

CAYMAN ISLANDS



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**COMPANIES MANAGEMENT LAW
(2018 Revision)**

Law 15 of 1999 consolidated with Laws 4 of 2000, 6 of 2001, 39 of 2002, 24 of 2016, 1 of 2017 and 44 of 2017.

Revised under the authority of the Law Revision Law (1999 Revision).

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Law 15 of 1999-6th August, 1999
Law 4 of 2000-14th July, 2000
Law 6 of 2001-26th April, 2001
Law 39 of 2002-19th December, 2002
Law 24 of 2016-24th October, 2016
Law 1 of 2017-27th February, 2017
Law 44 of 2017-16th November, 2017.

Consolidated and revised this 28th day of February, 2018.

Note (not forming part of the Law): This revision replaces the 2003 Revision which should now be discarded.

**COMPANIES MANAGEMENT LAW
(2018 Revision)**

ARRANGEMENT OF SECTIONS

1. Short title
2. Definitions
3. Definition of “business of company management”
4. Definition of “group of companies”
5. Application to be made to Authority
6. Fees and returns
7. Display of licence
8. Register of management companies
9. Shares not to be issued or transferred without approval of the Authority
10. Net worth requirements
11. Use of words connoting business of company management
12. Segregation of property
13. Accounts and audit
14. Certain prohibitions on licensee
15. Number and approval of directors
16. Powers and duties of the Authority
17. Licensees to insure
18. Additional powers of Authority
19. Power of search
20. Winding up
21. Appeals
22. Offences by corporations
23. Regulations
24. Savings and transitional

COMPANIES MANAGEMENT LAW
(2018 Revision)

1. This Law may be cited as the Companies Management Law (2018 Revision). Short title

2. In this Law - Definitions

“address” in respect of a service provided by a person carrying on the business of company management, means an address for the receipt of correspondence or electronic communications (including telephone calls and facsimile communications), or both, provided by that person in the course of that business to a third party;

“Authority” means the Cayman Islands Monetary Authority established under section 5(1) of the Monetary Authority Law (2018 Revision), and includes a person acting under the Authority’s authorisation; 2018 Revision

“company” means a body corporate constituted under the Laws of the Islands or any other jurisdiction;

“custodian” means -

(a) “an authorised custodian” who is a person licensed under this Law to act as a custodian of a bank or trust company licensed under the Banks and Trust Companies Law (2018 Revision); or 2018 Revision

(b) “a recognised custodian” which is an investment exchange or clearing organisation operating a securities clearance or settlement system and carrying on business in an equivalent legislation jurisdiction that is included in the list published in the Gazette and referred to in regulations 22(d) and 23(1) of the Anti-Money Laundering Regulations (2018 Revision); 2018 Revision

“document” includes a device by means of which information is recorded or stored;

“licence” means a licence granted under this Law;

“managed company” means a company to which the services included in the definition of “business of company management” are provided by a licensee;

“net worth” means the excess of assets over liabilities as presented in accordance with applicable and generally accepted accounting principles;

“prescribed” means prescribed by any regulation made under this Law; and

“senior officer” means a managing director, president, chief executive officer or other officer with authority to bind the licensee of which he is an officer.

Definition of “business of company management”

3. (1) In this Law -

“business of company management” means the provision of the following corporate services for profit or reward in or from within the Islands -

2018 Revision

2018 Revision

2018 Revision

- (a) acting as a company formation agent;
- (b) providing a registered office or business address for a company;
- (ba) establishing and maintaining beneficial ownership registers on behalf of companies and limited liability companies incorporated or formed in the Islands, offering an information technology solution to those companies and limited liability companies to make extracts of information on the beneficial ownership register searchable by the competent authority established under Part XVIIIA of the Companies Law (2018 Revision) and responding to requests from the competent authority about whether a company or a limited liability company or a subsidiary of the same is exempted from the application of that Part or of Part 12 of the Limited Liability Companies Law (2018 Revision);
- (c) providing an accommodation, correspondence or administrative address for a company or for any other person;
- (d) filing statutory forms, resolutions, returns and notices;
- (e) acting as or fulfilling the function of or arranging for another person to act as or fulfil the function of a person authorised to accept service of process on behalf of a foreign company carrying on business in the Islands or to accept any notices required to be served on it;
- (f) acting as or fulfilling the function of or arranging for another person to act as or fulfil the function of an officer of a company;
- (g) acting as a nominee shareholder for a company;
- (h) acting as or fulfilling the function of or arranging for another person to act as or fulfil the function of director or alternate director of a company;
- (i) acting as or arranging for another person to act as secretary, alternate, assistant or deputy secretary of a company;
- (j) acting as or fulfilling the function of or arranging for another person to act as or fulfil the function of an authorised custodian for the purposes of the Companies Law (2018 Revision);
- (k) providing other corporate services involving the control of the whole or a substantial part of the assets of a company; and
- (l) providing any additional corporate services as may be specified in regulations.

(2) (a) In this section, reference to a company is a reference -

- (i) to a company wherever incorporated or otherwise established; and
 - (ii) to any similar or equivalent structure or arrangement, howsoever named; and
 - (b) For the purposes of this Law, a person acts as a company formation agent if he arranges for the registration or formation, or the sale, transfer or disposal of companies or he provides for the subscribers to the memorandum of association.
- (3) A natural person shall not be deemed to be in the business of company management merely by virtue of being a director of one or more companies.
- (4) The provision of corporate services does not include -
- (a) the provision of services to other companies within the same group of companies as the company providing the services where all the assets of those other companies are wholly owned by companies within that group and do not include assets owned wholly or partly by third parties;
 - (b) the provision of services to a company which holds a Trust licence under the Banks and Trust Companies Law (2018 Revision) by a subsidiary of that company and in connection with the business of that company; or
 - (c) the provision of services to a company, listed on a stock exchange recognised for the purposes of this paragraph by the Authority, by a person who does not provide any of the specified services to any other company.

2018 Revision

4. (1) For the purposes of this Law, a group of companies comprises every company which, directly or indirectly, is a subsidiary of the same holding company, and such a group includes the holding company.

Definition of "group of companies"

- (2) A company shall be treated as a subsidiary ("the subsidiary") of another company ("the parent") where -
- (a) the parent is a member of the subsidiary and controls the composition of the subsidiary's board of directors;
 - (b) the parent, directly or indirectly, controls more than half of the votes which may be cast at general meetings of the subsidiary; or
 - (c) the subsidiary is a subsidiary of any other company which is itself a subsidiary of the parent.

(3) In paragraph (a) of subsection (2) the composition of a company's board of directors shall be treated as controlled by another company if that other company, by the exercise of some power without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors.

(4) Notwithstanding paragraph (a) of section 3(4), the Authority may, from time to time, require a company which provides the services specified under that subsection to provide any or both of the certificates specified under paragraphs (b) and (c) of section 13(2).

Application to be made
to Authority

5. (1) An application for a licence under this Law shall be made to the Authority in writing.

(2) The Authority may grant either -

- (a) a corporate services licence to an applicant who wishes to provide only the corporate services specified under paragraph (a), (b), (c), (d) or (e) of section 3(1) or such other corporate services as may be prescribed under paragraph (l); or
- (b) a companies management licence to an applicant who wishes to provide the corporate services specified under paragraph (a) in addition to any other corporate services specified under paragraph (l) of section 3.

(3) The Authority may grant a licence to an applicant under this section either unconditionally or subject to conditions.

(4) Subject to subsection (2), a person who carries on the business of company management without being the holder of a current licence under this Law commits an offence and is liable -

- (a) on summary conviction to a fine of ten thousand dollars and to imprisonment for six months; or
- (b) on conviction on indictment to a fine of one hundred thousand dollars and to imprisonment for five years,

and if the offence of which he is convicted is continued after conviction he commits a further offence and is liable to a fine of ten thousand dollars for every day on which the offence is so continued.

(5) An offence under subsection (4) is not committed by -

- (a) a trust company which is the holder of a Trust licence to carry on trust business granted under paragraph (c) of section 6(5) of the Banks and Trust Companies Law (2018 Revision);
- (b) a trust company which is the holder of a Restricted Trust licence granted under paragraph (e) of section 6(5) of the Banks and Trust Companies Law (2018 Revision) in respect of the clients and services specified in the restrictions;
- (c) a trust company which is the holder of a Nominee (Trust) licence granted under paragraph (f) of section 6(5) of the Banks and Trust

2018 Revision

2018 Revision

- Companies Law (2018 Revision) in respect of the nominee function only; 2018 Revision
- (d) a holder of an Insurance Managers licence issued under the Insurance Law, 2010 when engaged in the business of company management in respect of his clients who are insurance companies licensed under that Law; or Law 32 of 2010
- (e) a holder of a Mutual Funds Administrator's licence granted under the Mutual Funds Law (2015 Revision) when engaged in the business of company management in respect of his clients who are mutual funds whether or not licensed or regulated under that Law. 2015 Revision
- (6) An application under this section shall -
- (a) include such information and references; and
 - (b) be accompanied by such fee,
- as may be prescribed.
- (7) The Authority may not grant a licence unless the Authority is satisfied by the applicant -
- (a) that he has sufficient expertise to carry on the business of company management; and
 - (b) that his business of company management will be carried on by persons who are fit and proper persons to be directors or, as the case may be, managers or officers.
- (8) In determining for the purposes of this Law whether a person is a fit and proper person, regard shall be had to all circumstances, including that person's -
- (a) honesty, integrity and reputation;
 - (b) competence and capability; and
 - (c) financial soundness.
- (9) A recognised custodian is not required to be licensed under this Law.
- (10) Where the Authority has granted a licence under this section, the Authority shall immediately publish notification of the grant in the Gazette.
- (11) No person who is licensed under this Law is required to be licensed under the Trade and Business Licensing Law (2018 Revision) or the Local Companies (Control) Law (2015 Revision) in respect of his business of company management. 2018 Revision
2015 Revision
6. (1) Every person to whom a licence is first granted shall, at the date of such grant, pay the prescribed fee. Fees and returns

(2) The holder of a licence on the 1st January of any calendar year shall, on or before the 15th January in each calendar year, pay the prescribed renewal fee, and there shall be payable by a licensee who fails to pay the prescribed renewal fee by that date a surcharge of one-twelfth of that fee for every month or part of a month after the 15th January in each year that the fee is not paid.

(3) A licence in respect of which the prescribed renewal fee remains unpaid by the 31st March in any year shall lapse forthwith but if, within a period of one month, the person who held the licence prior to its lapse pays -

- (a) the prescribed renewal fee;
- (b) the surcharges due under subsection (2); and
- (c) an administration fee of ten per cent of the prescribed renewal fee,

the licence may be renewed for the period from the 1st January to the 31st December, inclusive, of the year in question.

(4) 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.

(5) A holder of a licence under this Law who does not inform the Authority of such changes made relating to any of the information furnished in accordance with section 5(6) as may be prescribed within fourteen days after any such change has occurred commits an offence and is liable on summary conviction to a fine of ten thousand dollars.

(6) In subsection (4) -

“court” means the Grand Court or a court of summary jurisdiction, as the case may be.

Display of licence

7. A licence issued under this Law shall be prominently displayed on the premises where the business of company management is carried on.

Register of management companies

8. (1) The Authority shall maintain a register in which shall be entered the following particulars -

- (a) the name of the licensee;
- (b) the address of the licensee;
- (c) the type of licence granted;
- (d) the location of the registered office of the licensee; and
- (e) the date the licence was issued.

(2) Any person during ordinary office hours may request and, upon payment to the Authority of the prescribed fee, obtain a copy of particulars of any entry in the register.

9. (1) Where a licensee is a company, the company shall not issue shares or a person owning or having an interest in shares in the company shall not transfer or otherwise dispose of or deal in those shares or that interest, unless the Authority has given its approval to the issue, transfer, disposal or dealing, as the case may be, and any conditions of the approval are complied with.

Shares not to be issued or transferred without approval of the Authority

(2) The Authority may, in respect of a licensee whose shares are publicly traded on a stock exchange recognised by the Authority, waive the obligation to obtain approval under subsection (1), and any such waiver -

- (a) shall be subject to a condition that the licensee shall, as soon as reasonably practicable, notify the Authority of -
 - (i) any change in control of the licensee;
 - (ii) the acquisition by any person or group of persons of shares representing more than ten per cent of the issued share capital or total voting rights of the licensee's issued share capital or total voting rights; or
 - (iii) the acquisition by any person or group of persons of shares representing more than ten per cent of the issued share capital or total voting rights of the parent company of the licensee;
- (b) shall be subject to a condition that the licensee shall, as soon as reasonably practicable, provide such information to the Authority, and within such period of time as the Authority may require, for the purpose of enabling an assessment as to whether persons acquiring control or ownership of the licensee in the circumstances set out in paragraph (a) are fit and proper persons to have such control or ownership; and
- (c) shall be subject to such terms and other conditions as the Authority may deem necessary.

(3) In subsection (1), the reference to shares being transferred, disposed of, or dealt with includes the transfer or disposal of, or dealing with, either the legal or a beneficial interest in the shares.

(4) In the event of shares in a company which is licensed under this Law vesting automatically through process of law in a person, the secretary of the company, as soon as he becomes aware of such vesting, shall inform the Authority of the number of shares and the identity of the person in whom they have vested, and the Authority shall have power to impose conditions on the

licence and to issue instructions as to the management and operations of the licensee.

(5) A person who contravenes this section commits an offence and is liable on summary conviction to a fine of twenty thousand dollars.

Net worth requirements

10. (1) Where a limited liability company applies for a companies management licence, no licence shall be issued in respect of such company unless the net worth of that company is not less than twenty-five thousand dollars or such other sum as may be prescribed.

(2) The holder of a companies management licence which is a limited liability company shall, during the period of its licence, maintain its net worth at not less than twenty-five thousand dollars or such other sum as may be prescribed.

(3) Where a limited liability company applies for a corporate services licence, the minimum net worth of the company and the minimum net worth that the company shall be required to maintain during the period of such licence shall be such sum as may be determined by the Authority from time to time.

Use of words connoting
business of company
management

11. (1) No person, other than a licensee, shall -

- (a) use a word which connotes the business of company management, either in English or in any other language, in the description or title under which he carries on business in or from within the Islands; or
- (b) make a representation in a document or in any other manner that he is carrying on the business of company management.

(2) The Authority may require a licensee, being a body corporate with a name, or carrying on business under a name, which -

- (a) is identical with that of another person, whether within the Islands or not, or which so nearly resembles that name as to be likely to deceive;
- (b) in the opinion of the Authority connotes, falsely, the patronage of or connection with a person whether within the Islands or not;
- (c) in the opinion of the Authority connotes, falsely, that it has a special status in relation to or derived from the Government, or has the official backing of or acts on behalf of the Government or of any of its departments or officials; or
- (d) includes any word or expression prescribed in regulations,

forthwith to change the name, and in default of compliance within three calendar months of the receipt of notice from the Authority of the Authority's requirements the Authority may revoke the licensee's licence.

12. A licensee shall segregate the funds and other property of every managed company from the licensee's own funds and property. Segregation of property

13. (1) The holder of a companies management licence shall have his accounts audited annually or at such other time as the Authority may require by an auditor who shall be approved by the Authority and who shall be a member of - Accounts and audit

- (a) the Institute of Chartered Accountants in England and Wales;
- (b) the Canadian Institute of Chartered Accountants;
- (c) the Chartered Association of Certified Accountants of England and Wales;
- (d) the American Institute of Certified Public Accountants; or
- (e) any other professional body or institute approved by the Authority.

(2) Within six months of the end of the financial year of the holder of a companies management licence, he shall forward to the Authority -

- (a) his audited accounts for the financial year just ended;
- (b) a certificate of compliance with this Law and any regulations made hereunder or the Monetary Authority Law (2018 Revision), signed by the licensee or, if the licensee is a body corporate, a director of the licensee; and 2018 Revision
- (c) an auditor's certificate of the existence of adequate procedures to ensure compliance by the licensee with any Code of Practice that may be issued -
 - (i) under section 113 of the Proceeds of Crime Law (2018 Revision); or 2018 Revision
 - (ii) under regulations made hereunder.

(3) The holder of a corporate services licence shall, once every two years (or such shorter or longer period as the Authority may require in any individual case), forward to the Authority the certificates specified under paragraphs (b) and (c) of subsection (2)

(4) A licensee may not change his auditor without the prior written approval of the Authority, and the outgoing auditor shall explain the circumstances giving rise to the change of auditor prior to such approval being given.

(5) A person who signs a certificate under paragraph (b) of subsection (2) who knows or ought reasonably to know that such certificate is false commits an offence and -

- (a) is liable on summary conviction to a fine of five thousand dollars;
- (b) shall have his licence, or the licence held by the body corporate of which he is a director, revoked; and

(c) shall not be granted a further licence, nor be permitted to be a director of a body corporate which holds a licence.

(6) If an auditor, in the course of carrying out an audit of the accounts of a licensee, becomes aware, or has reasonable grounds to believe, that the licensee is -

- (a) unable to meet his obligations as they fall due;
- (b) carrying on or attempting to carry on his business of company management or winding up his business of company management in a manner that is prejudicial to his managed companies or their owners, or to his creditors, or to the creditors of his managed companies or their owners;
- (c) carrying on or attempting to carry on business without keeping any or sufficient accounting records to allow his accounts to be properly audited; or
- (d) carrying on business in a fraudulent or criminal manner,

the auditor shall immediately give the Authority written notice of his knowledge or belief and giving his reasons for that knowledge or belief.

(7) A person who contravenes subsection (6) commits an offence and is liable on summary conviction to a fine of ten thousand dollars.

(8) A reference in this section to an auditor carrying out an audit of the accounts of a licensee includes an auditor who was engaged to carry out such an audit or who was in the course of carrying out such an audit but resigned before carrying out or completing the audit or whose contract to carry out or complete the audit was otherwise terminated.

(9) No person carrying out or charged with the carrying out of any duty, obligation or function under this section shall incur civil liability to any other person for anything done or omitted to be done in respect of the discharge, purported discharge or non-discharge of that duty or function unless it is shown that the act or omission was in bad faith.

Certain prohibitions on licensee

14. A licensee shall not without the prior approval of the Authority -

- (a) open outside the Islands a subsidiary, branch, agency or representative office; or
- (b) change his name.

Number and approval of directors

15. (1) The holder of a companies management licence which is a company shall at no time have fewer than two directors.

(2) No appointments -

- (a) to the board of directors; or

(b) of a senior officer of a licensee which is a company,

shall be made without the prior written approval of the Authority, or, in the case of the holder of a corporate services licence, without giving one month's prior notice to the Authority.

(3) A licensee shall remove or replace a director, or dismiss a senior officer, who is convicted in any country of an offence involving dishonesty within fourteen days of the conviction.

(4) The Authority may require any licensee which is a company to remove any director or senior officer.

16. (1) The Authority shall -

Powers and duties of the Authority

- (a) maintain a general review of the business of company management in the Islands and make such recommendations to the Cabinet as may be considered necessary with respect to the making of regulations under this Law;
- (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;
- (c) whenever the Authority considers it necessary, assist in the investigation of any offence against the laws of the Islands for which there are reasonable grounds for believing has or may have been committed by a licensee or by any of its directors or officers in their capacity as such;
- (d) examine accounts and audited annual accounts forwarded to it under section 13 and report on them to the Cabinet whenever the Authority considers it necessary;
- (e) examine and determine applications for licences; and
- (f) act as the adviser to the Cabinet and take all necessary action to ensure the proper and just implementation of this Law.

(2) In the performance of its functions under this Law, the Authority may, at all reasonable times, require a person whom the Authority reasonably believes is carrying on the business of company management in contravention of this Law, or a licensee to provide -

- (a) access to, and to allow copies to be made of, such books, records and documents;
- (b) access to such cash and securities; and
- (c) such information or explanation,

as the Authority may reasonably require for the performance of its functions under this Law.

(3) If it appears to the Authority that there are reasonable grounds for suspecting that an offence against this Law has been or is being committed by any person, the Authority may, with the approval of the Court, take such action as may be necessary in the interests of -

- (a) a managed company;
- (b) an owner of a managed company;
- (c) a creditor of a managed company; or
- (d) a creditor of an owner of a managed company,

to preserve any assets held by that managed company, owner or creditor.

(4) If the Authority considers there are reasonable grounds for believing that an offence against this Law has been committed, the Authority may apply to the Court for any order which is necessary to facilitate the investigation of the offence.

(5) A person who fails to comply with any requirement of the Authority under subsection (2) commits an offence and is liable on summary conviction to a fine of ten thousand dollars, and on conviction on indictment to a fine of one hundred thousand dollars, and if the offence of which he is convicted is continued after conviction he commits a further offence and is liable to a fine of ten thousand dollars for every day on which the offence is so continued.

(6) A person who, knowingly or recklessly, furnishes any information, provides any explanation or makes any statement which is false or misleading in a material particular commits an offence and is liable on summary conviction to a fine of ten thousand dollars and to imprisonment for six months, or on conviction on indictment to a fine of one hundred thousand dollars and to imprisonment for five years.

Licensees to insure

17. (1) A licensee shall insure with authorised insurers against the losses referred to in subsection (3).

(2) The insurance required by subsection (1) shall provide a minimum aggregate cover of one million dollars and a minimum cover of one million dollars for each and every claim.

(3) The losses against which a licensee is required to insure are all losses arising from claims in respect of civil liability incurred in connection with the business of company management -

- (a) by the licensee;
- (b) by any of his officers or employees, or former officers or employees; or
- (c) by any person who is or was -
 - (i) a consultant to the licensee;
 - (ii) an associate employed by the licensee; or
 - (iii) working for the licensee as an agent.

(4) An authorised insurer shall issue annually a certificate of insurance to a licensee upon payment by the licensee of the relevant insurance premiums.

(5) A certificate of insurance issued to a licensee under subsection (4) shall specify the amount of insurance cover provided to the licensee.

(6) The Authority may, at any time, by notice in writing, require a licensee to submit to it a copy of the current certificate of insurance issued to him under this Law.

(7) In this section -

“authorised insurer” means an insurer licensed under the Insurance Law, 2010 to carry on insurance business within the meaning of that Law, or any other insurer approved by the Authority.

Law 32 of 2010

(8) The Cabinet may, by regulations, prescribe different amounts of minimum cover specified in subsection (2).

18. (1) If the Authority is of the opinion that a licensee -

Additional powers of Authority

- (a) is or appears likely to become unable to meet his obligations as they fall due;
- (b) is carrying on business in a manner detrimental to the public interest, to the interest of his clients or to the interest of his creditors;
- (c) has contravened this Law Part XVIIIA of the Companies Law (2018 Revision) or Part 12 of the Limited Liability Companies Law (2018 Revision);
- (d) has failed to comply with a condition of its licence; or
- (e) is not a fit and proper person to hold a licence,

2018 Revision

2018 Revision

the Authority may -

- (i) revoke the licence;

1997 Revision

- (ia) require the licensee immediately to take steps to rectify the matter;
- (ib) suspend the licence of the licensee pending a full examination of the licensee's affairs under section 16(1)(b);
- (ic) impose conditions with respect to decisions made by the licensee including the suspension of voting rights or nullification of votes cast;
- (ii) impose conditions or further conditions, upon the licence and may amend or revoke any such condition;
- (iii) require the substitution or removal of any director, manager or officer of the licensee;
- (iv) at the expense of the licensee, appoint a person to advise the licensee on the proper conduct of his affairs and to report to the Authority thereon within three months of the date of his appointment;
- (v) at the expense of the licensee, appoint a person who shall be known as the Authority's appointed controller, to assume control of the licensee's affairs who shall, subject to necessary modifications, have all the powers of a person appointed as a receiver or manager of a business appointed under section 18 of the Bankruptcy Law (1997 Revision); and
- (vi) require such action to be taken by the licensee as the Authority considers necessary.

(2) Notwithstanding section 21(1), a licensee may, within seven days of a decision to revoke a licence under paragraph (i) of subsection (1), apply to the Authority for a reconsideration of its decision.

(3) A person appointed under paragraph (iv) or (v) of subsection (1), or whose appointment has been extended under paragraph (b) of subsection (4) shall, from time to time at his discretion and in any case within three months of the date of his appointment or of the extension of his appointment, prepare and furnish to the Authority a report of the affairs of the licensee and of his recommendations thereon.

- (4) On receipt of a report under subsection (3), the Authority may -
- (a) revoke the appointment of the person appointed under paragraph (iv) or (v) of subsection (1);
 - (b) extend the period of his appointment;
 - (c) subject to such conditions as the Authority may impose, allow the licensee to reorganise his affairs in a manner approved by the Authority; or

- (d) revoke the licence and apply to the Court for an order that the licensee, if the licensee is a company, be forthwith wound up by that Court, in which case the provisions of the Companies Law (2018 Revision) relating to the winding up of a company shall apply.

2018 Revision

(5) Notwithstanding any other provision in this Law, the Authority may revoke a licence if the licensee has ceased to carry on the business of company management.

(6) Whenever the Authority revokes a licence under paragraph (i) of subsection (1), paragraph (d) of subsection (4) or subsection (5), notice of such revocation shall forthwith be gazetted.

(7) For the purposes of this section a licensee is not a fit and proper person to hold a licence if the licensee, or a director or senior officer of the licensee -

- (a) has been convicted in any country of an offence which involves dishonesty for which the maximum penalty is twelve months' imprisonment or more;
- (b) has been convicted in any country of an offence which involved being a party to the carrying on of the business of a company with intent to defraud the creditors of that company, or the creditors of any other person, or for any other fraudulent purpose;
- (c) has been disqualified in any country from being -
 - (i) a director, liquidator or administrator of a company; or
 - (ii) a receiver or manager of a company's property; or
- (d) has been disqualified in any country from being concerned, either directly or indirectly in the promotion, formation or management of a company.

19. (1) If a magistrate or a judge of the Grand Court, on sworn information in writing, is satisfied that there are reasonable grounds for entry into any premises for any such purposes as are mentioned in subsection (2) and either -

Power of search

- (a) that admission to the premises has been refused, or that a refusal is expected, and that reasonable notice of the intention to apply for the warrant has been given to the occupier; or
- (b) that an application for admission, or the giving of such a notice, would defeat the object of the entry, that the case is one of urgency, that the premises are unoccupied or that the occupier is temporarily absent,

the magistrate or judge of the Grand Court may, by warrant signed by him, authorise the Authority and any other person named in the warrant to enter the premises, if need be by reasonable force.

- 2018 Revision
- 2018 Revision
- 2018 Revision
- 2018 Revision
- (2) The purposes referred to in subsection (1) are to ascertain whether -
- (a) there is or has been on the premises to which entry is sought any contravention of this Law Part XVIIIA of the Companies Law (2018 Revision) or Part 12 of the Limited Liability Companies Law (2018 Revision); or
- (b) there is on those premises evidence of any contravention of this Law Part XVIIIA of the Companies Law (2018 Revision) or Part 12 of the Limited Liability Companies Law (2018 Revision).
- (3) Every warrant granted under this section shall continue in force for a period of one month.
- (4) A person entering any premises by virtue of this section, or of a warrant issued under this section, may be accompanied by such employees of, or advisers to, the Authority as may be necessary to fulfil the purposes listed in subsection (2).
- (5) The person authorised by any such warrant to search any premises may search every person who is found in or whom he has reasonable grounds to believe to have recently left or to be about to enter those premises and may seize any documents found in the possession of any such person or in such premises which he has reasonable grounds for believing ought to have been produced under section 16(2).
- (6) Any documents seized under subsection (5) shall be returned to the person or premises from which they were seized within a period of six calendar months from their seizure, and the Authority may, before returning them, make copies of such documents.
- (7) A person who wilfully obstructs the Authority or other authorised person in the exercise of any powers conferred on it or him by this section commits an offence and is liable on summary conviction to a fine of ten thousand dollars and to imprisonment for six months, or on conviction on indictment to a fine of fifty thousand dollars and to imprisonment for two years.
- Winding up
20. (1) Where a licensee, being a company, is being wound up voluntarily, the Authority may apply to the Court for the licensee to be wound up by the Court.
- 2018 Revision
- (2) The Court may, upon the application of the Authority, make an order for the licensee to be wound up by the Court on the ground that the public interest will be prejudiced by a voluntary winding up or on any other ground permitted by the Companies Law (2018 Revision).
- (3) On an application under subsection (1), the Court may make an order for the licensee to be wound up by the Court -

- (a) if the Court is of the opinion that a voluntary winding up would not be in the public interest in all the circumstances of the case; or
- (b) if the Court is satisfied of any of the grounds referred to in the Companies Law (2018 Revision) for a winding up of the licensee by the Court.

2018 Revision

21. (1) A licensee shall have the right of appeal to the Court from any decision of the Cabinet -

Appeals

- (a) revoking a licence; or
- (b) requiring a licensee to take any steps specified by the Cabinet under section 18.

(2) An appeal brought under this section against a decision referred to in subsection (1) shall not have the effect of suspending the execution of the decision.

22. (1) Where an offence under, or under any regulation made under, this Law which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he as well as the body corporate commits that offence and is liable to be proceeded against and punished accordingly.

Offences by corporations

(2) Where the affairs of a body corporate are managed by its members, subsection (1) shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

23. (1) The Cabinet, having consulted the Authority, may make regulations -

Regulations

- (a) requiring, prohibiting or regulating the carrying out by licensees or any class or description of licensees, of such advertising, marketing or promotion of the business of company management as may be prescribed;
- (b) regulating any aspect of the business of company management carried on by licensees or any class or description of licensees;
- (c) setting out a code of practice relating to the business of company management for the guidance of licensees;
- (d) prescribing anything which is to be prescribed under this Law; and
- (e) generally for carrying the purposes and provisions of this Law into effect.

(2) Regulations made under this Law may provide that the contravention of any provision constitutes an offence and may prescribe penalties for any such

offence not exceeding the maximum fine and term of imprisonment prescribed in this Law for any offence under this Law.

Savings and transitional
1998 Revision

24. A licence granted under the repealed Companies Management Law (1998 Revision) and in force at the 13th March, 2000 shall (until revoked, renewed or surrendered in accordance with this Law) continue in force and have effect as if it had been granted under this Law.

Publication in consolidated and revised form authorised by the Cabinet this 13th day of February, 2018.

Kim Bullings
Clerk of the Cabinet

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