

CAYMAN ISLANDS



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THE COMPANIES (AMENDMENT) (EURO) LAW, 1999

(Law 5 of 1999)

CAYMAN ISLANDS

Law 5 of 1999.

I Assent

JAMES M. RYAN

Acting Governor.

3 May, 1999.

**A LAW TO AMEND THE COMPANIES LAW (1998 REVISION) TO
PROVIDE FOR REDENOMINATION OF THE SHARE CAPITAL OR
GUARANTEE AMOUNT OF COMPANIES AND AMENDMENTS TO
THE NAME, THE MEMORANDUM OF ASSOCIATION AND ARTICLES
OF ASSOCIATION OF COMPANIES CONSEQUENT ON THE
INTRODUCTION OF A SINGLE CURRENCY BY MEMBER
COUNTRIES OF THE EUROPEAN UNION**

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Companies (Amendment) (Euro) Law, 1999. Short title
2. In this Law “the principal Law” means the Companies Law (1998 Revision). Definition
3. Section 2 of the principal Law is amended by inserting the following definitions- Amendment of section 2
- Definitions and
interpretation

“currency” includes the ECU;

“ECU” or “European Currency Unit” means the currency basket that is from time to time used as the unit of account of the European Community as defined in European Council Regulation No. 3320/94;

“euro” means the common currency of participating member states of the European Union that adopt a single currency in accordance with the Treaty; and

“Treaty” means the Treaty on European Union signed in Maastricht on 7th February, 1992.

Amendment of section
13 - Power of company
limited by shares to alter
its share capital

4. Section 13 of the principal Law is amended-

- (a) in subsection (2) by repealing “this section” and substituting “subsection (1)”;
- (b) by inserting after subsection (2) the following subsections-

“(2a) If a currency in which any of the capital of a company limited by shares or by guarantee is replaced by the euro, the provisions of the company’s memorandum of association and articles of association shall automatically be altered so as to re-denominate in euros the capital that is denominated in the replaced currency, at the conversion rate specified in, or otherwise calculated in accordance with, the relevant regulations adopted by the Council of the European Union, and the company, by resolution of the directors, may-

- (a) take such action to round up or down the euro nominal or par value of each share in the company or the euro guarantee amount to such multiple of the euro as the directors may deem appropriate;
- (b) notwithstanding the requirement for a special resolution in section 31 if the name of the company includes a reference to a currency replaced by the euro, or an abbreviation thereof,-
 - (i) alter the name of the company to delete the reference or to substitute the reference with a reference to the euro or an abbreviation thereof; and
 - (ii) add such further distinguishing wording as the directors consider appropriate;
- (c) if the memorandum of association or articles of association of the company include a reference or references to a currency replaced by the euro, alter any or all such references in either or both of the memorandum of association and the articles of association by substituting such references with references to the euro or an abbreviation thereof.

(2b) A company may by resolution of the directors reverse or vary the re-denomination of currency or any other action taken in accordance with the provisions of subsection (2a).

(2c) A copy of any resolution passed under subsection (2a) or (2b) shall be forwarded to the Registrar within 15 days and shall be recorded by him.”.

- (c) by amending subsection (3) by inserting “or a rounding down of the nominal or par value of shares,” after “shares”; and
- (d) by inserting the following subsection after subsection (3)-

“(4) If any action is taken by the company under subsection (2a)(a) to-

- (a) round up the euro nominal or par value of any issued share in the company, then an amount equal to the increase in nominal or par value of that share shall be transferred from the share premium account or from the profit and loss account (as the directors shall in their discretion determine) and shall thereafter be deemed to be and treated as paid up share capital of the company; or
- (b) round down the euro nominal or par value of any issued share in the company, then an amount equal to the decrease in the nominal or par value of that share shall be transferred from the paid up share capital of the company to the share premium account and shall thereafter be deemed to be and treated as share premium for the purposes of this Law.”.

Passed by the Legislative Assembly the 14th day of April, 1999.

Mabry S. Kirkconnell

Speaker.

Georgette Myrie

Clerk of the Legislative Assembly.