

ORDER IN COUNCIL

XXVII
1990

ratifying a Projet de Loi

ENTITLED

The Companies (Guernsey) Law, 1990

(Registered on the Records of the Island of Guernsey
on the 19th February, 1991.)



1990

ORDER IN COUNCIL



IN THE ROYAL COURT OF THE ISLAND OF GUERNSEY

The 19th day of February, 1991 before Sir Charles Frossard, Kt., Bailiff; present:—Harry Wilson Bisson, Herbert Nicolle Machon, James de Sausmarez Carey, Geoffrey Ernest Le Page, Stanley Walter John Jehan, Esquires, Mrs. Dorothy Winifred Le Pelley, Leonard Arthur Moss, John Edward Morris, Charles Anthony Spensley, Kenneth John Rowe and Lawrence Oscar Ozanne, Esquires.

The Bailiff having this day placed before the Court an Order of Her Majesty in Council dated the 19th day of December, 1990, approving and ratifying a *Projet de Loi* of the States of Guernsey entitled "The Companies (Guernsey) Law, 1990", THE COURT, after the reading of the said Order in Council and after having heard Her Majesty's Procureur thereon, ordered that the said Order in Council be registered on the records of this Island of which Order in Council the tenor followeth:—

At the Court at Buckingham Palace

The 19th day of December 1990

PRESENT,

The Queen's Most Excellent Majesty in Council

WHEREAS there was this day read at the Board a Report from the Right Honourable the Lords of the Committee of Council for the affairs of Guernsey and Jersey dated the 6th day of December 1990 in the words following, viz.:—

“YOUR MAJESTY having been pleased, by Your General Order of Reference of the 22nd day of February 1952, to refer unto this Committee the humble petition of the States of the Island of Guernsey setting forth:—

‘1. That, in pursuance of their Resolution of the 29th day of March 1990 the States of Deliberation at a meeting held on the 30th day of May 1990 approved a Bill or “Projet de Loi” entitled “The Companies (Guernsey) Law, 1990”, and requested the Bailiff to present a most humble Petition to Your Majesty in Council praying for Your Royal Sanction thereto. 2. That the said Bill or “Projet de Loi” is as set forth in the Schedule hereunto annexed. And most humbly praying that Your Majesty might be graciously pleased to grant Your Royal Sanction to the Bill or “Projet de Loi” of the States of Guernsey entitled “The Companies (Guernsey) Law, 1990”, and to order that the same shall have force of law in the Island of Guernsey.’

“THE LORDS OF THE COMMITTEE, in obedience to Your Majesty’s said Order of Reference, have taken the said Petition and the said Projet de Loi into consideration and do this day agree humbly to report, as their opinion, to Your Majesty, that it may be advisable for Your Majesty to comply with the prayer of the said petition and to approve of and ratify the said Projet de Loi.”

HER MAJESTY having taken the said Report into consideration is pleased, by and with the advice of Her Privy Council, to approve of and ratify the said Projet de Loi, and to order, and it is hereby ordered, that the same shall have the force of Law within the Island of Guernsey.

AND HER MAJESTY doth hereby further direct that this Order, and the said Projet de Loi (a copy whereof is hereunto annexed), be entered upon the Register of the Island of Guernsey and observed accordingly.

AND the Lieutenant Governor and Commander-in-Chief of the Island of Guernsey, the Bailiff and Jurats, and all other Her Majesty's Officers for the time being in the said Island, and all other persons whom it may concern, are to take notice and govern themselves accordingly.

G. I. de Deney

PROJET DE LOI

ENTITLED

The Companies (Guernsey) Law, 1990

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PROJET DE LOI

ENTITLED

The Companies (Guernsey) Law, 1990

THE STATES, in pursuance of their Resolution of the 29th day of March 1990(a), have approved the following provisions which, subject to the Sanction of Her Most Excellent Majesty in Council, shall have force of law in the Island of Guernsey.

PART I

COMPANY MEMBERS, CONSTITUTION AND CAPACITY

Members

Two people, including husband and wife, may form a company.

1. (1) Any two or more people may associate together for any lawful purpose as members of a company constituted in accordance with the requirements of the Companies Laws.

(2) The minimum number of two people required by virtue of subsection (1) to constitute a company may be a husband and wife.

(3) The principal Law is amended in accordance with Part I of Schedule 1.

Definition of member.

2. (1) The founders of a company shall be deemed to have agreed to become members of the company and upon registration of the Memorandum of Association of the company shall be entered as members on its Register of Members.

(a) on Article IX of Billet d'Etat No. VII of 1990.

(2) Every other person who agrees to become a member of a company, and whose name is registered on its Register of Members, shall be a member of the company.

(3) It is hereby declared for the avoidance of doubt that references in the Companies Laws to "actionnaires", "membres", "shareholders" and "members" are references to members within the meaning of this section.

Memorandum and Articles

3. If a company's memorandum states that the company's object is to carry on business as a general commercial company—

General
commercial
objects
clauses.

- (a) the object of the company is to carry on any trade or business whatsoever, and
- (b) the company has power to do anything which is incidental or conducive to the carrying on of any trade or business by it.

4. A company may not alter the conditions contained in its memorandum except in the cases, in the mode, and to the extent, for which express provision is made in the Companies Laws.

Restriction
on alteration
of memoran-
dum.

5. (1) A company may, by special resolution, alter its memorandum in respect of the company's objects; but if an application is made to the Court in accordance with this section for the alteration to be cancelled, it shall not have effect except in so far as it is confirmed by the Court.

Alteration
of objects.

(2) An application under this section may be made by the holders of not less in the aggregate

than 15 per centum of the company's issued share capital but must not be made by or on behalf of any person who has consented to or voted in favour of the alteration.

(3) An application under this section—

- (a) may be made on behalf of the people entitled to make the application by such one or more of their number as they may appoint in writing for the purpose;
- (b) must be made within 21 days after the date on which the resolution altering the company's objects was passed;
- (c) shall not be heard unless the Court is satisfied that the company has been notified of the date and time when the application will be made.

(4) On an application under this section the Court may—

- (a) make an order confirming the alteration either wholly or in part and on such terms and conditions as it thinks fit; and
- (b) if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the satisfaction of the Court for the purchase of the interests of dissentient members, and give such directions and make such orders as it thinks expedient for facilitating or carrying into effect any such arrangement.

(5) Without prejudice to the generality of subsection (4), an order under this section may provide for the purchase by the company of the shares of

any member of the company, make such alterations in the memorandum or articles of the company as may be required in consequence of that provision and provide for the reduction of the company's share capital in accordance with subsection (6).

(6) An order under this section may declare that the company shall be deemed to have passed a resolution for reducing share capital; and in any such case Part III of the Law of 1973 applies as if the company had applied to the Court under section 9(1) of that Law on the date of the order under this section.

(7) Where an order under this section requires a company not to make any, or any specified, alteration in its memorandum or articles then, notwithstanding anything in the Companies Laws, the company does not have power without the leave of the Court to make any such alteration in breach of that requirement.

(8) Any alteration in the memorandum or articles of a company made by virtue of an order under this section, other than one made by resolution of the company, is of the same effect as if duly made by special resolution of the company, and the provisions of the Companies Laws apply accordingly to the memorandum or articles as so altered.

(9) Section 27 of this Law applies—

(a) in relation to an order under this section altering a company's memorandum or articles or confirming an alteration wholly or in part, as it applies to a special resolution passed by a company;

- (b) in relation to a special resolution passed pursuant to subsection (1) of this section in respect of which no application is made within the time specified in subsection (3)(b) of this section, as if the reference in section 27 to 21 days after the resolution is passed were a reference to 15 days after the expiration of the time specified in subsection (3)(b) of this section.

(10) The validity of an alteration of a company's memorandum in respect of the company's objects shall not be questioned on the ground that it was not authorised by subsection (1) except in proceedings taken for the purpose (whether under this section or otherwise) before the expiration of 21 days after the date of the resolution in that behalf; and where any such proceedings are taken otherwise than under this section, paragraph (a) of subsection (9) applies in relation thereto as if an order dismissing the proceedings were an order confirming the alteration.

Change of
a company's
name.

6. (1) An application to the Court pursuant to Article IX of the principal Law for approval of a special resolution changing the name of a company shall not be granted if the Court is of opinion that the new name would be offensive or would be misleading or inappropriate in relation to the company concerned.

(2) In considering whether any new name would be misleading or inappropriate in relation to the company concerned, the Court shall have regard to any representations made to it by the Committee.

(3) This section is without prejudice to Article IX of the principal Law.

7. (1) Subject to the provisions of the Companies Laws and to the conditions of its memorandum, a company may by special resolution alter its articles. Alteration of articles.

(2) Any alteration so made in the articles is, subject to the provisions of the Companies Laws, as valid as if originally contained therein, and is subject in like manner to alteration by special resolution.

(3) The power of a company under this section to alter its articles includes power to add to them and to withdraw them in their entirety and substitute other articles.

(4) Article LVIII of the principal Law is repealed.

Capacity and transactions with others

8. (1) The validity of an act done by a company shall not be called into question on the ground of lack of capacity by reason of anything in the company's memorandum. A company's capacity.

(2) It remains the duty of a company's directors to observe any limitations on their powers flowing from the company's memorandum; and action by the directors which, but for subsection (1), would be beyond the company's capacity may only be ratified by the company by special resolution.

(3) A special resolution ratifying such action does not affect any liability incurred by the directors or any other person; but relief from such liability may be agreed to separately by special resolution.

9. (1) In favour of a person dealing with a company in good faith the power of its directors to bind it, or authorise others to do so, is deemed free of any limitation imposed by or deriving from— Directors' power to bind a company.

- (a) the company's memorandum or articles;
- (b) any resolution of the company;
- (c) any agreement between the company's members or any of them.

(2) For the purposes of subsection (1)—

- (a) a person deals with a company if he is a party to any transaction or other act to which the company is a party;
- (b) a person is not to be regarded as acting in bad faith solely because he knows that an act is beyond the directors' powers;
- (c) a person is presumed to have acted in good faith unless the contrary is proved.

(3) Subsection (1) does not affect any liability incurred by reason of the directors having exceeded their powers.

No duty to enquire.

10. A party to a transaction with a company is not bound to enquire whether it is permitted by the company's memorandum or as to any limitation on the directors' powers to bind the company or authorise others to do so.

Protection for members

Restraint of excess of powers.

11. (1) Any member of a company may apply to the Court for an order restraining the doing of an act—

- (a) which would, but for section 8(1), be beyond the company's capacity; or
- (b) which is beyond the powers of the directors by virtue of any such limitation as is mentioned in section 9(1),

but no such application shall be made in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the company.

(2) This section is without prejudice to the availability of any other remedy.

12. (1) A member of a company may apply to the Court for an order under this section on the ground that the affairs of the company are being or have been conducted in a manner which is unfairly prejudicial to the interests of some part of the members (including at least himself) or that any actual or proposed act or omission of the company (including an act or omission on its behalf) is or would be so prejudicial. Relief for members unfairly prejudiced.

(2) The Court shall not hear an application under this section unless it is satisfied that the company has been notified of the date and time when the application will be made.

(3) If the Court is satisfied that an application under this section is well-founded it may make such order as it thinks fit for giving relief in respect of the matters complained of.

(4) Without prejudice to the generality of subsection (3), an order under this section may—

- (a) regulate the conduct of the company's affairs in the future;
- (b) require the company to refrain from doing or continuing an act complained of by the applicant or to do an act which the applicant has complained it has omitted to do;

- (c) authorise civil proceedings to be brought in the name and on behalf of the company by such person or persons and on such terms as the Court may direct;
- (d) provide for the purchase of the shares of any member of the company by other members or by the company itself and, in the case of a purchase by the company itself, the reduction of the company's share capital in accordance with the provisions of subsection (5).

(5) An order under this section may declare that the company shall be deemed to have passed a resolution for reducing share capital; and in any such case Part III of the Law of 1973 applies as if the company had applied to the Court under section 9(1) of that Law on the date of the order under this section.

(6) Where an order under this section requires a company not to make any, or any specified, alteration in its memorandum or articles then, notwithstanding anything in the Companies Laws, the company does not have power without the leave of the Court to make any such alteration in breach of that requirement.

(7) Any alteration in the memorandum or articles of a company made by virtue of an order under this section is of the same effect as if duly made by resolution of the company, and the provisions of the Companies Laws apply accordingly to the memorandum or articles as so altered.

(8) Her Majesty's Greffier shall register as soon as practicable in the book provided for in Article III of the principal Law—

- (a) any order under which a company is deemed to have passed a resolution for reducing share capital; and
- (b) any order making an alteration in the memorandum or articles of a company.

(9) This section applies to a person who is not a member of a company but to whom shares in the company have been transferred or transmitted by operation of law as it applies to a member of a company, and references to a member or members are to be construed accordingly.

(10) This section is without prejudice to the availability of any other remedy.

PART II

COMPANY RECORDS AND ACCOUNTS

Books and records

13. (1) Every company shall cause minutes of all proceedings after the coming into force of this Law at its annual and extraordinary general meetings and at meetings of its directors to be entered as soon as reasonably practicable in books kept for that purpose; and such books are hereafter in this Law referred to as "minute books".

(2) Any such minute shall be approved by the meeting at which the proceedings were conducted, or by the next similar meeting; and a minute purporting to be signed by the chairman of the meeting at which it was approved, and any copy of such a signed minute, is evidence of the proceedings.

(3) Where minutes have been made in accordance with this section of the proceedings at any general meeting of the company or meeting of directors then, until the contrary is proved, the meeting is deemed duly held and convened, and all proceedings conducted thereat to have been duly conducted, and all appointments of directors or liquidators are deemed valid.

(4) If a company fails to comply with subsection (1) the company and every officer of the company who is in default is guilty of an offence and liable, on conviction, to a fine not exceeding level 3 on the uniform scale.

(5) Article XXXVII of the principal Law is repealed.

Register of
directors and
secretaries.

14. (1) Every company shall keep a register of its directors and secretaries.

(2) The register shall contain the following particulars in respect of each director—

(a) in the case of an individual, his present forenames and surname, any previous forenames and surname, his usual residential address, his nationality and his business occupation (if any); and

(b) in the case of a body corporate, its corporate name and registered or principal office.

(3) The register shall contain the following particulars in respect of the secretary or, where there are joint secretaries, in respect of each of them—

(a) in the case of an individual, his present forenames and surname, any previous forenames and surname and his usual residential address;

- (b) in the case of a body corporate, its corporate name and registered or principal office.

(4) If default is made in complying with subsection (1), (2) or (3) the company and every officer of the company who is in default is guilty of an offence and liable, on conviction, to a fine not exceeding level 3 on the uniform scale.

(5) For the purposes of this section—

- (a) in the case of a peer or person usually known by a title different from his surname, the expression “surname” means that title;
- (b) references to a former name do not include a name which was changed or disused before the person bearing the name attained the age of 18 years or which has been changed or disused for a period of at least 20 years.

15. (1) Every company having more than 50 members shall, unless the Register of Members is in such a form as to constitute in itself an index, keep an index of the names of the members of the company, and shall within 14 days after the date on which any alteration is made in the Register of Members, make any necessary alteration in the index.

Index of
members.

(2) The index shall in respect of each member contain a sufficient indication to enable the account of that member in the Register of Members to be readily found.

(3) The index shall at all times be kept with the Register of Members.

(4) If default is made in complying with this section the company and every officer of the company who is in default is guilty of an offence and liable, on conviction, to a fine not exceeding level 3 on the uniform scale.

Inspection of
minute
books,
registers and
index.

16. (1) There shall be kept at the registered office of every company—

- (a) the minute books;
- (b) the Register of Members;
- (c) the register referred to in Article LXV of the principal Law;
- (d) the register referred to in section 14 of this Law;
- (e) the index, if any, referred to in section 15 of this Law:

PROVIDED THAT this subsection is deemed to be complied with in the case of any minute book if either the original minute book or a photocopy of it is kept at a place in Guernsey which can be ascertained by reference to the Register of Members.

(2) The minute books, registers and index referred to in subsection (1) shall during business hours (subject to subsection (7), and subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day be allowed for inspection) be open to inspection as follows:

Type of document	People who may inspect	Terms
minutes of proceedings at general meetings	any member	without charge
minutes of proceedings at directors' meetings	any director	without charge
other documents	any member or director	without charge
	any other person	on payment of the appropriate fee

(3) A person may require a copy of any part of the books, registers or index open to his inspection in accordance with subsection (2) on payment of the appropriate fee; and the company shall cause any copy so required to be sent to the person making the requirement within seven days after its receipt by the company.

(4) In subsections (2) and (3) "the appropriate fee" means—

- (a) such fee as may be prescribed by regulations made by the Committee from time to time under this subsection, or
- (b) such less sum as the company may stipulate; and regulations under this subsection may make different provision for different purposes and different circumstances.

(5) If any inspection required under this section is refused, or if any copy required under this section is not sent within the proper period, the company and every officer of the company who is in default is guilty of an offence and liable, on conviction, to a fine not exceeding level 4 on the uniform scale.

(6) In the case of any such refusal or default, the Court may, on the application of any person entitled, by order compel an immediate inspection of any minute book, register or index, or direct that the copies required be sent to him.

(7) A company may, on giving notice by advertisement in the Gazette Officielle, close the Register of Members for any time or times not exceeding in the whole 30 days in each calendar year.

(8) Article XXXIII of the principal Law is repealed.

**Accounting
records.**

17. (1) Every company shall keep accounting records which are sufficient to show and explain the company's transactions and are such as to—

- (a) disclose with reasonable accuracy, at any time, the financial position of the company at that time; and
- (b) enable the company's directors to ensure that its balance sheet and profit and loss account are prepared properly and in accordance with any relevant enactment for the time being in force.

(2) The accounting records shall in particular contain—

- (a) entries from day to day of all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; and
- (b) a record of the assets and liabilities of the company.

(3) If the company's business involves dealing in goods, the accounting records shall contain—

- (a) statements of stock held by the company at the end of each financial year of the company;
- (b) all statements of stocktakings from which any such statement as is mentioned in paragraph (a) of this subsection has been or is to be prepared;
- (c) except in the case of goods sold by ordinary retail trade, statements of all goods sold and purchased, showing the goods and the buyers and sellers in sufficient detail to enable them to be identified

(4) The accounting records shall be kept at the registered office of the company or at such other place as its directors think fit, and shall at all reasonable times be open to inspection by any director or secretary of the company.

(5) If accounting records are kept at a place outside Guernsey, accounts and returns in respect of the business dealt with in the accounting records so kept shall be sent to, and kept at, a place in Guernsey, where they shall at all reasonable times be open to inspection by any director or secretary of the company.

(6) The accounts and returns to be sent to and kept in Guernsey in accordance with subsection (5) shall be such as to—

- (a) disclose with reasonable accuracy the financial position of the business in question at intervals not exceeding six months; and
- (b) enable the company's directors to ensure that its balance sheet and profit and loss account are prepared properly and in accordance with any relevant enactment for the time being in force.

(7) Any accounting records which a company is required by this section to keep shall be preserved by it for a period of at least six years from the date on which they are made.

(8) If a company fails to comply with any provision of subsections (1) to (5) every officer of the company who is in default is guilty of an offence unless he shows that he acted honestly and that in the circumstances in which the business of the company was carried on the default was excusable.

(9) Any officer of a company who fails to take all reasonable steps for securing compliance by the company with subsection (7), or who intentionally causes any default by the company thereunder, is guilty of an offence.

(10) A person guilty of an offence under this section is liable—

- (a) on conviction on indictment to imprisonment for a term not exceeding two years, or to a fine, or to both; or

- (b) on summary conviction, to imprisonment for a term not exceeding six months, or to a fine not exceeding level 4 on the uniform scale, or to both.

(11) Article XXXVIII of the principal Law is repealed.

18. (1) Any minute book, register, index or accounting record required by the Companies Laws to be kept by a company may be kept either by making entries in bound books or by recording the matters in question in any other manner including, without prejudice to the generality of the foregoing, in a non-legible form.

Form of
company
records and
use of
computers
etc.

(2) If any such minute book, register, index or accounting record is kept not by making entries in a bound book but in some other manner—

- (a) it is deemed for the purposes of the Companies Laws to be kept at a place if access to it and written copies of it can be obtained at that place; but

- (b) adequate precautions must be taken for guarding against its falsification and facilitating its discovery; and

- (c) if the matters in question are recorded in a non-legible form the recording must be capable of being reproduced in a legible form.

(3) If default is made in complying with subsection (2) the company and every officer of the company who is in default is guilty of an offence and liable, on conviction, to a fine not exceeding level 4 on the uniform scale.

(4) Any duty imposed by virtue of this Law or any other enactment to allow inspection, or to furnish a copy, of any part of such a minute book, register, index or accounting record as is mentioned in subsection (1) shall be treated, in any case in which the matters in question are recorded in a non-legible form, as a duty to allow inspection, or to furnish a copy, of the relevant part of the recording in a legible form.

Auditing

Qualifica-
tion for
appointment
as auditor.

19. (1) A person is not qualified for appointment as an auditor under the principal Law unless he is:

(a) a member of—

- (i) the Institute of Chartered Accountants in England and Wales;
- (ii) the Institute of Chartered Accountants of Scotland;
- (iii) the Institute of Chartered Accountants in Ireland;
- (iv) the Chartered Association of Certified Accountants; or

(b) for the time being authorised by the Committee to audit the accounts of companies, as having similar qualifications obtained outside the United Kingdom.

(2) A person who is—

- (a) an officer or servant of a company; or
- (b) a partner of, or in the employment of, an officer or servant of a company,

is not qualified for appointment by that company as an auditor.

(3) Subsection (1) and (2) are without prejudice to any other enactment for the time being in force; and in this section the words "qualified" and "disqualified" are to be construed accordingly.

(4) If an auditor of a company becomes disqualified during his term of office he shall cease to act as auditor and notify the company accordingly in writing.

(5) A person who—

- (a) acts as auditor of a company when he knows that he is disqualified; or
- (b) fails without reasonable excuse to give a notification in accordance with subsection (4),

is guilty of an offence and liable, on conviction, to a fine not exceeding level 5 on the uniform scale.

(6) A company may appoint as its auditor an individual, a partnership as such, or a body corporate.

(7) In the principal Law—

- (a) Article LIII is amended in accordance with Part II of Schedule 1 to this Law;
- (b) Article LV is repealed.

20. (1) A company's auditors shall make a report ^{Auditors' report.} to its members on the accounts examined by them, and on every balance sheet and profit and loss account laid before the company in general meeting during their term of office; and that report shall be laid before the company in general meeting.

(2) The auditors' report shall state—

- (a) whether in the auditors' opinion the balance sheet and profit and loss account have been prepared properly, and in accordance with any relevant enactment for the time being in force; and
- (b) without prejudice to the foregoing, whether in their opinion a true and fair view is given—
 - (i) in the balance sheet, of the state of the company's affairs at the end of the financial year of the company to which it relates; and
 - (ii) in the profit and loss account, of the company's profit or loss for that financial year.

Auditors'
powers and
duties.

21. (1) It is the duty of a company's auditors, in preparing their report, to carry out such investigations as will enable them to form an opinion as to—

- (a) whether proper accounting records have been kept by the company in accordance with section 17 of this Law; and
- (b) whether the company's balance sheet and profit and loss account are in agreement with its accounting records.

(2) Every auditor of a company has a right of access at all times to the company's books, accounts and vouchers and is entitled to require from the company's officers such information and explanations as he thinks necessary for the performance of his duties.

(3) If a company's auditors are of opinion that—

- (a) proper accounting records in accordance with section 17 have not been kept; or
- (b) the balance sheet or the profit and loss account is not in agreement with the accounting records; or
- (c) the directors' report is inconsistent with the balance sheet or the profit and loss account; or
- (d) they have failed to obtain all the information and explanations necessary for their audit,

they shall state that fact in their report.

(4) Article LVII of the principal Law is amended in accordance with Part II of Schedule 1.

PART III

WINDING-UP AND STRIKING-OFF

Winding-up

22. (1) The liquidator of a company may apply to the Court for an order under this section if the company has given a preference to any person at any time after the commencement of the period of 6 months before whichever is the earlier of—

Preferences
in or prior to
winding-up.

- (a) the making of an application for the winding-up of the company under Article LXXIII of the principal Law; or
- (b) the passing by the company of any such resolution as is referred to in Article LXXI of the principal Law,

if the company was at the time of giving the preference, or became as a result of giving the preference, unable to pay its debts within the meaning of Article LXXII.4 of the principal Law.

(2) For the purposes of this section a company gives a preference to a person if—

- (a) that person is one of the company's creditors or a surety or guarantor for any of the company's debts or other liabilities, and
- (b) the company does anything, or permits anything to be done, which improves that person's position in the company's liquidation.

(3) If on an application under subsection (1) the Court is of opinion that the company was influenced in deciding to give a preference by a desire to produce the effect mentioned in subsection (2)(b), the Court may make such order as it thinks fit for restoring the position to what it would have been if the company had not given the preference.

(4) Without prejudice to the generality of subsection (3), but subject to subsection (5), an order under this section may—

- (a) require any property transferred in connection with the giving of the preference to be vested in the company;
- (b) require any property to be so vested if it represents in any person's hands the application either of the proceeds of sale of property so transferred or of money so transferred;
- (c) release or discharge (in whole or in part) any security given by the company;

- (d) require any person to pay, in respect of benefits received by him from the company, such sums to the liquidator as the Court may direct;
- (e) provide for any surety or guarantor whose obligations to any person were released, reduced or discharged by the giving of the preference to be under such new or revived obligations to that person as the Court thinks appropriate;
- (f) provide for security to be provided for the discharge of any obligation imposed by or arising under the order;
- (g) provide for the extent to which any person whose property is vested by the order in the company, or on whom obligations are imposed by the order, is to be able to claim in the liquidation for debts or other liabilities which arose from, or were released, reduced or discharged by, the giving of the preference.

(5) An order under this section may affect the property of, or impose an obligation on, any person whether or not he is the person to whom the preference was given, but shall not—

- (a) prejudice any interest in property acquired from a person other than the company in good faith, for value and without notice of the existence of circumstances enabling an order under this section to be applied for; or
- (b) prejudice an interest deriving from such an interest; or

(c) require a person to pay a sum to the liquidator in respect of a benefit received by that person at a time when he was not a creditor of the company, and received by him in good faith, for value and without notice of the existence of circumstances enabling an order under this section to be applied for.

(6) In the application of this section to any case where the person given a preference is connected with the company—

(a) the reference in subsection (1) to 6 months is to be read as a reference to 2 years; and

(b) the company is presumed, unless the contrary is shown, to have been influenced in deciding to give the preference by such desire as is mentioned in subsection (3);

and for the purposes of this subsection a person is “connected” with the company at any time if the company knew or ought to have known at that time that either

(i) that person had any significant direct or indirect proprietary, financial or other interest in or connection with the company (other than as a creditor, surety or guarantor); or

(ii) another person had any such interest in or connection with both that person and the company.

(7) The fact that something is done or permitted pursuant to a court order does not, without more, prevent it from being a preference.

(8) This section is without prejudice to the availability of any other remedy.

23. (1) The Court shall not hear an application for the winding-up of a company under the principal Law unless it is satisfied that the company has been notified of the date and time when the application will be made.

Miscellaneous reforms relating to liquidations.

(2) The liquidator of a company may apply to the Court in relation to any matter arising in the winding-up of the company and shall act in accordance with any directions given by the Court upon such an application.

(3) The principal Law is amended in accordance with Part III of Schedule 1.

Striking-off

24. (1) This section applies whenever—

Striking a company off the register.

- (a) a company has failed to comply with Article LXV of the principal Law before the end of January in any year; or
- (b) Her Majesty's Greffier has reasonable cause to believe that a company is not carrying on business or in operation; or
- (c) Her Majesty's Greffier has reasonable cause to believe, in the case of a company which is being wound up, either:
 - (i) that no liquidator is acting; or
 - (ii) that the affairs of the company are fully wound-up.

(2) When this section applies in relation to a company Her Majesty's Greffier may give notice stating—

- (a) the paragraph of subsection (1) by virtue of which this section applies; and
 - (b) that at the expiration of two months from the date of the notice the company's name will be struck off the register and the company will be dissolved, unless cause is previously shown to the contrary.
- (3) A notice given under subsection (2) must—
- (a) be published in La Gazette Officielle; and also
 - (b) be sent, by recorded delivery service or in such other manner as may from time to time be prescribed by an order made by the Committee under this section,—
 - (i) when this section applies by virtue of sub-paragraph (1)(c)(ii), to the liquidator at his last known place of business; or
 - (ii) in any other case, to the company at its registered office, or, if no office has been registered, to the care of some officer of the company, or, if there is no officer of the company whose name and address are known to Her Majesty's Greffier, to each of the people who subscribed the memorandum addressed to him at the address mentioned in the memorandum.
- (4) At the expiration of the time mentioned in a notice given under subsection (2) Her Majesty's Greffier may, unless cause to the contrary is previously shown, strike off the register the name of the company concerned, and upon his publishing notice thereof in La Gazette Officielle the company shall be dissolved:

Provided that—

- (a) the liability, if any, of every officer and member of the company shall continue and may be enforced as if the company had not been dissolved; and
- (b) nothing in this subsection affects the power of the Court to wind up a company the name of which has been struck off the register.

(5) When this section applies in relation to a company by virtue of paragraph (a) of subsection (1) that company shall not be considered to have shown "cause to the contrary" within the meaning of this section unless it delivers its annual return to Her Majesty's Greffier and pays to him (in addition to any sums for the time being payable pursuant to any other enactment by a company delivering its annual return) the appropriate penalty in respect of each calendar month or part of a calendar month between the date by which it should have delivered its annual return and the date when it in fact delivers its annual return.

(6) In subsection (5) "the appropriate penalty" means the aggregate of—

- (a) £10 in respect of the first calendar month or part thereof, and
- (b) £20 in respect of the second calendar month or part thereof, and
- (c) £50 in respect of each subsequent calendar month or part thereof.

(7) When a company is dissolved under subsection (4) all property and rights then vested in it or

held on trust for it (but not property held by it on trust for another person) becomes *bona vacantia* belonging to the Crown, and vests and may be dealt with in the same way as other *bona vacantia* accruing to the Crown.

Restoration
to the
register.

25. (1) If a company or any member or creditor thereof feels aggrieved by the company having been struck off the register, the Court, on an application made by the company or member or creditor before the expiration of 20 years from the date of its dissolution under section 24(4), may, if satisfied that the company was at the time of its dissolution carrying on business or in operation, or otherwise that it is just that the company be restored to the register, order the name of the company to be restored to the register, and upon its restoration in accordance with the order the company shall be deemed to have continued in existence; and the Court may by the order give such directions and make such provision as seems just for placing the company and all other persons in the same position as nearly as may be as if the company had not been dissolved.

(2) The restoration of a company's name to the register pursuant to an order under this section shall, unless the Court otherwise directs and without prejudice to any other term of the order, be conditional upon the payment by the applicant to Her Majesty's Greffier of:

- (a) the aggregate of any sums which would have been payable by the company if it had not been dissolved and had each year delivered its annual return in accordance with Article LXV of the principal Law; and
- (b) an additional amount of £100.

(3) If a company's name is restored to the register within 6 years of its dissolution under section 24(4) the company shall be entitled, subject to any order of the Court, to have returned to it—

- (a) any property which vested in the Crown upon the company's dissolution; or
- (b) if any such property has been disposed of, its value at the time of that property's disposal.

PART IV

MISCELLANEOUS REFORMS

Meetings and resolutions

26. (1) Any general meeting of a company may, if the articles of the company so permit, be held at any place, whether in Guernsey or elsewhere. General meetings.

(2) It is hereby declared for the avoidance of doubt that, unless the articles of a company otherwise provide, a person may attend any general meeting of the company either in person or by proxy; and if a person attends any such meeting by proxy then he shall be deemed to be present for the purpose of the quorum required by paragraph 2 of Article XLVIII of the principal Law and for the purpose of demanding a poll in accordance with paragraph 4 of Article XLIX of the principal Law.

(3) If in any particular case it is so agreed by all of the members of a company entitled to attend and vote at a general meeting of the company, then—

- (a) that meeting shall be deemed to have been duly called; and
- (b) the shareholders shall be deemed to have been warned by notice regularly served of the intention to submit to the meeting the subject matter of any special resolution,

notwithstanding that the meeting is called by shorter notice than that specified in paragraph 1 of Article XLVIII of the principal Law.

(4) The principal Law is amended in accordance with Part IV of Schedule 1.

**Registration
of special
resolutions.**

27. (1) A copy of every special resolution of a company shall, within 21 days after it is passed, be delivered by the company to Her Majesty's Greffier, who shall as soon as practicable register the resolution in the book provided for in Article III of the principal Law.

(2) If a company fails to comply with subsection (1) in respect of a special resolution, then—

- (a) the resolution is, and is deemed always to have been, of no effect; and
- (b) the company and every officer of the company who is in default is guilty of an offence and liable, on conviction, to a fine not exceeding level 3 on the uniform scale.

(3) For the purposes of subsection (2) a liquidator of a company shall be deemed to be an officer of the company.

(4) Article LI of the principal Law is amended in accordance with Part IV of Schedule 1.

Shares

28. (1) A company which is so authorised by its articles may issue fractions of a share, which shall, except to the extent that the company's articles otherwise provide, carry the corresponding fraction of rights, liabilities and other attributes of whole shares of the same class; and in the Companies Laws the words "share" and "action" include fractions of a share so issued, and related words are to be construed accordingly.

Fractional shares and very low-value shares.

(2) The value of a share may be expressed as an amount which is less than the smallest unit of legal tender of the currency (or any of the currencies) in which a company's share capital is expressed.

(3) This section is for the avoidance of doubt.

29. (1) In relation to redeemable preference shares issued in accordance with section 3 of the Law of 1973—

Returns etc. in respect of redeemable preference shares.

(a) Article XX of the principal Law applies with the omission from paragraph (a) of "les noms, états ou occupations et adresses des actionnaires,";

(b) there may be omitted from the annual return of the company issuing them, the names, ranks or professions, and addresses of their holders.

(2) In consequence of subsection (1), Articles XX and LXV of the principal Law are amended in accordance with Part V of Schedule 1.

Official seal
for use
abroad.

Miscellaneous

30. (1) A company whose objects require or comprise the transaction of business abroad may, if authorised by its articles, have for use in any territory, district or place abroad an official seal, which shall be a facsimile of the common seal of the company with the addition on its face of the name of every territory, district or place where it is to be used.

(2) A document to which such an official seal is duly affixed binds the company as if it had been sealed with the company's common seal.

(3) A company having an official seal for use in any territory, district or place abroad may, by writing under its common seal, authorise any person appointed for the purpose there to affix that official seal to any deed or other document to which the company is a party there.

(4) As between the company and any person dealing with such an agent, the agent's authority continues during the period (if any) mentioned in the instrument conferring the authority, or, if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(5) The person affixing any such official seal to a deed or other document shall certify thereon in writing the date on which and the place at which it is affixed.

(6) In this section—

“abroad” means anywhere outside the Island of Guernsey;

“agent” means a person duly authorised pursuant to subsection (3).

31. (1) If an act or omission which under any provision of the Companies Laws renders a company liable to a fine of, or not exceeding, a specified amount is proved to have been done or omitted with the consent or connivance of, or to be attributable to any neglect on the part of, any officer of the company or any person who was purporting to act as an officer of the company, he, as well as the company, shall be liable to a fine of, or, as the case may be, not exceeding, that specified amount.

Criminal
liability of
officers etc.

(2) For the purposes of this section a person shall be deemed to be an officer of a company if he is a person in accordance with whose directions or instructions the directors of the company or any of them act.

(3) A person is in “default” for the purposes of any provision of the Companies Laws if he knowingly and wilfully authorises or permits the default, refusal or contravention referred to in that provision.

32. (1) In every enactment for the time being in force relating to applications to the Court in respect of companies, unless the context otherwise requires, any reference—

Applications
to the Court.

(a) in English, to an "application" or a "petition";

(b) in French, to a "demande" or a "requête", is to be construed as a reference to an application to the Ordinary Court made in such manner as the Court may direct; and related words are to be construed accordingly.

(2) The principal Law is amended in accordance with Part VI of Schedule 1.

Fees.

33. (1) On the occurrence in relation to a company of any event specified in column (1) of the following table the company must pay to Her Majesty's Greffier a fee of the amount specified opposite that event in column (2) of that table:

(1) Event	(2) Amount of fee
Delivery under Article XI of the principal Law of notice of the situation of its first registered office, unless delivered at the same time as registration of the company's memorandum	£15.00
Giving of notice under Article XI of the principal Law of a change in the situation of its registered office	£15.00
Winding up in consequence of failure to comply with Article XI of the principal Law	£15.00
Winding up in consequence of failure to comply with order of the Court under Article XIV. of the principal Law	£15.00

(1) Event	(2) Amount of fee
Deposit, in accordance with Article XXVI(a) of the principal Law, of a director's consent to act as such, unless deposited at the same time as registration of the company's memorandum	£15.00
Delivery under section 27 of this Law of a special resolution to change the company's name.	£30.00

(2) The principal Law is amended in accordance with Part VII of Schedule 1.

PART V

GENERAL AND SUPPLEMENTARY

34. (1) In this Law, unless the context otherwise requires,— Interpretation and construction.

“annual general meeting” means a general meeting of the members of a company required to be held by virtue of Article XXXIX of the principal Law;

“annual return” means the copy of the list which is required by Article LXV of the principal Law to be delivered to Her Majesty's Greffier;

“articles” has the same meaning as “statuts pour la conduite de la Société” in the principal Law;

“auditor” means a person appointed as an “auditeur” in accordance with Article LIII of the principal Law;

"body corporate" means a body of persons incorporated under the laws of any district, territory or place;

"the Committee" means the States Advisory and Finance Committee or such other Committee of the States as the States may from time to time by Ordinance determine;

"company" means a company (or "société anonyme ou à responsabilité limitée") registered under the principal Law;

"the Companies Laws" means the enactments which by virtue of section 40 may be cited together as the Companies (Guernsey) Laws, 1908 to 1990;

"the Court" means the Royal Court sitting as an Ordinary Court;

"directors' report" means the "rapport" referred to in Article XL of the principal Law;

"extraordinary general meeting" means a general meeting of the members of a company other than an annual general meeting;

"financial year" means a period (whether of 12 months or not) ending not more than 12 months before a company's annual general meeting and beginning at the date of its registration or at the end of its previous financial year (and in the principal Law "année d'exercice" has the same meaning);

"founder" has the same meaning as "membre fondateur" in the principal Law;

"general meeting" has the same meaning as "assemblée générale" in the principal Law;

"the Law of 1973" means the Companies (Guernsey) Law, 1973(b);

"liquidator" has the same meaning as "liquidateur" in the principal Law and includes a liquidator appointed provisionally under Article LXXIV of the principal Law;

"memorandum" and "Memorandum of Association" have the same meaning as "Acte de Société" in the principal Law;

"object" has the same meaning as "objet" in the principal Law;

"officer", in relation to a body corporate, includes a director, a manager and a secretary;

"the principal Law" means the Law entitled "Loi relative aux Sociétés Anonymes ou à Responsabilité Limitée" registered on 21st March, 1908(c);

"proxy" has the same meaning as "mandataire" in the principal Law;

"register" has the same meaning as "Registre des Sociétés établies avec responsabilité limitée" in the principal Law, and "registered" is to be construed accordingly;

"Register of Members" has the same meaning as "Registre de Transferts" in Article LXIV of the principal Law;

"resolution" has the same meaning as "décision" in the principal Law;

"resolution for reducing share capital" has the same meaning as in Part III of the Law of 1973;

(b) Ordres en Conseil Vol. XXIV, p. 14.

(c) Ordres en Conseil Vol. IV, p. 178.

"share" means a share in the share capital of a company;

"share capital" has the same meaning as "fonds social" and "capital" in the principal Law;

"special resolution" has the same meaning as "décision spéciale" in the principal Law as amended by this Law;

"the States" means the States of Guernsey.

(2) Except where the context other requires—

(a) a reference in this Law to a numbered section or Schedule is a reference to the section of, or Schedule to, this Law which is so numbered;

(b) a reference in a section of this Law to a numbered subsection is a reference to the subsection of that section which is so numbered.

(3) Unless the context otherwise requires, any reference in this Law to an enactment is a reference to that enactment as repealed and re-enacted, amended, extended or applied by or under any other enactment including this Law.

(4) This Law is to be construed as one with the Companies (Guernsey) Laws, 1908 to 1973.

Miscellaneous
minor
amendments
to the
principal
Law.

35. The principal Law is amended in accordance with Part VIII of Schedule 1.

36. The enactments specified in the left hand column of Schedule 2 are amended to the extent specified in the right hand column of that Schedule.

Minor and consequential amendments to other enactments.

37. (1) The States may from time to time by Ordinance—

Power to modify or supplement certain provisions.

(a) add the name of any body to, delete the name of any body from, or change the name of any body in, section 19(1)(a);

(b) modify and/or supplement sections 19, 20 and 21 of this Law, and Articles LIII, LIV, LVI and LVII of the principal Law,

(i) so as to exclude the application of all or any of the requirements of those provisions in relation to companies of such descriptions, in such circumstances, and subject to such conditions (if any) as may be specified in the Ordinance;

(ii) as respects the application of those provisions in any case where a company's auditor is a body corporate, or a partnership as such;

(c) amend Articles LXV and LXVI of the principal Law, and section 24(1) of this Law, so as to substitute for references to the month of January, and to 31st January, references to any other period of the year and to the last day of any other month, respectively;

(d) alter any of the sums specified in sections 24(6) and 25(2)(b);

(e) alter any of the fees specified in the table in section 33(1).

(2) An Ordinance made under this section may—

(a) empower the Committee, in specified circumstances, to make regulations, issue licences or permissions and give directions;

(b) provide for its enforcement, by creating offences or otherwise;

- (c) make consequential amendments to other provisions of the Companies Laws and other enactments relating to auditors;
- (d) make different provision for different cases and circumstances;
- (e) contain incidental, supplementary and transitional provisions;
- (f) be varied or repealed by a subsequent Ordinance so made.

(3) This section is in addition to, and not to be construed as derogating from, the powers conferred by Article LXXXII of the principal Law and now vested in the States(d).

Savings and transitional provisions.

38. Schedule 3 (which contains savings and transitional provisions) shall have effect.

Citation.

39. This Law may be cited as the Companies (Guernsey) Law, 1990.

Collective title.

40. This Law and the Companies (Guernsey) Laws, 1908 to 1973 may be cited together as the Companies (Guernsey) Laws, 1908 to 1990.

Commencement.

41. This Law shall come into force on such day as the States may by Ordinance appoint, and such an Ordinance may—

- (a) appoint different days for different provisions of this Law and for different purposes;
- (b) include savings and transitional provisions in addition to those contained in Schedule 3.

(d) by virtue of Article 63, Reform (Guernsey) Law, 1948 (Ordres en Conseil Vol. XIII, p. 288).

SCHEDULE 1 Sections 1(3), 19(7),
 21(4), 23(3),
 26(4), 27(4),
 29(2) 32(2),
 33(2) and
 35.

AMENDMENTS TO THE PRINCIPAL LAW

PART I

Section 1(3)

Reduction in minimum number of members

Provision of principal Law	Extent of amendment
Article I	For "sept" there is substituted "deux".
Article XXXV	For "sept" in the first indent there is substituted "deux"; the second indent is repealed.
Article XLV	For "au moins cinq des actionnaires, représentant au moins un dixième des actions" there is substituted "un ou plus des actionnaires, représentant au moins un dixième des actions émises".
Article XLVIII	In paragraph 2, for "cinq" there is substituted "deux".

PART II

Sections 19(7)
and 21(4)*Audit of accounts*

Provision of principal Law	Extent of amendment
Article LIII	Immediately after the Article there is inserted: "Pourvu toutefois que si la première assemblée générale n'aura pas lieu avant l'expiration des trois mois à compter du jour où la Société sera en droit de commencer ses opérations, les administrateurs seront tenus de nommer le premier auditeur ou les premiers auditeurs aussitôt que possible après l'expiration de ces trois mois."
Article LVII	The final indent (i.e. from "Tout auditeur" to the end) is repealed.

PART III

Section 23(3)

Reforms relating to liquidations

Provision of principal Law	Extent of amendment
Article LXXI	In paragraph 2 for "tout ce qui est nécessaire pour la liquidation" there is substituted "tout ce qui est convenable à la liquidation utile de la Société".
Article LXXII	In paragraph 3, for "sept" there is substituted "deux"; in paragraph 4(a), for "cinquante livres" there is substituted "sept-cent cinquante livres (£750)"; in paragraph 5, the reference to Article LXVI is repealed.

Provision of principal Law	Extent of amendment
Article LXXIV	For "lors de" there is substituted "dès lors de"; for the second sentence there is substituted: "Pourra la Cour aussi nommer provisoirement un liquidateur pour— (a) s'assurer des propriétés et effets de la Société, (b) gérer ses affaires, (c) faire tout acte autorisé par la Cour."
Article LXXV	For indent (b) there is substituted: "(b) De conduire le commerce de la Société au fur et à mesure qu'il soit convenable à la liquidation utile de la Société."

PART IV

Sections 26(4)
and 27(4)*General meetings and special resolutions*

Provision of principal Law	Extent of amendment
Article XXXIX	For the first sentence (i.e. from "Toute Société Anonyme" to "commencer ses opérations") there is substituted: "Toute Société Anonyme sera tenue d'avoir une assemblée générale de ses actionnaires"

Provision of principal Law	Extent of amendment
	<p>(a) premièrement, pendant les dix-huit mois à compter du jour où la Société sera en droit de commencer ses opérations;</p> <p>(b) par la suite, au moins une fois pendant chaque année et de telle sorte qu'il n'y a plus de quinze mois entr'une telle assemblée et la prochaine."</p>
Article XL	<p>For all the words after "l'unique administrateur ou gérant." there is substituted "Le dit rapport devra comprendre un compte des profits et pertes de la Société pendant son année d'exercice et une feuille de balance montrant l'état des affaires de la Société à la fin de cet année d'exercice."</p>
Article XLVI	<p>The whole Article is repealed.</p>
Article XLVIII	<p>In paragraph 1, immediately before the words "cet avis" there is inserted "sous la Réserve des provisions de la sous-section (3) de section vingt-six de la Loi intitulée "the Companies (Guernsey) Law, 1991 ",";</p> <p>in paragraph 2—</p> <p>the words and commas ", autre que la déclaration d'une dividende," and the word "personnellement" are repealed;</p> <p>for "cinq" there is substituted "deux";</p> <p>for "fonds social" there is substituted "capital émis".</p>

Provision of principal Law	Extent of amendment
Article XLIX	In paragraph 4, for the words "cinq des membres ou actionnaires présents (ou moins de cinq pourvu qu'ils représentent au moins un cinquième du capital émis)" there is substituted "un ou plus des membres présents, représentant au moins un dixième du capital émis,".
Article LI	Immediately after "sera censée" there is inserted ", sous la réserve des provisions de la sous-section (2) de section vingt-sept de la loi intitulée "the Companies (Guernsey) Law, 1990";"; immediately after the words in paragraph 2, there is inserted "(y compris, lorsque l'appel nominal aura lieu, les suffrages de ceux qui seront représentés et voteront par mandataire)"; paragraph 3 and all the words thereafter are repealed.

PART V

Section 29(2)

Annual returns and returns of allotments

Provision of principal Law	Extent of amendment
Article XX	Immediately after the words, in paragraph (a), "Un état des répartitions, relatant" there is inserted ", sous la réserve des provisions de la sous-section (1) de section vingt-neuf de la Loi intitulée "the Companies (Guernsey) Law, 1990",,".

Provision of principal Law	Extent of amendment
Article LXV	In paragraph 7, for "officiel" there is substituted "enregistré"; in the final indent, immediately after the words "par la Société, et" there is inserted ", sous la réserve des provisions de la sous-section (1) de section vingt-neuf de la Loi intitulée "the Compnies (Guernsey) Law, 1990",."

PART VI

Section 32(2)

Abolition of petitions

Provision of principal Law	Extent of amendment
Article IX	For "requête", wherever appearing, there is substituted "demande".
Article XLIV	For "requête", wherever appearing, there is substituted "demande".
Article LXXI	In paragraph 4(j), for "appel", wherever appearing, there is substituted "demande".
Article LXXIII	For the whole Article there is substituted: "Une demande pour la dissolution d'une Société pourra être présentée à la Cour Ordinaire par la Société elle-même, par un ou plusieurs créanciers de la Société ou autres personnes intéressées, et tout acte passé par la Cour sur la dite demande opéra en faveur de tous les créanciers de la Société de même manière que si la dite demande avait été présentée par tous les créanciers de la Société."

Provision of principal Law	Extent of amendment
Article LXXIV	For "requête" there is substituted "demande".
Article LXXV	For "requête" there is substituted "demande"; for "pétitionnaires", wherever appearing, there is substituted "demandeurs".

PART VII

Section 33(2)

Abolition of small fees

Provision of principal Law	Extent of amendment
Article IV	Paragraph 5 is repealed.
Article XI	The words "Il sera payé au Greffier pour honoraires la somme de dix schellings six pennis" are repealed.
Article XIV	The words "Il sera payé au Greffier pour honoraires la somme de dix schellings six pennis" are repealed.
Article XX	All the words after "qui aura commis sciemment l'infraction" are repealed.
Article XXIII	The words "Il sera payé au Greffier pour chaque déclaration la somme de cinq schellings" are repealed.
Article XXVI	The words "Il sera payé au Greffier pour chaque pièce ainsi déposée un honoraire de deux schellings six pennis." are repealed.
Article XXVII	The words "Il sera payé au dit Greffier en déposant la dite liste un honoraire de deux schellings six pennis." are repealed.

Miscellaneous minor amendments

Provision of principal Law	Extent of amendment
Article VI	All the words after "procuration ou délégation spéciale" are repealed.
Article XI	The words "et dans le journal publié à Londres sous le nom de <i>London Gazette</i> " are repealed.
Article XII	For "public" there is substituted "enregistré".
Article XIV	The words "et dans le journal publié à Londres sous le nom de <i>London Gazette</i> " are repealed.
Article XV	For "Cet Article ne s'applique pas à la répartition d'actions" there is substituted "Cet Article ne s'applique pas à une répartition d'actions".
Article XXX	The words and comma ", avec ou sans travaux forcés" are repealed.
Article XXXI	Immediately after "bureau", wherever appearing, there is inserted "enregistré"; for "un schelling", wherever appearing, there is substituted "cinq livres".
Article XXXII	The reference to Article XXXVI is repealed.
Article XXXIV	For "public" there is substituted "enregistré".
Article XXXV	The words "avec garantie limitée" are repealed.
Article XXXVI	The whole Article is repealed.

Provision of principal Law	Extent of amendment
Article LXVI	All the words from "et pourra la Société être dissoute" to the end are repealed.
Article LXVII	The words "partout ailleurs que dans cette île" are repealed.
Article LXIX	For "public" there is substituted "enregistré".
Article LXXVII	For "La Gazette officielle française" there is substituted "la Gazette officielle".
Article LXXXI	The whole Article is repealed.

SCHEDULE 2

Section 36

MINOR AND CONSEQUENTIAL AMENDMENTS TO
OTHER ENACTMENTS

Enactment	Extent of amendment
The Law entitled "Loi supplémentaire à la Loi relative aux Sociétés Anonymes ou à Responsabilité Limitée", registered on the 21st March, 1936(e).	Sections 3 and 4 are repealed.
The Companies (Guernsey) Law, 1958(f).	In section 1, for "seven" there is substituted "two".
The Companies (Guernsey) Law, 1973.	In section 3(1)(a), immediately after the words "at the option of the company" there is inserted "or the shareholder".

(e) Ordres en Conseil Vol. X, p. 298.

(f) Ordres en Conseil Vol. XVII, p. 444.

Enactment	Extent of amendment
<p>The Law of Property (Miscellaneous Provisions) (Guernsey) Law, 1979(g).</p>	<p>In section 1, subsections (3) and (4) and the reference to subsection (3) in subsection (1) are repealed; in section 3(4), for "1973" there is substituted "1990"; the following paragraph is substituted for paragraph (a) of section 4(2); "(a) in the case of the voluntary winding-up thereof, at the time of the passing of the special resolution requiring the company to be wound-up voluntarily;"; in paragraph (b) of section 4(2) for "petition" there is substituted "application".</p>
<p>The Insurance Business (Guernsey) Law, 1986(h).</p>	<p>In sections 34 and 35 for "petition" wherever appearing there is substituted "application", and for "a petition" wherever appearing there is substituted "an application".</p>
<p>The Protection of Investors (Bailiwick of Guernsey) Law, 1987(i).</p>	<p>In section 28(2)(a) and (b) for "petition" wherever appearing there is substituted "apply".</p>

(g) Ordres en Conseil Vol. XXVII, p. 132.

(h) Ordre en Conseil No. XIII of 1986.

(i) Ordre en Conseil No. XX of 1987.

SCHEDULE 3

Section 38

SAVINGS AND TRANSITIONAL PROVISIONS

Accounting records

1. Paragraph (c) of section 17(3) is not to be construed as requiring a company's accounting records to contain statements in relation to any goods sold or purchased before that section comes into force.

Deposits in the hands of Her Majesty's Greffier

2. Any sum which has been paid to Her Majesty's Greffier pursuant to paragraph 5 of Article IV of the principal Law and is in his hands when the repeal of that provision effected by this Law comes into force shall be transferred to the General Revenue account of, and vest absolutely in, the States of Guernsey.

Current winding-up proceedings

3. Proceedings for the compulsory winding-up of a company instituted before the amendments effected by this Law of Article LXXII of the principal Law on the ground—
 - (a) that the number of the company's shareholders is less than seven; or
 - (b) that the company was deemed to be unable to pay its debts within the meaning of paragraph 4(a) of that Article,

are not affected by those amendments and may continue as if those amendments had not been enacted.

Past and current striking-off

4. (1) If Her Majesty's Greffier has, before the commencement of section 24, initiated but not completed the procedure set out in section 3 of the Law of 1936 in relation to a company, that procedure may be continued notwithstanding the repeal of that section; but if that company has failed to comply with Article LXV of the principal Law it shall not be considered to have shown "cause to the contrary" within the meaning of section 3(3) of the Law of 1936 unless it delivers its annual return and pays to Her Majesty's Greffier (in addition to any sums for the time being payable pursuant to any other enactment by a company delivering its annual return) the appropriate penalty as defined in section 24(6) in respect of each calendar month or part of a calendar month between the date by which it should have delivered its annual return and the date when it in fact delivers its annual return.
- (2) Sections 24(7) and 25 apply in the case of a company dissolved under section 3 of the Law of 1936 as those provisions apply in the case of a company dissolved under section 24(4) of this Law.

Companies issuing bank notes

5. The repeal effected by this Law of Article XXXVI of the principal Law does not affect any liability to which a person was subject before that repeal comes into force.

Company books

6. (1) The repeals effected by this Law of Articles XXXVII and XXXVIII of the principal Law are not to be construed as relieving a company or any officer of a company of any duty imposed by those articles in relation to any period before those repeals come into force.
- (2) Article XXXVII of the principal Law continues to have effect as respects books kept in accordance with its provisions in relation to any period before the repeal of that Article effected by this Law comes into force, as if that repeal had not been enacted.

Special resolutions passed before commencement

7. Articles XLVI, LI and LVIII of the principal Law apply in relation to a resolution passed before the amendments and repeals of those Articles effected by this Law come into force, as if this Law had not been passed.

Existing auditors

8. Section 19(1) does not apply in the case of a person who satisfies the Committee that at the date of that subsection's commencement he was carrying on the business of auditing the accounts of companies.

K. H. TOUGH,
Her Majesty's Greffier.