

**CAYMAN ISLANDS**



# **COMPANIES (AMENDMENT) LAW, 2019**

**(Law 10 of 2019)**

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## PUBLISHING DETAILS

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**CAYMAN ISLANDS**

(Law 10 of 2019)

I Assent,



**Martyn Roper**  
**Governor**

Date: 7th August, 2019

# **COMPANIES (AMENDMENT) LAW, 2019**

(Law 10 of 2019)

**A LAW TO AMEND THE COMPANIES LAW (2018 REVISION) TO MAKE CERTAIN INFORMATION RELATED TO COMPANIES ACCESSIBLE; TO REQUIRE COMPANIES TO MAINTAIN CERTAIN ADDITIONAL SHAREHOLDER INFORMATION; TO INCREASE THE PENALTY FOR THE FAILURE TO COMPLY WITH BENEFICIAL OWNERSHIP REQUIREMENTS; AND FOR INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

## **Short title and commencement**

1. (1) This Law may be cited as the Companies (Amendment) Law, 2019.  
(2) Section 5 of this Law shall come into force on such date as may be appointed by Order made by the Cabinet.

## **Insertion of section 26A in the Companies Law (2018 Revision) - registrar to provide information**

2. The *Companies Law (2018 Revision)*, in this Law referred to as the “principal Law” is amended by inserting after section 26 the following section —

**“Registrar to provide information**

- 26A.**(1) The Registrar shall, upon request in writing by an entity under subsection (2), provide any information required to discharge any function or exercise any power, under the following Laws —
- (a) the *Anti-Corruption Law (2019 Revision)*;
  - (b) the *Monetary Authority Law (2018 Revision)*;
  - (c) the *Proceeds of Crime Law (2019 Revision)*; or
  - (d) the *Tax Information Authority Law (2017 Revision)*.
- (2) For the purposes of subsection (1), the following entities may request information from the Registrar —
- (a) the Anti-Corruption Commission established under section 3 of the *Anti-Corruption Law (2019 Revision)*;
  - (b) the Authority;
  - (c) the Financial Crimes Unit of the Royal Cayman Islands Police Service;
  - (d) the Financial Reporting Authority, as defined under section 2 of the *Proceeds of Crime Law (2019 Revision)*;
  - (e) the Tax Information Authority, designated under section 4 of the *Tax Information Authority Law (2017 Revision)*; or
  - (f) a competent authority as defined under section 2(1) of the *Proceeds of Crime Law (2019 Revision)*, which is assigned responsibility for monitoring compliance with the money laundering regulations under section 4(9) of the *Proceeds of Crime Law (2019 Revision)*.
- (3) Where a request for information is made under subsection (1), the information shall be provided within forty-eight hours of receipt of the request.
- (4) The recipient of any information provided by the Registrar under this section shall —
- (a) use the information for the purpose for which it was provided;
  - (b) retain the information for as long as is necessary to carry out the purpose for which it was provided; and
  - (c) not disclose the information for any purpose other than the purpose for which it was provided, without the consent of the Registrar.”



**Repeal and substitution of section 40 - register of members**

3. The principal Law is amended by repealing section 40 and substituting the following section —

**“Register of members**

- 40.** (1) Every company shall cause to be kept in writing, a register of its members and there shall be entered therein —
- (a) the names and addresses of the members of the company, with the addition of, in the case of a company having a capital divided into shares, a statement of the shares held by each member, and the statement shall —
    - (i) distinguish each share by its number (so long as the share has a number);
    - (ii) confirm the amount paid, or agreed to be considered as paid on the shares of each member;
    - (iii) confirm the number and category of shares held by each member; and
    - (iv) confirm whether each relevant category of shares held by a member carries voting rights under the articles of association of the company, and if so, whether such voting rights are conditional;
  - (b) the date on which the name of any person was entered on the register as a member; and
  - (c) the date on which any person ceased to be a member.
- (2) Any company making default in complying with this section shall incur a penalty of five thousand dollars; and every director or manager of the company who knowingly and wilfully authorises or permits such default shall incur the like penalty.
- (3) For the purpose of subsection (1), “**voting rights**” means—
- (a) rights conferred on shareholders in respect of their shares or, in the case of an entity not having a share capital, on members, to vote at general meetings of the entity on all or substantially all matters; and
  - (b) in relation to a legal entity that does not have general meetings at which matters are decided by the exercise of voting rights, the rights conferred upon shareholders or members, as applicable, that are equivalent to those of a person entitled to exercise voting rights in a company.

- (4) A voting right is conditional where the voting right arises only in certain circumstances.”.

**Amendment of section 55 - list of directors, including alternate directors, and officers**

4. The principal Law is amended in section 55 as follows —

- (a) by repealing the section header and substituting the following section header —

**“Filing deadline for updated list of directors etc.”;** and

- (b) in subsection (1)(b) by deleting the word “sixty” and substituting the words “thirty”.

**Insertion of section 55A - registrar to make list of directors available for inspection**

5. The principal Law is amended by inserting after section 55, the following section —

**“Registrar to make list of directors available for inspection**

- 55A.** (1) The Registrar shall maintain a list of the names of the current directors, and where applicable, the current alternate directors of a company.
- (2) The Registrar shall make available, the list of the names of the current directors of a company and where applicable, the current alternate directors of a company under subsection (1), for inspection by any person, on payment of the fee specified in Part 6A of Schedule 5, for each inspection, and subject to such conditions as the Registrar may impose.
- (3) For the purposes of subsection (1), an alternate director is a person who is registered by a company as an alternate director under section 55.”.

**Amendment of section 56 - penalty for failing to notify of changes to the register of directors and officers**

5A. The principal Law is amended in section 56(2)(a)(i) by deleting the word “sixty” and substituting the word “thirty”.





**Amendment of section 274 - failure of a company to establish or maintain beneficial ownership register**

6. The principal Law is amended in section 274 as follows —
- (a) by renumbering the section as section 274(1);
  - (b) in section 274(1) as renumbered, by repealing paragraphs (a) and (b) and substituting the following paragraphs —
    - “(a) in the case of a first offence, to a fine of twenty-five thousand dollars; or
    - (b) in the case of a second or subsequent offence, to a fine of one hundred thousand dollars.”; and
  - (c) by inserting after subsection (1) as renumbered, the following subsection —
    - “(2) Where a company is convicted of a third offence under subsection (1), the court may order that the company be struck off the register by the Registrar in accordance with Part VI, as if it is a company that the Registrar has reasonable cause to believe is not carrying on business or is not in operation.”.

**Amendment of section 275 - failure to comply with notices**

7. The principal Law is amended in section 275(3) by repealing paragraph (a) and substituting the following paragraph —
- “(a) on conviction on indictment —
    - (i) in the case of a first offence, to a fine of twenty-five thousand dollars; or
    - (ii) in the case of a second or subsequent offence, to a fine of fifty thousand dollars or to imprisonment for a term of two years, or to both; or”.

**Amendment of section 276 - failure to provide information**

8. The principal Law is amended in section 276(2) by repealing paragraph (a) and substituting the following paragraph —
- “(a) on conviction on indictment —
    - (i) in the case of a first offence, to a fine of twenty-five thousand dollars; or
    - (ii) in the case of a second or subsequent offence, to a fine of fifty thousand dollars or to imprisonment for a term of two years, or to both; or”.

**Amendment of Schedule 5 - fees**

9. The principal Law is amended in Schedule 5, by inserting after Part 6, the following Part —

**“PART 6A****(section 55A(2))**

The fee payable under section 55A(2) for each inspection of the list of the current directors of a company, and where applicable, the current alternate directors of a company is \$50.”

**Transitional provisions**

10. (1) A company which is incorporated or registered after the date of the commencement of this amending Law shall comply with section 40 as amended by this amending Law no later than three months after the date of the commencement of this amending Law.
- (2) A company which is incorporated or registered at the date of the commencement of this amending Law shall comply with section 40 as amended by this amending Law no later than six months after the date of the commencement of this amending Law.

**Passed by the Legislative Assembly the 26th day of July, 2019.**

**Hon. W. McKeever Bush**

*Speaker*

**Zena Merren-Chin**

*Clerk of the Legislative Assembly*

