, must sanction the continuance of the powers of the managers, or specified powers.
  - (b) in paragraph (4), after “action” there is inserted “or legal proceeding”;
  - (c) after paragraph (5) there is inserted –
    - (6) Nothing in this Regulation prevents a person with security over the whole or part of the assets of the limited liability company (whether such security was taken before or after the commencement of the Companies (Jersey) Amendment Law 202-) from –
      - (a) enforcing that security;
      - (b) making or continuing an application under Article 52 of the [Security Interests \(Jersey\) Law 2012](#); or
      - (c) commencing or continuing any action or legal proceeding to enforce that security if it is a hypothec over Jersey immovable property.
- (10) In Regulation 13C(1)(a) (order of Court commencing creditors’ winding up), “from the date of the application or such other date as the Court deems fit” is deleted.
- (11) For Regulation 13D(6) (limited liability company’s application to terminate creditors’ winding up) there is substituted –
  - (6) An order made under this Regulation does not affect the validity of any act of the liquidator (including a liquidator appointed provisionally under Regulation 13B) relating to the limited liability company between the date of the liquidator’s appointment and the date of the termination of the creditors’ winding up under paragraph (5).
- (12) In Regulation 15 (commencement and effects of creditors’ winding up) –

- (a) in paragraph (1)(b), for “time the application is made under Regulation 13A(1), unless the Court orders otherwise” there is substituted “time the order is made”;
- (b) in paragraph (6), after “is to be taken” there is inserted “, or legal proceeding commenced.”;
- (c) after paragraph (6) there is inserted –
- (7) Nothing in this Regulation prevents a person with security over the whole or part of the assets of the limited liability company (whether such security was taken before or after the commencement of the Companies (Jersey) Amendment Law 202-) from –
  - (a) enforcing that security;
  - (b) making or continuing an application under Article 52 of the [Security Interests \(Jersey\) Law 2012](#); or
  - (c) commencing or continuing any action or legal proceeding to enforce that security if it is a hypothec over Jersey immovable property.
- (13) In Regulation 17 (appointment of liquidator), before paragraph (1) there is inserted –
  - (A1) Paragraphs (1) to (3) apply in the case of a creditors’ winding up that is not ordered by the Court.
- (14) In Regulation 19(1) (no liquidator appointed), after “winding up” there is inserted “that is not ordered by the Court”.
- (15) For Regulation 20 (cost of creditors’ winding up), there is substituted –

## **20 Cost of creditors’ winding up**

- (1) All costs, charges and expenses properly incurred in relation to a creditors’ winding up are payable out of the assets of the limited liability company in priority to all other claims.
- (2) Without limiting the generality of paragraph (1), such costs, charges and expenses include –
  - (a) obtaining an order to commence a creditors’ winding up under Regulation 13A;
  - (b) appointing a liquidator, and appointing a liquidator provisionally under Regulation 13B;
  - (c) the remuneration of a liquidator; and
  - (d) any expenses of a liquidator incurred in complying with Article 15(5) of the [Dormant Bank Accounts \(Jersey\) Law 2017](#).
- (16) In Regulation 23 (meetings of company and creditors), at the end of paragraph (1)(b) there is inserted “, and deliver a copy of the account for each period to the registrar for registration”.
- (17) In Regulation 26 (powers and duties of liquidator) –
  - (a) after paragraph (1) there is inserted –
    - (1A) The liquidator in a creditors’ winding up may, without the sanction of the Court, liquidation committee or creditors, exercise any of the standard powers listed in Schedule 2, in addition to any other powers vested in the liquidator by the Court or by these Regulations.

- (1B) The Court may determine that additional powers may be exercised, or that specified powers listed in Schedule 2 may not be exercised, in relation to a particular creditors' winding up.
  - (b) in paragraph (2), for "sanction" there is substituted "the sanction of the Court, liquidation committee or creditors";
  - (c) paragraphs (3) and (4) are deleted.
- (18) In Regulation 29A(1) (liability in respect of acquisition of LLC interests), for sub-paragraph (a) there is substituted –
- (a) it has made a payment under Article 45 of the Law to acquire, by purchase, redemption or otherwise any LLC interest in the limited liability company –
    - (i) within 6 months before the commencement of the winding up; or
    - (ii) if an application is made under Regulation 13A(1), during the period beginning 6 months before the date of the application and ending with the date of commencement of the winding up;
- (19) In Regulation 33(8) (transactions at an undervalue) –
- (a) in sub-paragraph (a), after "winding up" there is inserted "or, if an application is made under Regulation 13A(1), during the period beginning 5 years before the date of the application and ending with the date of commencement of the winding up,";
  - (b) in sub-paragraph (b), after "winding up" there is inserted "or, if an application is made under Regulation 13A(1), during the period beginning 5 years before the date of the application and ending with the date of commencement of the winding up,".
- (20) In Regulation 34(8) (giving of preferences) –
- (a) in sub-paragraph (a), after "winding up" there is inserted "or, if an application is made under Regulation 13A(1), during the period beginning 12 months before the date of the application and ending with the date of commencement of the winding up,";
  - (b) in sub-paragraph (b), after "winding up" there is inserted "or, if an application is made under Regulation 13A(1), during the period beginning 12 months before the date of the application and ending with the date of commencement of the winding up,".
- (21) In Regulation 36(2)(b) (extortionate credit transactions), after "winding up" there is inserted "or, if an application is made under Regulation 13A(1), during the period beginning 3 years before the date of the application and ending with the date of commencement of the creditors' winding up".
- (22) In Regulation 39(4) (duty to co-operate with liquidator), for the definition "relevant period" there is substituted –
- "relevant period" means –
    - (a) the period of time occurring within 12 months before the date of the commencement of the winding up of the limited liability company; or
    - (b) if an application is made under Regulation 13A(1), during the period beginning 12 months before the date of the application and ending with the date of commencement of the creditors' winding up of the limited liability company.

- (23) In Regulation 42 (termination of creditors' winding up), after paragraph (1) there is inserted –
- (1A) If the winding up is commenced by approval of the members of the limited liability company by special resolution, the liquidator may exercise the power in paragraph (1) only if the members, by special resolution, authorise the liquidator to do so.
- (24) In Regulation 48 (references to the Court) –
- (a) for paragraph (1) there is substituted –
- (1) In a summary winding up, the limited liability company may apply to the Court for the determination of a question arising in the winding up or for the Court to exercise any of its powers in relation to the winding up.
- (1A) In a creditors' winding up, the liquidator or a contributory or creditor of the limited liability company may apply to the Court for the determination of a question arising in the winding up or for the Court to exercise any of its powers in relation to the winding up.
- (1B) In a creditors' winding up, a manager with any continuing powers sanctioned under Regulation 13B or 47(6) may apply to the Court for the determination of a question relating to those continuing powers arising in the winding up or for the court to exercise any of its powers relating to those continuing powers in relation to the winding up.
- (1C) In paragraphs (1A) and (1B), “winding up” includes the appointment of a liquidator provisionally under Regulation 13B.
- (b) in paragraph (2), for “the application” there is substituted “an application made under this Regulation”.
- (25) In Regulation 50 (notification that limited liability company is in liquidation) –
- (a) in the heading, for “in liquidation” there is substituted “being wound up”;
- (b) in paragraph (1), for “in liquidation” there is substituted “in a summary winding up, a creditor's winding up or a just and equitable winding up, as the case may be”.
- (26) In Regulation 51(2)(b) (liabilities as contributories of present and past members), after “winding up” there is inserted “or, if an application is made under Regulation 13A(1), for 6 months or more before the date of the application”.
- (27) The Schedule is renumbered as Schedule 1, and after that Schedule there is inserted –

## SCHEDULE 2

(Regulation 26(1A))

### STANDARD POWERS OF LIQUIDATOR IN A WINDING UP

1. Power to –
- (a) settle a list of contributories (and the list of contributories is *prima facie* evidence of the persons named in it to be contributories);
- (b) make calls; and
- (c) summon general meetings of the limited liability company for the purpose of obtaining its sanction by special resolution or for any other purpose the liquidator may think fit.

2. Power to pay the limited liability company's debts and adjust the rights of the contributories among themselves.
3. Power to take any security for the discharge of any call, debt, liability or claim by or against the limited liability company and to give a complete discharge in respect of it.
4. Power to bring or defend any action or other legal proceeding in the name and on behalf of the limited liability company.
5. Power to carry on the business of the limited liability company so far as may be necessary for its beneficial winding up, and to employ and pay persons for that purpose.
6. Power to sell any of the limited liability company's property by public auction or private contract with power to transfer the whole of it to any person or to sell the same in parcels.
7. Power to do all acts and execute, in the name and on behalf of the limited liability company, all deeds, receipts and other documents.
8. Power to prove, rank and claim in the bankruptcy, insolvency or sequestration of any contributory for any balance against the contributory's estate, and to receive dividends in the bankruptcy, insolvency or sequestration in respect of that balance, as a separate debt due from the bankrupt or insolvent, and rateably with the other separate creditors.
9. Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the limited liability company, with the same effect with respect to the limited liability company's liability as if the bill or note had been drawn, accepted, made or endorsed by or on behalf of the limited liability company in the course of its business.
10. Power to raise on the security of the assets of the limited liability company any money requisite.
11.
  - (1) Power to take out in the liquidator's official name letters of administration to any deceased contributory, and to do in the liquidator's official name any other act necessary for obtaining payment of any money due from a contributory or the estate of a contributory that cannot conveniently be done in the name of the limited liability company.
  - (2) In all such cases the money due is deemed, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, to be due to the liquidator.
12.
  - (1) Power to transfer the whole or any part of a limited liability company's assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body to be distributed as assets of the limited liability company in accordance with Regulation 8.
  - (2) In sub-paragraph (1), "relevant body" means a body corporate, limited liability company or limited liability partnership.
13. Power to appoint an agent to do any business that the liquidator is unable to do in person.

14. Power to do all other things that may be necessary for winding up the limited liability company's affairs and distributing its assets.
15. Power to do all things incidental to the exercise of the powers in this Schedule.

#### **126 [Bankruptcy \(Désastre\) \(Jersey\) Law 1990](#) amended**

- (1) This Article amends the [Bankruptcy \(Désastre\) \(Jersey\) Law 1990](#).
- (2) In Article 3 (application for a declaration), in paragraph (1)(a), for “a claim against the debtor of not less than such liquidated sum”, there is substituted “a liquidated claim against the debtor of not less than such liquidated sum”.
- (3) In Article 45A (liability in respect of purchase or redemption of shares) –
  - (a) for paragraph (1)(b) there is substituted –
    - (b) the payment was not made lawfully; and
  - (b) in paragraph (2), for “wholly out of profits available for distribution or out of the proceeds of a fresh issue of shares made” there is substituted “lawfully”.
- (4) In Article 45AA (liability in respect of liability in respect of returned contributions) –
  - (a) for paragraph (1)(b) there is substituted –
    - (b) the payment was not made lawfully; and
  - (b) in paragraph (2), for “which has not been made wholly out of profits available for distribution” there is substituted “that has not been made lawfully”.

#### **127 [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Law 2020](#) amended**

In Article 19 (Royal Court may declare dissolution of entity void) of the [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Law 2020](#), in paragraph (9) (“persons with standing” who may make an application for an order) –

- (a) after sub-paragraph (b) there is inserted –
  - (ba) the Comptroller of Revenue;
- (b) sub-paragraph (c) is deleted;
- (c) after sub-paragraph (d) there is inserted –
  - (da) any other person appearing to the Royal Court to be interested;

#### **128 [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Regulations 2020](#) amended**

In Regulation 3(d)(i) of the [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Regulations 2020](#), after “share capital” there is inserted “(if any)”.

#### **129 [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Order 2020](#) amended**

In Article 5(1)(b)(ii)(D) of the [Financial Services \(Disclosure and Provision of Information\) \(Jersey\) Order 2020](#), after “share capital” there is inserted “(if any)”.

**130 Companies (Demerger) (Jersey) Regulations 2018 amended**

- (1) This Article amends the Companies (Demerger) (Jersey) Regulations 2018.
- (2) In Regulation 1(1) (interpretation), in the definition “relevant Jersey company”, “and does not have unlimited shares or guarantor members” is deleted.
- (3) In Regulation 3(3) (demerger instrument), for sub-paragraph (b) there is substituted –
  - (b) otherwise, whether the holders of any securities in the demerging company are to receive anything instead and, if so, the manner in which and the time at which they are to receive it.
- (4) In Regulation 5(1) (approval of demerger instrument), “and, where there is more than one class of members, for approval by a special resolution of a separate meeting of each class” is deleted.
- (5) In Regulation 7 (notice to creditors) –
  - (a) in paragraph (1), for “claim against the demerging company exceeding £5,000” there is substituted “claim against the demerging company for a liquidated sum exceeding £25,000”;
  - (b) in paragraph (4), after “demerging company” there is inserted “with a claim against the company for a liquidated sum exceeding £25,000”;
  - (c) in paragraph (6), for sub-paragraphs (a) and (b) there is substituted –
    - (a) once in the Jersey Gazette; or
    - (b) in any other manner published by the Commission.
- (6) In Regulation 9(3)(b)(i) (company to apply to court if solvency statement not made), for “£5,000” there is substituted “the amount specified in Regulation 7(1)”.
- (7) In Regulation 10(2) (objection by creditor if solvency statements made), for “claim against the demerging company exceeding £5,000”, there is substituted “claim against the demerging company for a liquidated sum exceeding £25,000”.
- (8) In Regulation 13(2)(c) (effect of completion of demerger generally), after “obligations” there is inserted “, including rights and obligations entered into as a trustee or in another fiduciary capacity,”.

**PART 3****FINAL PROVISIONS****131 Citation and commencement**

This Law may be cited as the Companies (Jersey) Amendment Law 202- and comes into force on the later of–

- (a) 1 June 2026; and
- (b) 7 days after it is registered.