

Alert

Cayman Islands – The Companies (Amendment) Law, 2019

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Pursuant to the *Companies (Amendment) Law, 2019* (the “Amendment Law”) which came into effect on 8 August 2019 (other than Section 5 thereof), certain amendments have been made to the *Companies Law, Cap.22* (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Companies Law”). We would, in particular, draw your attention to the following changes:

1. Additional Information Required for Register of Members

The amended Section 40 of the Companies Law now requires the register of members of a company having a capital divided into shares to contain a statement to confirm the number and category of shares held by each member and whether each category of shares carries voting rights under the articles of association of such company and if so, whether such voting rights are conditional. This is in addition to the already required information such as the names and addresses of the members of the company, the date on which a person was entered as a member, the date on which a person ceased to be a member, and in the case of a company having a capital divided into shares, a statement of the shares held by each member, distinguishing each share by its number (if it has one), and the amount paid, or agreed to be considered as paid, on the shares of each member.

The deadline for compliance with the above requirement is six months after the date of the commencement of the Amendment Law (i.e. 8 February 2020). A company default in complying shall incur a penalty of CI\$5,000 (US\$6,098); and every director or manager of the company who knowingly and wilfully authorizes or permits such default shall be subject to the same penalty.

If your company is a listed company and maintains a branch register of members outside the Cayman Islands, please inform your branch share registrar of the above requirement promptly so as to ensure compliance before the deadline.

2. Filing Deadline for Changes to Register of Directors and Officers

Pursuant to the Amendment Law, the deadline for notification of any change to the register of directors and officers of a Cayman company to the Cayman Registrar of Companies (the “Registrar”) has been changed from within 60 days to within 30 days of the change taking place.

A company in default of complying with the above requirement shall incur a penalty of CI\$500 (US\$610). In addition, if the Registrar is satisfied that a breach has been knowingly and wilfully authorized or permitted, a company shall incur CI\$1,000 (US\$1,220) penalty and every director and officer of such company shall incur a penalty of CI\$1,000 as well as a further penalty of CI\$100 (US\$122) for every day during which the default continues.

Please therefore remember to inform Conyers Trust Company (Cayman) Limited promptly whenever there is a change in your company’s director(s), officer(s) or their information contained in the register of directors and officers. This will ensure that necessary filings can be made within the statutory time-limit.

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