

CAYMAN ISLANDS



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## THE COMPANIES (AMENDMENT) LAW, 1989 (LAW 14 OF 1989)

**ALAN SCOTT**

Governor

6th November, 1989

## A LAW TO AMEND THE COMPANIES LAW [CAP. 22]

ENACTED by the Legislature of the Cayman Islands.

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| Short Title                                      | 1. This Law may be cited as the Companies (Amendment) Law, 1989.  |
| Interpretation                                   | 2. In this Law, except in so far as the context otherwise requires -<br>"principal Law" means the Companies Law;<br>"word" includes punctuation mark.   |
| Cap. 22  |   |
| Amendment of section 2 of the principal Law.     | 3. Section 2 of the principal Law is amended, in subsection (1) thereof, by inserting in its appropriate alphabetical sequence the following new definition -<br>""currency" includes a unit of account used at any time by the European Monetary Fund:". |
| Amendment of section 6 (4) of the principal Law. | 4. Section 6 of the principal Law is amended, in subsection (4), by inserting the words "and to companies incorporated thereafter" immediately before the full stop at the end thereof.   |

Repeal and replacement  
of section 7 of the  
principal Law.

5. Section 7 of the principal Law is repealed and replaced by the following new section -

"Company limited by  
shares.

7. (1) Where a company is formed on the principle of having the liability of its members limited to the amount unpaid on their shares, in this Law referred to as a company limited by shares, the memorandum of association shall also contain -

- (a) a declaration that the liability of its members is limited;
- (b) the amount of capital with which it proposes to be registered divided into shares of a certain fixed amount to be also therein specified:

Provided that the capital with which an exempted company proposes to be registered may be divided into shares without nominal or par value in which case the memorandum of association shall contain the amount of the aggregate consideration for which such shares may be issued:

Provided further that no exempted company shall divide its capital into both shares of a fixed amount and shares without nominal or par value.

(2) The capital, fixed amount of shares and aggregate consideration referred to in subsection (1) may be expressed, and subscribed for, in any one or more currencies.

(3) No authorisation or issue, or purported authorisation or issue, by an exempted company of any share without nominal or par value shall, if that company has its capital divided into such shares only, be invalid only by reason of the fact it was authorised or issued, or purportedly authorised or issued, prior to the date of commencement of the Companies (Amendment) Law, 1989."

Amendment of section 9  
of the principal Law.

6. Section 9 of the principal Law is amended by deleting the word "A" at

the beginning thereof and substituting the words "Subject to the provisions of section 12, a" therefor.

Amendment of section  
12 of the principal Law.

7. Section 12 of the principal Law is amended as follows -

- (a) in paragraph (a) of subsection (1), by inserting, immediately before the semi-colon at the end thereof, a colon and the following new proviso -

"Provided that an exempted company having no shares of a fixed amount may increase its share capital by such number of shares without nominal or par value, or may increase the aggregate consideration for which such shares may be issued, as it thinks expedient";

- (b) in paragraph (e) of subsection (1), by inserting, immediately before the full stop at the end thereof the words "or in the case of shares without nominal or par value, diminish the number of shares into which its capital is divided";

- (c) in subsection (1), by adding the following words immediately before the full stop at the end thereof -

"The provisions of paragraphs (b), (c) and (d) shall have no application to shares without nominal or par value.".

- (d) by repealing subsection (2) and substituting the following new subsection therefor -

"(2) The powers conferred by this section may not be exercised except by a resolution of the members of the company.".

Amendment of section  
26 of the principal Law.

8. Section 26 of the principal Law is hereby amended, in subsection (2), by adding the following words at the end thereof -

"This subsection applies both to companies incorporated under this Law prior to the date of commencement of the Companies (Amendment) Law, 1987, and to companies so incorporated thereafter.".

Amendment of section  
27 of the principal Law.

9. Section 27 of the principal Law is amended by repealing subsection (2) thereof and substituting the following new subsection therefor -

"(2) This section applies both to companies incorporated under this Law prior to the date of commencement of the Companies (Amendment) Law, 1987 and to companies so incorporated thereafter."

Amendment of section 30A. of the principal Law.

10. (1) Section 30A of the principal Law is amended by deleting subsection (2) thereof and substituting the following two new subsections therefor -

"(2) If a company is in breach of subsection (1), subsections (2), (3) and (4) of section 196 shall apply *mutatis mutandis* to the company as if it were a foreign company which had failed to comply with the provisions of Part VIII.

(3) In this section -

"hold land" means be the proprietor of a legal or beneficial interest in or claim to or over immoveable property whether freehold or leasehold and includes being the proprietor of a legal or beneficial interest in the equity capital of a company which holds land; and

"equity capital" with respect to company includes shares, stock and scrip whether registered, inscribed or bearer which (other than by way of a fixed and predetermined right to interest and repayment of subscribed capital at par) entitles the owner to any variable right of participation in the profits of the company whether by way of dividend, bonus, conversion or to share in the distribution of the assets of the company upon a winding-up."

Amendment of section 32 of the principal Law.

11. Section 32 of the principal Law is amended by repealing subsections (1) and (2) and substituting the following new subsections therefor -

"(1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account called "the share premium account". Where a company issues shares without nominal or par value, the consideration received shall be paid up share capital of the Company.

(2) The share premium account may be applied by the company subject to the provisions, if any, of its memorandum or articles of association, in such manner as the company may from time to time determine including, but without limitation:-

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

- (c) in the manner provided in section 34;
- (d) writing-off the preliminary expenses of the company;
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company;

Provided that no distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company shall be able to pay its debts as they fall due in the ordinary course of business and the company and any director or manager of the company who knowingly and wilfully authorises or permits any distribution or dividend to be paid in contravention of the foregoing provision shall be guilty of an offence and liable on summary conviction to a fine not exceeding fifteen thousand dollars or to a term of imprisonment not exceeding five years or to both such fine and imprisonment."

Amendment of section 33 of the principal Law.

12. Section 33 of the principal Law is amended as follows -

- (a) in paragraph (a) of subsection (1), by deleting the words "passed in general meeting"; and
- (b) by adding the following new subsection at the end thereof -

"(4) The provisions of this section do not apply to shares issued, or proposed to be issued, without nominal or par value."

Amendment of principal Law by addition of new section 33A.

13. The principal Law is amended by adding, immediately following section 33, the following new section -

"Power of company to pay commissions.

33A. (1) A company has the power, and shall be deemed always to have had the power, to pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the company, or procuring or agreeing to procure

subscriptions (whether absolute or conditional) for any shares in the company, if the payment of the commission is authorised by the articles of association of the company.

(2) Nothing in subsection (1) affects the power of a company to pay such brokerage as has previously been lawful.

(3) A vendor to, or promotor of, or other person who receives payment in money or shares from, a company has, and is deemed always to have had, power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been lawful under subsection (1)."

Amendment of section  
34 of the principal Law.

14. Section 34 of the principal Law is amended as follows -

- (a) paragraph (c) of subsection (3), by deleting the word "affected" and substituting the word "effected" therefor;
- (b) in paragraph (d) of subsection (3), by -
  - (i) deleting the word "article" and substituting the word "articles" therefor; and
  - (ii) deleting the words "the company in general meeting" and substituting the words "a resolution of the company" therefor;
- (c) in paragraph (e) of subsection (3), by
  - (i) deleting the word "shares" where it firstly appears and substituting the word "share" therefor; and
  - (ii) adding, immediately before the full stop at the end thereof, the words "or in the manner provided for in subsection (5)";
- (d) in paragraph (f) of subsection (3) by -
  - (i) deleting the words "Subject to the provisions of subsection (5), shares" and substituting the word "Shares" therefor;
  - (ii) adding, immediately before the full stop at the end thereof, the words "or in the manner provided for in subsection (5)";

(e) in paragraph (h) of subsection (3) by inserting the word "the" immediately before the word "nominal";

(f) in paragraph (c) of subsection (5), by inserting the word "which" immediately after the word "payment" where it firstly appears therein;

(g) in paragraph (d) of subsection (5), by deleting the word "normal" and substituting the word "nominal" therefor;

(h) by adding the new subsection at the end thereof -

"(9) The provisions of this section do not apply to shares without nominal or par value."

Amendment of section 57 of the principal Law.

15. Section 57 is amended by repealing subsection (1) and substituting the following new subsection therefor -

"(1) A resolution is a special resolution when

(a) it has been passed by a majority of not less than two-thirds (or such greater number as may be specified in the articles of association of the company) of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, or

(b) if so authorised by its articles of association, it has been approved in writing by all of the members entitled to vote at a general meeting of the company in one or more instruments each signed by one or more of the members aforesaid and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments if more than one is executed."

Amendment of section 64 of the principal Law.

16. Section 64 of the principal law is amended by deleting the words "in general meeting" and substituting the words "by resolution of its members" therefor.

Repeal and replacement of section 70 of the principal Law.

17. Section 70 of the principal Law is repealed and the following new section substituted therefor -

"Minutes of proceedings.

70. (1) Every company shall cause minutes of all resolutions and proceedings of its members, whether at general meetings or otherwise, and of its directors or managers (where there are directors or managers), whether at meetings or otherwise, to be duly kept in writing.



(2) Any minute of a general meeting of the company or a meeting of the directors or managers, if purporting to be signed by the chairman of the meeting, or by the chairman of the next succeeding meeting, shall be received as evidence of the proceedings at that meeting; and until the contrary is proved, every general meeting of the company, or meeting of the directors or managers in respect of the proceedings of which minutes have been so made, shall be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings had, to have been duly passed and had, and all appointments of directors, managers or liquidators shall be deemed to be valid, and all acts done by such directors, managers and liquidators shall be valid, notwithstanding any defect that may afterwards be discovered in their appointments or qualifications."

Amendment of section 77 of the principal Law.

18. Section 77 of the principal Law is amended in subsection (1) by inserting, immediately following the word "Registrar", the words ", or to pay the fees prescribed by sections 38 or 185".

Repeal and replacement of section 81 of the principal Law.

19. Section 81 of the principal Law is repealed and the following new section substituted therefor -

"Power of company to have official seal for use abroad.

81. (1) A company shall maintain a common seal, which shall bear the name of the company engraved in legible characters, at such place as the company may from time to time determine and in default of any such determination at its registered office and may, if so authorised by its articles of association, maintain a duplicate seal or seals, each of which shall be a facsimile of its common seal at such place or places throughout the world as it may authorise and any such duplicate seal may, but shall not be obliged to, bear on its face the name of any country, territory, district or place where it is to be used.

(2) A deed or other document to which any such duplicate seal is duly affixed shall bind the company as if it had been sealed with the common seal of the company.

(3) A company having any such duplicate seal may authorise any person appointed for the purpose to affix the duplicate seal to any deed or other document to which the company is party.

(4) The authority of any such agent shall, as between the company and any person dealing with

the agent, continue during the period, if any, specified in the instrument conferring the authority, or if no period is so specified, then until notice of the revocation or determination of the authority of the agent has been given to such person.

(5) The person affixing any such duplicate seal shall by writing under his hand certify on the deed or other instrument to which the seal is affixed the date on which it is affixed."

Amendment of section 84 of the principal Law.

20. Section 84 of the principal Law is amended by repealing subsection (4) and substituting the following new subsection therefor -

"(4) In this section -

"property" includes property, rights and powers of every description;

"liabilities" includes duties; and

"transferee company" means any company or body corporate established in the Islands or in any other jurisdiction."

Amendment of section 129 of the principal Law.

21. Section 129 of the principal Law is amended, in paragraph (a), by deleting the words "in general meeting has passed" and substituting the words "has by resolution of its members adopted" therefor.

Amendment of section 133 of the principal Law.

22. Section 133 of the principal Law is amended as follows -

(a) in paragraph (c), by deleting the words "in general meeting" and substituting the words "by resolution of its members" therefor; and

(b) in paragraph (e), by deleting the words "in general meeting" and substituting the words "by resolution of its members" therefor.

Amendment of section 184 of the principal Law.

23. Section 184 of the principal Law is amended in paragraph (c), by deleting the words "section 190" and substituting the words "sections 190 and 191" therefor.

Repeal and replacement of section 190 of the principal Law.

24. Section 190 of the principal Law is hereby repealed and replaced by the following new section -

"Prohibited enterprises.

190. An exempted company shall not trade in the Islands with any person, firm or corporation except in furtherance of the business of the exempted company carried on outside the Islands:

Provided that nothing in this section shall be

construed so as to prevent the exempted company effecting and concluding contracts in the Islands and exercising in the Islands all of its powers necessary for the carrying on of its business outside the Islands."

Repeal and replacement  
of section 196 of the  
principal Law.

25. Section 196 of the principal Law is repealed and replaced by the following new section -

"Power of certain  
foreign companies to  
hold land.

196. (1) No body corporate incorporated outside the Islands shall have power to hold land in the Islands:

Provided that a foreign company which has delivered to the Registrar the documents, particulars and fees specified in section 195 shall have such power.

(2) If a body corporate incorporated outside the Islands which is not a foreign company holds land in the Islands or if a foreign company ceases to carry on, or have a place of, business in the Islands or ceases to be a foreign company or fails to comply with any provisions of this Part, the Governor in Council may, whenever it appears to him to be necessary in the public interest, order the body corporate or company to transfer any lands held by, vested in or belonging to it to a person capable of holding such lands and of being registered as proprietor thereof under the Registered Land Law (Revised).

(3) If a body corporate or a company fails to comply with an order under subsection (2), the Registrar may apply to the Court for an order that the land shall vest in the Financial Secretary for the benefit of the Islands and be subject to the disposition of the Governor in Council and the Court may order accordingly.

(4) An order under subsection (2), and any order or proceedings required by the Court to be served in respect of an application under subsection (3) shall be served by personal service on a person, if any, whose name and address has been delivered by the company to the Registrar under paragraph (c) of subsection (1) of section 195:

Provided that in the event any such order or proceedings may not be served by such personal service it or they may be served by -



- (a) personal service on the attorney holding a power of attorney whereunder he is authorised to accept service of orders and proceedings of the Court;
- (b) sending it by registered post to the body corporate or company at its usual or last-known postal address in the Islands;
- (c) leaving it at the last known place of business of the body corporate or company in the Islands;
- (d) publication in three consecutive issues of the Gazette;
- (e) publication in three consecutive issues of a newspaper published and circulating in the Islands; or
- (f) displaying it in a prominent position on the lands and causing it to be kept so displayed for one month."

(5) In this section, "hold land" bears the meaning ascribed to that expression in subsection (3) of section 30A.

Amendment of principal Law by addition of a Part XI.

26. The principal Law is amended by inserting immediately following Part X, the following new Part -

#### "PART XI - TRANSFER BY WAY OF CONTINUATION

Application for continuation.

210. (1) A body corporate incorporated, registered or existing with limited liability and a share capital under the laws of any jurisdiction outside the Islands (which body corporate is in this Part referred to as a "registrant") may apply to the Registrar to be registered by way of continuation as an exempted company limited by shares under this Law.

(2) The Registrar shall register a registrant if:-

- (a) the registrant is incorporated, registered or existing in a jurisdiction for the time being designated by the Governor as recognised for the purposes of this Part (in this section referred to as "a relevant designated jurisdiction");
- (b) the registrant has paid to the Registrar a fee equal to the fee payable on the registration of an exempted company under section 25;
- (c) the registrant has delivered to the Registrar the documents listed in paragraphs (a) and (b) of section 195 (in this section referred to as "the charter documents");
- (d) the name of the registrant is acceptable to the Registrar under section 29 or the registrant has undertaken to change the name to an acceptable name within sixty days of registration;
- (e) the registrant has filed with the Registrar notice of the address of its proposed registered office in the Islands;
- (f) the registrant has filed with the Registrar a declaration signed by a director of the registrant that the operations of the registrant will be conducted mainly outside the Islands;
- (g) no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the registrant in any jurisdiction;
- (h) no receiver, trustee or administrator or other similar

person has been appointed in any jurisdiction and is acting in respect of the registrant, its affairs or its property or any part thereof;

- (i) no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the registrant are and continue to be suspended or restricted;
- (j) the registrant is able to pay its debts as they fall due;
- (k) the application for registration is *bona fide* and not intended to defraud existing creditors of the registrant;
- (l) the registrant shall have delivered to the Registrar an undertaking signed by a director of the registrant that notice of the transfer has been or will be given within twenty-one days to the secured creditors of the registrant;
- (m) any consent or approval to the transfer required by any contract or undertaking entered into or given by the registrant has been obtained, released or waived, as the case may be;
- (n) the transfer is permitted by and has been approved in accordance with the charter documents of the registrant;
- (o) the laws of the relevant designated jurisdiction permit the transfer by the registrant and have been complied with;
- (p) the registrant is constituted in a form or substantially a form which could have been

incorporated as an exempted company limited by shares under this Law;

- (q) the registrant will upon registration hereunder cease to be incorporated, registered or exist under the laws of the relevant designated jurisdiction;
- (r) the registrant, if it is (or will when registered by way of continuation be) prohibited from carrying its business in or from within the Islands unless licensed under any Law, has applied for and obtained the requisite licence; and
- (s) the Registrar is not aware of any other reason why it would be against the public interest to register the registrant.

(3) The provisions of paragraphs (g), (h), (i), (j), (k), (m), (n), (o) and (q) of subsection (2) shall be satisfied by filing with the Registrar a voluntary declaration or affidavit of a director of the registrant to the effect that, having made due enquiry, he is of the opinion that the requirements of those paragraphs have been met and which declaration or affidavit shall include a statement of the assets and liabilities of the registrant made up to the latest practicable date before making the declaration or affidavit.

(4) Any director making a declaration or affidavit under subsection (3) without reasonable grounds therefor shall be guilty of an offence and liable upon conviction by a court of summary jurisdiction to a term of imprisonment not exceeding five years or to a fine not exceeding fifteen thousand dollars or to both.

211. (1) Upon registration of a registrant under this Part the Registrar shall issue a certificate under his hand and seal of office that the registrant is registered by way of continuation as an exempted company and specifying the date of such registration. The provisions of subsection (3) of section 26 shall apply *mutatis mutandis* to such certificate.

Registration under this Part.

(2) The Registrar shall enter in the register of companies the date of registration of the registrant and to the extent possible with respect to a registrant particulars of the matters specified in paragraphs (a) to (h), inclusive, of subsection (3) of section 25.

(3) From the commencement of the date of registration of the registrant it shall continue as a body corporate for all purposes as if incorporated and registered as an exempted company under and subject to this Law the provisions of which shall apply to the company and to persons and matters associated therewith as if such company were so incorporated and registered and such company shall have, but without limitation to the generality of the foregoing:-

- (a) the capacity to perform all the functions of an exempted company;
- (b) the capacity to sue and to be sued;
- (c) perpetual succession and a common seal;
- (d) the power to acquire, hold and dispose of property,

and the members of the company shall have such liability to contribute to the assets of the company in the event of its being wound up under this Law as is provided therein:

Provided always that the foregoing provisions of this Part shall not operate -

- (a) to create a new legal entity;
- (b) to prejudice or affect the identity or continuity of the registrant as previously constituted;
- (c) to affect the property of the registrant;
- (d) to affect any appointment made, resolution passed or any other act or thing done in relation to the registrant pursuant to a power conferred by any of the



charter documents of the registrant or by the laws of the jurisdiction under which the registrant was previously incorporated, registered or existing;

- (e) except to the extent provided by or pursuant to this Part, to affect the rights, powers, authorities, functions and liabilities or obligations of the registrant or any other person;
- (f) to render defective any legal proceedings by or against the registrant and any legal proceedings that could have been continued or commenced by or against the registrant before its registration hereunder may, notwithstanding the registration, be continued or commenced by or against the registrant after registration.

Amendment etc. of  
charter documents.

212. (1) A registrant shall within ninety days of registration by special resolution passed in accordance with this Law make such amendments, alterations, modifications, variations, deletions and additions (in this section referred to as "changes") (if any) to its charter documents as are necessary to ensure that they comply with the requirements of this Law as they relate to an exempted company.

(2) Within ninety days of registration, the registrant -

- (a) may, instead of passing a special resolution making the changes required by subsection (1);
- (b) shall, whether or not it has passed such a special resolution making, or purporting to make, such changes, if the Registrar so directs -

apply to the Court for an order approving such changes and the Court, if satisfied that the changes (with such modifications, if any, as it considers

appropriate) are necessary to ensure that the charter documents of the registrant comply with the requirements of this Law, may approve them accordingly and make such consequential orders as it thinks fit. Changes, when so approved, shall take effect as if they formed part of the charter documents.

(3) A copy of the special resolution passed under subsection (1) or of the order of the Court made under subsection (2) shall be filed with and registered by the Registrar whose certificate of registration thereof shall be conclusive evidence that the charter documents comply with the requirements of this Law.

(4) After registration of the registrant and until such time as the charter documents of the registrant are changed to comply with the requirements of this Law or to the extent they cannot be changed so to comply, the provisions of this Law shall prevail.

(5) The provisions of the charter documents of a registrant which would, if the company had been incorporated under this Law, have been required by this Law to be included in its memorandum of association shall be deemed to be the registered memorandum of association of the company and the provisions of the charter documents that do not by virtue of the foregoing constitute the registered memorandum of association shall be deemed to be the registered articles of association of the company and the company and its members shall be bound thereby accordingly.

213. Where a registrant is also registered as a foreign company under Part VIII of this Law, it shall upon registration under Part XI automatically cease to be registered under Part VIII and the Registrar shall cancel such registration.

214. The Registrar shall forthwith give notice in the *Gazette* of the registration of a registrant under this Part, the jurisdiction under whose laws the registrant was previously incorporated, registered or existing and the previous name of the registrant if different from the current name.

Effect of registration  
under this Part on  
companies Registered  
under Part VIII.

Notice of registration  
etc. to be given in  
*Gazette*.

Deregistration of  
exempted companies  
including companies  
registered under this  
Part.

215. (1) An exempted company incorporated and registered with limited liability and a share capital under this Law, including a company registered by way of continuation under this Part, which proposes to be registered by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Islands (hereinafter called an "applicant") may apply to the Registrar to be deregistered in the Islands.

(2) The Registrar shall so deregister an applicant if:-

- (a) the applicant proposes to be registered by way of continuation in a jurisdiction for the time being designated by the Governor as recognised for the purposes of this Part (hereinafter in this section called "a relevant designated jurisdiction");
- (b) the applicant shall have paid to the Registrar a fee of four hundred and seventy five dollars;
- (c) the applicant has filed with the Registrar notice of any proposed change in its name and of its proposed registered office or agent for service of process in the relevant designated jurisdiction;
- (d) no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the applicant in any jurisdiction;
- (e) no receiver, trustee or administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the applicant, its affairs or its property or any part thereof;

- (f) no scheme, order, compromise or other similar arrangement has been entered into or made whereby the rights of creditors of the applicant are and continue to be suspended or restricted;
- (g) the applicant is able to pay its debts as they fall due;
- (h) the application for deregistration is *bona fide* and not intended to defraud creditors of the applicant;
- (i) the applicant has delivered to the Registrar an undertaking signed by a director that notice of the transfer has been or will be given within twenty-one days to the secured creditors of the applicants;
- (j) any consent or approval to the transfer required by any contract or undertaking entered into or given by the applicant has been obtained, released or waived, as the case may be;
- (k) the transfer is permitted by and has been approved in accordance with the memorandum and articles of association of the applicant;
- (l) the laws of the relevant designated jurisdiction permit the transfer by the applicant and have been complied with;
- (m) the applicant, if licensed under the provisions of the Banks and Trust Companies Regulation Law (Revised), as amended, or the Insurance Law 1979, as amended, or, if so previously licensed and in respect of which such licence shall have been suspended or revoked and not reinstated, shall have obtained

consent to the transfer of the Governor;

- (n) the applicant will upon registration under the laws of the relevant designated jurisdiction continue as body corporate limited by shares;
- (o) the Registrar is not aware of any other reason why it would be against the public interest to deregister the applicant.

(3) The provisions of paragraphs (d), (e), (f), (g), (h), (j), (k), (l), and of (n) of subsection (2) shall be satisfied by filing with the Registrar a voluntary declaration or affidavit of a director of the applicant to the effect that, having made due enquiry, he is of the opinion that the requirements of those paragraphs have been met and which declaration or affidavit shall include a statement of the assets and liabilities of the applicant made up to the latest practicable date before the making of the declaration or affidavit.

(4) Any director making a declaration or affidavit under subsection (3) hereof without reasonable grounds therefor shall be guilty of an offence and liable upon conviction by a court of summary jurisdiction to a term of imprisonment not exceeding five years or to a fine not exceeding fifteen thousand dollars or to both.

216. (1) Upon deregistration of an applicant under this Part the Registrar shall issue a certificate under his hand and seal of office that the applicant has been deregistered as an exempted company and specifying the date of such deregistration.

(2) The Registrar shall enter in the register of companies the date of deregistration of the applicant.

(3) From the commencement of the date of deregistration the applicant shall cease to be a company for all purposes under this Law and shall continue as a company under the laws of the relevant designated jurisdiction:

Provided always that the foregoing

Certification of  
deregistration, etc.

provisions of this subsection shall not operate:-

- (a) to create a new legal entity;
- (b) to prejudice or affect the identity or continuity of the applicant as previously constituted;
- (c) to affect the property of the applicant;
- (d) to affect any appointment made, resolution passed or any other act or thing done in relation to the applicant pursuant to a power conferred by memorandum and articles of association of the applicant or by the laws of the Islands;
- (e) except to the extent provided by or pursuant to this Part, to affect the rights, powers, authorities, functions and liabilities or obligations of the applicant or any other person;
- (f) to render defective any legal proceedings by or against the applicant, and any legal proceedings that could have been continued or commenced by or against the applicant before its deregistration hereunder may, notwithstanding the deregistration, be continued or commenced by or against the applicant after deregistration."

Application of Part VIII  
to deregistered  
companies.

Notice of deregistration,  
etc., to be given in the  
*Gazette*.

217. Part VIII of this Law shall where relevant apply to any company which is deregistered pursuant to this Part XI.

218. The Registrar shall forthwith give notice in the *Gazette* of the deregistration of an applicant under this Part, the jurisdiction under the laws of which the applicant has been registered by way of continuation and name of the applicant, if changed."

Passed the Legislative Assembly this 5th day of September, 1989.

**ALAN SCOTT**  
President

**GEORGETTE MYRIE**  
Clerk of the Legislative Assembly

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