

ORDER IN COUNCIL

II
2002

ratifying a Projet de Loi

ENTITLED

The Companies (Guernsey) (Amendment) Law, 2001

(Registered on the Records of the Island of Guernsey
on the 21st January, 2002.)



2002

ORDER IN COUNCIL



IN THE ROYAL COURT OF THE ISLAND OF GUERNSEY

The 21st day of January, 2002 before Andrew Christopher King Day, Esquire, Deputy Bailiff; present:— David Charles Lowe, Esquire, Mrs. Eileen May Glass, Laurence Lenfestey Guille, Derek Martin Le Page, Stephen Edward Francis Le Poidevin, Alan Cecil Bisson, David Michael Jory, Michael Henry De La Mare, and Michael John Tanguy, Esquires, Jurats.

The Deputy Bailiff having this day placed before the Court a copy of an Order of Her Majesty in Council dated the 11th day of December, 2001, approving and ratifying a Projet de Loi of the States of Guernsey entitled “The Companies (Guernsey) (Amendment) Law, 2001”, 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 11th day of December, 2001

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 2001 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 25th day of July 2001, the States of Deliberation at a meeting held on the 1st day of November, 2001 approved a Bill or “Projet de Loi” entitled “The Companies (Guernsey) (Amendment) Law, 2001”, 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) (Amendment) Law, 2001”, 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.

A. K. Galloway

PROJET DE LOI

ENTITLED

The Companies (Guernsey) (Amendment) Law, 2001

THE STATES, in pursuance of their Resolution of the 25th day of July, 2001^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.

Amendment of Law of 1994.

1. (1) The Companies (Guernsey) Law, 1994, as amended^b, is further amended as follows.

(2) In section 37(1)(f) -

(a) the words "fully paid", wherever appearing, are repealed; and

(b) after the words "a particular currency" insert "or former currency".

(3) After section 37(1)(f) insert the following paragraph -

"(g) where its share capital is expressed in a particular

^a Article VII of Billet d'État No. XVII of 2001.

^b Order in Council No. XXXIII of 1994; amended by No. XIV of 1996.

currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise."

(4) After section 37(4) insert the following subsection -

"(5) The States may by Ordinance amend the provisions of this section; and any such Ordinance -

- (a) may be amended or repealed by a subsequent Ordinance hereunder;
- (b) may contain consequential, transitional, incidental or supplementary provision (including provision making consequential amendments to this Law)."

(5) After section 44 insert the following section -

"Share certificates, and reduction of share capital, on conversion, denomination or redenomination of shares or share capital.

44A. Where, whether by operation of law or pursuant to a resolution under section 37(1)(f) or (g) -

- (a) any of a company's shares, the nominal amount of which is expressed in a particular currency or former currency, are converted into shares of a nominal amount of a different currency; or
- (b) a company's share capital, being expressed in a

particular currency or former currency, is denominated or redenominated, whether by expression in units or subdivisions of that currency or former currency or otherwise;

then, notwithstanding any provision to the contrary in the company's articles-

- (i) the company shall not be obliged to issue new share certificates showing the different nominal amounts of the shares in question;
- (ii) the existing share certificates, notwithstanding the conversion, denomination or redenomination, shall continue to be valid; and
- (iii) any reduction of the nominal amounts of the individual shares or of the amount of the company's share capital which is attributable solely to the conversion, denomination or redenomination shall not constitute a reduction of share capital (whether for the purposes of Part VII of this Law or otherwise) provided that -
 - (A) the reduction does not extinguish or reduce the liability on any share in respect of capital which is not paid up (and for the purposes hereof a rounding down in accordance with the lex

monetae or in accordance with the provisions of section 37(1)(f) of the amount not paid up on any share shall be deemed not to be an extinction or reduction of any such liability);

- (B) the reduction does not reduce the net assets of the company; and
- (C) the amount of the reduction is credited to a capital redemption reserve which may be applied only in paying up unissued shares which are to be allotted to members as fully paid bonus shares."

Citation.

2. This Law may be cited as the Companies (Guernsey) (Amendment) Law, 2001.