

CAYMAN ISLANDS



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Law 3 of 1993

1 Assent

J LEMUEL HURLSTON
Acting Governor

7 May 1993

A LAW TO AMEND
THE COMPANIES LAW (REVISED)

THE COMPANIES (AMENDMENT) LAW, 1993

(LAW 3 OF 1993)

1. The Law may be cited as the Companies (Amendment) Law, 1993.
2. In the Companies Law (Revised):
 3. Section 2(1) of the principal Law is amended by inserting after the definition "exempted company" the following definition –
"exempted limited duration company" means an exempted company registered as an exempted limited duration company under section 15(1);
 4. Section 21 of the principal Law is amended by adding at the end –
"limited duration company" means a company that is not an exempted limited duration company but is registered by a name which includes at its end the words "Limited Duration Company" or "LDC".

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I Assent

**J LEMUEL HURLSTON
Acting Governor**

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**A LAW TO AMEND
THE COMPANIES LAW (REVISED)**

ENACTED by the Legislature of the Cayman Islands.

- Short title. 1. This Law may be cited as the Companies (Amendment) Law, 1993.
- Interpretation. 2. In this Law "principal Law" means the Companies Law (Revised).
- Section 2 amended. 3. Section 2(1) of the principal Law is amended by inserting after the definition "exempted company" the following definition –
"exempted limited duration company" means an exempted company registered as an exempted limited duration company under section 195B;".
- Section 29 amended. 4. Section 29 of the principal Law is amended by adding at the end the following subsection –
"(3) A company that is not an exempted limited duration company shall not be registered by a name which includes at its end "Limited Duration Company" or "LDC".

Section 131
amended.

5. Section 131 of the principal Law is amended by omitting "A company" and substituting "Subject to section 195D(3), a company".

Section 132
amended.

6. Section 132 of the principal Law is amended by omitting "A voluntary winding up" and substituting "Subject to section 195D (3), a voluntary winding up".

Part VIIA
inserted.

7. The principal Law is amended by inserting after Part VII the following Part –

"Part VIIA Exempted Limited Duration Companies

Exempted company
may apply to be
registered as an
exempted limited
duration company.

195A. (1) An exempted company may at any time apply to the Registrar to be registered as an exempted limited duration company.

(2) An application may also be made under subsection (1) at the same time as an application is made –

(a) to register a proposed company as an exempted company; or

(b) to re-register an ordinary non-resident company as an exempted company; or

(c) to register a company by way of continuation as an exempted company.

(3) An application under subsection (1) must, in addition to any other fee that may be payable, be accompanied by an application fee of \$200.

Registration as an
exempted limited
duration company.

195B. (1) The Registrar shall register as an exempted limited duration company an exempted company that has made application under section 195A if –

(a) the company has at least 2 subscribers or 2 members; and

(b) where the company was not already registered as a company prior to the application –

(i) the memorandum of association of the company limits the duration of the company to a period of 30 years or less; and

- (ii) the name of the company includes at its end "Limited Duration Company" or "LDC" and
 - (c) where the company was already registered as a company prior to the application -
 - (i) the Registrar has been supplied, where the duration of the company is not already limited to a period of 30 years or less with a certified copy of a special resolution of the company altering its memorandum of association to limit the duration of the company to a period of 30 years or less; and
 - (ii) the Registrar has been supplied, in accordance with section 30, with a copy of a special resolution of the company changing its name to a name that includes at its end "Limited Duration Company" or "LDC".
- (2) On registering an exempted company as an exempted limited duration company the Registrar shall -
- (a) in the case of a company referred to in subsection (1) (b) - certify in the certificate of incorporation issued in accordance with section 26(2) or the certificate of registration by way of continuation issued in accordance with section 213(1) that the company is registered as an exempted limited duration company; and
 - (b) in the case of a company referred to in subsection (1)(c) - certify in the certificate of incorporation issued in accordance with section 30(2) that the company is registered as an exempted limited duration company stating the date of such registration.
- (3) A special resolution passed for the purpose of subsection (1)(c) (ii) has no effect until the company

is registered as an exempted limited duration company.

Contents of articles of association.

195C.(1) The articles of association of an exempted limited duration company may provide that the transfer of any share or other interest of a member of the company requires the unanimous resolution of all the other members.

(2) The articles of association of an exempted limited duration company may provide that the management of the company is vested in the members of the company either equally per capita or in proportion to their share or other ownership interest in the company or in such other manner as may be specified in the articles of association.

(3) Where the articles of association of an exempted limited duration company contain the provision referred to in subsection (2) the members of the company are to be considered to be the directors of the company but with power, if so provided by the articles of association, to delegate the management to a board of directors.

Winding up of an exempted limited duration company.

195D.(1) An exempted limited duration company is to be taken to have commenced voluntary winding up and dissolution –

- (a) when the period fixed for the duration of the company expires; or
- (b) if the members of the company pass a special resolution that the company be wound up voluntary; or
- (c) subject to any contrary provision in the memorandum or articles of association of the company, on the expiry of a period of 90 days starting on -
 - (i) the death, insanity, bankruptcy, dissolution, withdrawal, retirement or resignation of a member of the company; or
 - (ii) the redemption, repurchase or cancellation of all the shares of a member of the company; or

- (iii) the occurrence of any event which under the memorandum or articles of association of the company terminates the membership of a member of the company,

unless there remain at least 2 members of the company and the company is continued in existence by the unanimous written resolution of those members pursuant to amended articles of association of the company adopted during that period of 90 days.

(2) Where the winding up of a company is to be taken to have commenced by virtue of subsection (1) the members of the company must, by resolution, appoint a liquidator for the purpose of the winding up, but if they fail to do so section 143 applies.

(3) Sections 131 and 132 have no application to an exempted limited duration company.

Cancellation of registration.

195E.(1) A company ceases to be an exempted limited duration company if –

- (a) the Registrar issues a certificate under section 218 on deregistration of the company; or
- (b) the Registrar issues a certificate of incorporation in accordance with section 30(2) which records a change of name for the company that does not include at its end "Limited Duration Company" or "LDC"; or
- (c) the company passes a special resolution in accordance with section 9 to alter its memorandum of association to provide for a period of duration of the company that exceeds or is capable of exceeding 30 years,

and in the case of paragraph (b) or (c), the company pays a deregistration fee of \$200.

(2) On a company ceasing to be an exempted limited duration company –

(a) the Registrar shall, where the company has ceased to be an exempted limited duration company by virtue of subsection (1)(b) or (c), issue to the company a certificate of incorporation altered to meet the circumstances of the case; and

(b) in all cases the certificate issued by virtue of section 195B(2) ceases to have effect.

(3) A special resolution passed for the purpose of subsection (1)(c) has no effect until a certificate of incorporation is issued by the Registrar under subsection (2)(a)."

Passed by the Legislative Assembly the 26th day of March, 1993.

SYBIL McLAUGHLIN
Speaker.

GEORGETTE MYRIE
Clerk of the Legislative Assembly.

(Price \$1.60)