

CAYMAN ISLANDS



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**THE COMPANIES MANAGEMENT (AMENDMENT) LAW, 2002
(LAW 39 OF 2002)**

ARRANGEMENT OF SECTIONS

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CAYMAN ISLANDS

Law 39 of 2002.

B.H. Dinwiddy

Governor.

Date: 22 January, 2003

A LAW TO AMEND THE COMPANIES MANAGEMENT LAW (2001 REVISION) TO TRANSFER, FROM THE GOVERNOR IN COUNCIL TO THE CAYMAN ISLANDS MONETARY AUTHORITY, LICENSING POWERS IN RELATION TO COMPANY MANAGERS; TO INCREASE THE REGULATORY POWERS OF THE MONETARY AUTHORITY IN RELATION TO COMPANY MANAGERS; AND TO MAKE PROVISION FOR RELATED MATTERS

ENACTED by the Legislature of the Cayman Islands.

1. (1) This Law may be cited as the Companies Management (Amendment) Law, 2002. Short title and commencement

(2) This Law shall come into force on such date as may be appointed by order made by the Governor

2. The Companies Management Law (2001 Revision), in this Law referred to as the “principal Law”, is amended in section 5 as follows - Amendment of section 5 of the Companies Management Law (2001 Revision) – application to be made to Authority

- (a) in the marginal note and in subsections (1), (2), (3), (7) and (10), respectively, by repealing the word “Governor” and substituting the word “Authority”; and
- (b) in subsection (7), by repealing the words “unless he is satisfied” and substituting the words “unless the Authority is satisfied”.

Amendment of section 6
- fees and returns

3. The principal Law is amended in section 6 by inserting after subsection (3) the following subsection -

“(3A) Without prejudice to the foregoing provisions of this section, if the renewal fee referred to in subsection (2) is not paid on or before the 15th January in each calendar year, the unpaid renewal fee may be sued for by the Crown by action as a civil debt and the Crown may require, and the court may order, the payment of any penalties accrued in respect of the late payment of the fee.”; and

- (e) by inserting after subsection (4) the following subsection -

“(5) In subsection (3A), “court” means the Grand Court or a court of summary jurisdiction, as the case may be.”.

Amendment of section 9
- shares not to be issued or transferred without approval of the Authority

4. The principal Law is amended in section 9 as follows -

- (a) in subsection (1) -
(i) by repealing the word “Governor” and substituting the word “Authority”; and
(ii) by repealing the words “his approval to” and substituting the words “its approval to”; and
(b) in subsection (2), by repealing the word “Governor” wherever it appears and substituting the word “Authority”.

Amendment of section 11 - use of words connoting business of company management

5. The principal Law is amended in section 11(2) by repealing the word “Governor” and substituting the word “Authority”.

Amendment of section 16 - powers and duties of the Authority

6. The principal Law is amended in section 16(1) as follows -

- (a) by repealing paragraph (b) and substituting the following paragraph -
“(b) whenever the Authority considers it necessary, examine, by way of the receipt of regular returns or in such other manner as the Authority may require, the affairs or business of any licensee for the purpose of-
(i) carrying out the functions of the Authority or exercising the powers of the Authority under section 18;
(ii) confirming that the provisions of this Law are being complied with; or
(iii) confirming that the licensee is in a sound

financial position.”;

- (b) in paragraph (c), by repealing the words “or when so required by the Governor.”;
- (c) in paragraph (d), by repealing the words “or when so required by the Governor”; and
- (d) in paragraph (e), by repealing the words “make recommendations to the Governor with respect to” and substituting the word “determine”.

7. The principal Law is amended in section 18 as follows -

- (a) by repealing the marginal note and substituting the following marginal note -
“Additional powers of Authority.”;
- (b) in subsection (1) -
(i) by repealing the word “Governor” and substituting the word “Authority”;
- (ii) by repealing the words “he may” and substituting the words “the Authority may”;
- (iii) in paragraph (v), by repealing the words “the Governor’s appointed controller” and substituting the words “the Authority’s appointed controller”; and
- (iv) in paragraph (vi), by repealing the words “as he considers necessary” and substituting the words “as the Authority considers necessary”;
- (c) in subsection (2), by repealing the words “Governor for a reconsideration of his decision” and substituting the words “Authority for a reconsideration of its decision”;
- (d) in subsection (3), by repealing the words “the Governor and”;
- (e) in subsection (4), by repealing the word “Governor” wherever it appears and substituting the word “Authority”;
- (f) in subsection (5), by repealing the word “Governor” and substituting the word “Authority”; and
- (g) in subsection (6), by repealing the words “Governor revokes a licence under subparagraph (i)” and substituting the words “Authority revokes a licence under paragraph (i)”.

Amendment of section 18 - additional powers of Authority

8. The principal Law is amended in section 20(1) and (2), respectively, by repealing the word “Governor” and substituting the word “Authority”.

Amendment of section 20 - winding up

9. The principal Law is amended in section 21(1) by repealing the word “Governor” wherever it appears and substituting the word “Authority”.

Amendment of section 21 - appeals

Savings provisions

10. (1) Every application for the grant of a licence made under the old Law and wholly or partly heard by the Governor in Council when the new Law comes into force, is to be continued and dealt with in all respects as if the new Law had not come into force.

(2) A licence granted as a result of an application determined under subsection (1) is to be granted on the same terms and conditions that would have applied if the new Law had not come into force.

(3) Every application for the grant of a licence made under the old Law and not wholly or partly heard by the Governor in Council when the new Law comes into force, is to be taken to be an application made under the new Law and the provisions of the new Law are to apply accordingly.

(4) In the case of an appeal against any decision of the Governor in Council that has been commenced but not finally determined before the new Law comes into force, the Grand Court is to continue to deal with the appeal as if the new Law had not come into force; and when the appeal is finally determined, the old Law is to apply subject to any necessary modifications as if the appeal had been finally determined before the new Law came into force.

(5) Any licence granted under the old Law and in force immediately before the date of commencement of this Law -

- (a) shall have effect from that date, as if granted under the new Law; and
- (b) in the case of a licence for a specified period, shall remain in force, subject to the provisions of the new Law, for so much of that period as falls after that date.

(6) In this section -

“the new Law” means the principal Law as amended by this Law; and

“the old Law” means the principal Law in force immediately before the date of commencement of this Law.

Passed by the Legislative Assembly the 19th day of December, 2002.

JULIANNA O’CONNOR - CONNOLLY

Speaker.

WENDY LAUER EBANKS

Clerk of the Legislative Assembly.

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