

CAYMAN ISLANDS



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**THE LOCAL COMPANIES (CONTROL)
(AMENDMENT) LAW, 1977
(Law 26 of 1977)**

MEMORANDUM OF OBJECTS AND REASONS

It is desired to make certain unconnected amendments to the principal Law for the following purposes —

(a) to remove developed strata title corporations from control under the Law;

(b) to exercise greater control over changes in proprietorship of Local Companies once licensed; and

(c) to empower the Governor in Council to issue policy directions to the Board.

I assent

T. RUSSELL

Governor

15th December, 1977

L.S.

A LAW to amend the Local Companies (Control) Law (Revised).

ENACTED by the Legislature of the Cayman Islands.

Short title.

1. This Law may be cited as the Local Companies (Control) (Amendment) Law, 1977.

Local Companies
(Control) Law
(Revised) amended.

2. The Local Companies (Control) Law (Revised) is amended as follows —

(a) in section 2 by adding in the appropriate alphabetical sequence the following definitions —

Law No. 14 of 1973.

A. “ “controlled strata title corporation” is a strata title corporation as defined in the Strata Titles Registration Law, 1973, the control of which corporation is held by a person or persons not being residential holders of its strata lots;”;

“ “residential holder of a strata lot” is a proprietor of a strata lot whose sole interest therein is the right of personal residence therein or personal occupation thereof and matters collateral thereto;”;

B. by amending the definition “Local Company” by substituting for the words “and a corporation as defined by section 2 of the Strata Titles Law” where they appear

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therein, the words "and a controlled strata title corporation";

(b) in section 6,

- A. by deleting the word "and" immediately following paragraph (iii) of subsection (3) thereof;
- B. by deleting the full stop at the end of paragraph (iv) of subsection (3) thereof and substituting the following words therefor —
"; and

(v) a statement that the effective control of the company is not, either directly or indirectly or by reason of any artifice or device vested in or permitted to pass to persons other than as specifically shown in the return of shareholdings."

- C. by repealing subsections (4) and (5) thereof and substituting the following new subsections therefor —

"(4) Whenever an allotment or a transfer of shares in a local company is made or registered, as the case may be, the company shall within twenty-one days thereof forward to the Board a return in the prescribed form signed by two or more directors or one director and the secretary giving particulars of such allotment or transfer.

(5) Any local company which fails to comply with the provisions of this section shall be guilty of an offence and liable on conviction by a court of summary jurisdiction to a fine of twenty dollars a day for each day during which the offence continues.

(6) Any person who knowingly and wilfully signs a return made for the purposes of this section which is false in a material particular shall be guilty of an offence and liable on summary conviction to a fine not exceeding two thousand dollars and on conviction on indictment to a fine not exceeding five thousand dollars and on any such conviction on indictment the court may, in addition to, or in lieu of, any other penalty which may be imposed, order the forfeiture to the Crown of any shares in connection with which the offence was committed and any shares so forfeited shall be dealt with in such manner as the Governor may direct."

(c) in section 7,

- A. by substituting for the words "prior notice thereof is given to" appearing in subsection (1) thereof the words "consent is given by";
- B. by substituting for the words "notice thereof is given to"

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appearing in subsection (2) thereof the words "consent is given by";

(d) in subsection (4) of section 10 —

- A. by deleting the word "or" at the end of paragraph (d);
- B. by adding the word "or" at the end of paragraph (e);
- C. by the addition of a new paragraph as follows —

"(f) if the company concerned fails to pay the fee prescribed in section 12.";

(e) by the addition of a new section as follows —

"Policy directions. 26. The Governor in Council may from time to time issue policy directions to the Board for its guidance in the exercise of its powers, duties and functions under this Law and it is the duty of the Board to carry out such directions."

Passed the Legislative Assembly this 5th day of December, 1977

T. RUSSELL
President

SYBIL McLAUGHLIN
Clerk of the Legislative Assembly.