

CAYMAN ISLANDS



**COMPANIES (AMENDMENT AND
VALIDATION) BILL, 2024**

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A BILL FOR AN ACT TO AMEND THE COMPANIES ACT (2023 REVISION) TO PROVIDE FOR APPLICATIONS FOR NAME RESERVATION; TO PROVIDE FOR THE CHARGING OF FEES FOR ADMINISTRATIVE SERVICES; TO EXPAND THE LIST OF TRANSACTIONS IN RESPECT OF WHICH EXPRESS FEES MAY BE PAID; TO VALIDATE CERTAIN REVENUE COLLECTION ACTIONS OF THE REGISTRAR; AND FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Commerce (FSC)



Memorandum of OBJECTS AND REASONS

This Bill amends the Companies Act (2023 Revision) (“the principal Act”) to provide for applications for name reservation, to provide for the charging of fees for administrative services, to increase express fees and to expand the list of transactions in respect of which express fees may be paid.

The Bill also validates certain revenue collection actions of the Registrar prior to the commencement of this legislation and provides for incidental and connected purposes.

Clause 1 provides the short title and commencement of the legislation.

Clause 2 amends the principal Act by inserting a proposed section 29A. The proposed section 29A provides for the making of applications to the Registrar to reserve a specified name for a company for a period of up to four months.

Clause 3 amends the principal Act by repealing and substituting section 159. The substituted section 159 provides, among other things, that before the name of a company may be restored to the register, the company shall pay a reinstatement fee equivalent to two times the original incorporation or registration fee.

Clause 4 amends the principal Act by inserting a proposed section 199A. The proposed section 199A provides for the payment of prescribed fees to the Registrar in respect of prescribed administrative services set out in Part 8 of Schedule 5.

Clause 5 amends the principal Act by repealing and substituting section 200. The substituted section 200 provides for additional categories of transactions which may be expedited upon payment of express fees and to increase the express fees in respect of existing transactions.

Clause 6 amends section 283 of the principal Act to provide, among other things, that regulations made by the Cabinet under the legislation may prescribe any fees payable under the legislation.

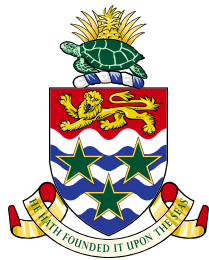
Clause 7 amends Schedule 5 to the principal Act to introduce fees for an application to the Registrar to reserve a specified name for a company as a consequence of the insertion of proposed section 29A.

The clause also amends Schedule 5 to the principal Act by inserting proposed Parts 8 and 9. The proposed Part 8 sets out the administrative services which may be provided and their corresponding fees. The proposed Part 9 sets out the various transactions in respect of which express fees may be charged and specifies the respective amounts of the express fees.

Clause 8 deals with the validation of fees collected, without statutory authority, by the Registrar. Where those fees were charged and collected prior to the commencement of this amending and validating legislation, this clause seeks to validate the collection of those

Clause 9 provides that this amending and validating legislation does not affect any order or determination made by a court relating to fees collected by the Registrar without statutory authority for any service provided by the Registrar before the commencement of this amending and validating legislation.

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COMPANIES (AMENDMENT AND VALIDATION)
BILL, 2024

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ENACTED by the Legislature of the Cayman Islands.

Short title and commencement

1. (1) This Act may be cited as the Companies (Amendment and Validation) Act, 2024.
- (2) This Act shall come into force on such date as may be appointed by Order made by the Cabinet.

Insertion of section 29A in the Companies Act (2023 Revision) - name reservation

2. The *Companies Act (2023 Revision)*, in this Act referred to as the “principal Act”, is amended by inserting after section 29 the following section —

“Name reservation

- 29A.** (1) A person (“applicant”) may apply to reserve a specified name by —
- (a) filing with the Registrar (including by permitted electronic means) an application executed by the applicant specifying the name to be reserved and the name and address of the applicant; and
 - (b) paying the prescribed application fee.
- (2) If, on an application made under subsection (1), the Registrar finds that the name is available for use by a company, the Registrar may reserve the name for exclusive use by the applicant for a period of up to four months.
- (3) On or before the expiry of the period for name reservation under subsection (2), the applicant may make further successive applications pursuant to subsection (2) to reserve the specified name.”.

Repeal and substitution of section 159 - company, creditor or member may apply to court for company to be reinstated

3. The principal Act is amended by repealing section 159 and substituting the following section —

“Company, member or creditor may apply to court for company to be reinstated

- 159.** (1) If a company or any member or creditor of a company feels aggrieved by the company having been struck off the register in accordance with this Act, the company, member or creditor may apply to the Court to have the company restored to the register.
- (2) An application referred to in subsection (1) shall be made by the company or any member or creditor of the company —
- (a) within two years after the date on which the company was struck off the register; or
 - (b) where the Cabinet allows, after the two-year period referred to in paragraph (a) but not more than ten years after the date on which the company was struck off the register.
- (3) Upon an application under subsection (1), if the Court is satisfied that —
- (a) the company was, at the time of the striking off, carrying on business or in operation, or otherwise; and
 - (b) it is just that the company be restored to the register,



the Court may order that the name of the company be restored to the register on payment by the company of a reinstatement fee equivalent to two times the original incorporation or registration fee, and on terms and conditions as to the Court may seem just.

- (4) Where the Court orders that the name of the company is to be restored to the register under subsection (3) —
- (a) the company is deemed to have continued in existence as if its name had not been struck off the register; and
 - (b) the Court, by the same or any subsequent order, may give directions and make provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had not been struck off the register.”.

Insertion of section 199A - fees for administrative services

4. The principal Act is amended by inserting after section 199 the following section —

“Fees for administrative services

199A. A person shall pay to the Registrar the fee specified in Part 8 of Schedule 5 for the provision by the Registrar of the corresponding administrative service set out in Part 8 of that Schedule.”.

Repeal and substitution of section 200 - express fees

5. The principal Act is amended by repealing section 200 and substituting the following section —

“Express fees

200. (1) The Registrar, on receipt of —

- (a) an application for registration under section 26, 184 or 201;
- (b) an application for re-registration under section 178, 182A, 210 or 214;
- (c) an application for registration of a change of name under section 31;
- (d) an application for a merger or consolidation under section 233 or 237;
- (e) the required information and relevant deregistration fee in accordance with section 181(1)(b) or (c) or 182C(1)(b);
- (f) an application for deregistration under section 206;
- (g) an application for any other certificate which the Registrar is authorized to provide under this Act; or

- (h) any relevant information for a transaction under subsection (2), which is accompanied by the prescribed fees and the prescribed express fee, shall complete the relevant transaction by —
 - (i) the end of the working day, where the application or relevant information and all fees are received by 12 noon; or
 - (ii) 12 noon on the following working day, where the application or relevant information and all fees are received after 12 noon.
- (2) For the purposes of subsection (1)(h), the transactions are —
 - (a) the filing of any document with the Registrar (other than the filing of any document made as part of an application);
 - (b) certifications by the Registrar;
 - (c) the issuance or making of copies by the Registrar;
 - (d) the issuance of certificates by the Registrar, including customized certificates; or
 - (e) the issuance of letters by the Registrar, including customized letters.”.

Amendment of section 283 - regulations

6. The principal Act is amended in section 283 as follows —

- (a) by renumbering section 283 as section 283(1);
- (b) in section 283(1) as renumbered, by deleting the full stop and substituting the words “, including regulations to prescribe any fees payable under this Act.”; and
- (c) by inserting after section 283(1) as renumbered, the following subsections —
 - “(2) Regulations made under this Act may —
 - (a) make different provision in relation to different cases or circumstances;
 - (b) apply in respect of particular persons or particular cases or particular classes of persons or particular classes of cases and define a class by reference to any circumstances whatsoever; and
 - (c) contain such transitional, consequential, incidental or supplementary provisions as appear to the Cabinet to be necessary or expedient for the purposes of the regulations.



- (3) Regulations made under this Act may create an offence punishable by a fine not exceeding twenty thousand dollars.
- (4) Fees prescribed for the purpose of this Act need bear no relationship to the cost of providing any service.”.

Amendment of Schedule 5 - fees

7. The principal Act is amended in Schedule 5 as follows —

- (a) by inserting after Part 1A, the following Part —

“PART 1B

(section 29A)

The fee payable for an application to reserve a specified name under section 29A is as follows —

- (a) in respect of an application for a name reservation for one week, \$40;
 - (b) in respect of an application for a name reservation for one month, \$60;
 - (c) in respect of an application for a name reservation for two months, \$80; and
 - (d) in respect of an application for a name reservation for three months, \$120; and
 - (e) in respect of an application for a name reservation for four months, \$160.”; and
- (b) by inserting after Part 7 the following Parts —

“PART 8

(section 199A)

Item Number	Description of administrative service	Fee
1.	Refund processing fee	\$50
2.	Pre-clearance applications for mergers or consolidations under section 233	\$400
3.	Fee for each application for correction of errors in documents filed with the Registrar under the Act	\$125
4.	Customized certificate requested by a company	\$500
5.	Customized letter requested by a company	\$500
6.	Certification	\$150

PART 9

(section 200)

Item Number	Description of transaction	Express Fee
1.	Application for registration under section 26, 184 or 201	\$500
2.	Application for re-registration under section 178, 182A, 210 or 214	\$500
3.	Application for the registration of a change of name under section 31	\$150
4.	Deregistration in accordance with section 181(1)(b) or (c) or 182C(1)(b)	\$500
5.	Application for deregistration under section 206	\$500
6.	Application for a merger or consolidation under section 233 or 237	\$500
7.	Application for any other certificate which the Registrar is authorized to provide under this Act	\$150
8.	Filing of any document (other than the filing of any document made as part of an application)	\$150
9.	Certification	\$150
10.	Issuing or making a copy	\$150
11.	Customized certificate requested by a company	\$150
12.	Customized letter requested by a company	\$150.”.

Validation of payment and collection of fees

8. The payment of fees to, and the charging and collection of fees by, the Registrar without statutory authority for any service provided by the Registrar prior to the commencement of this amending and validating Act are —

- (a) validated; and
- (b) taken to have been lawfully charged by, paid to and collected by the Registrar,

as if the Registrar was empowered under the principal Act as amended by this amending and validating Act to charge and collect those fees.



Orders or determinations by court not affected

9. This amending and validating Act does not affect any order or determination made by a court with respect to fees charged by, paid to and collected by the Registrar without statutory authority for any service provided by the Registrar prior to the commencement of this amending and validating Act.

Passed by the Parliament the day of , 2024.

Speaker

Clerk of the Parliament

