

CAYMAN ISLANDS



LIMITED LIABILITY COMPANIES (AMENDMENT AND VALIDATION) BILL, 2024

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A BILL FOR AN ACT TO AMEND THE LIMITED LIABILITY COMPANIES ACT (2023 REVISION) IN ORDER TO PROVIDE A STATUTORY BASIS FOR THE REGISTRAR'S COLLECTION OF FEES FOR SEVERAL OF THE GENERAL REGISTRY'S SERVICES; TO VALIDATE CERTAIN PREVIOUS 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 seeks to amend the Limited Liability Companies Act (2023 Revision) (the “principal Act”) in order to provide a statutory basis for the General Registry’s collection of fees for several of its services.

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

Clause 2 amends section 46 of the principal Act. Section 46 empowers the Registrar to register a plan of merger or consolidation between two or more limited liability companies. Clause 2 amends section 46 to empower the Registrar to charge a fee for the registration of the plan of merger or consolidation.

Clause 3 amends section 50 of the principal Act. Section 50 empowers the Registrar to register a plan of merger or consolidation between one or more limited liability companies and one or more exempted companies. Clause 3 amends section 50 to empower the Registrar to charge a fee for the registration of the plan of merger or consolidation.

Clause 4 amends section 51 of the principal Act. Section 51 empowers the Registrar to register a plan of merger or consolidation between one or more limited liability companies and one or more foreign entities. Clause 4 amends section 51 to empower the Registrar to charge a fee for the registration of the plan of merger or consolidation.

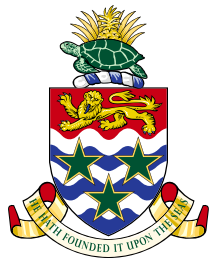
Clause 5 amends section 56 of the principal Act. Section 56 enables an exempted company to be reregistered as a limited liability company. Clause 5 amends section 56 to provide that an application under the section is to be termed an ‘application for reregistration’, not a ‘conversion application’.

Clause 6 inserts into the principal Act proposed new sections 59A and 59B. Proposed new section 59A would empower the Registrar to charge a fee for the provision of administrative services. Proposed new section 59B would set out a statutory basis for the Registrar to provide certain express services for a prescribed fee (for example, express services in respect of an application to convert an exempted company into a limited liability company).

Clauses 7 and 8 deal 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, clause 7 would validate the fees as if the Registrar was empowered under this amending and validating legislation.

Clause 8 provides that this amending and validating legislation does not affect a court order 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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ENACTED by the Legislature of the Cayman Islands.

Short title and commencement

- 1.** (1) This Act may be cited as the Limited Liability 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 and different dates may be appointed for different provisions of this Act and in relation to different matters.

Amendment of section 46 of the Limited Liability Companies Act (2023 Revision) - merger and consolidation

2. The *Limited Liability Companies Act (2023 Revision)*, in this Act referred to as the “principal Act”, is amended in section 46(11) by deleting the words “applicable fees under this” and substituting the words “prescribed fees under this or any other”.

Amendment of section 50 - merger or consolidation with exempted companies

3. The principal Act is amended in section 50(2) and (3) by deleting the word “applicable” and substituting the word “prescribed”.

Amendment of section 51 - merger or consolidation with foreign companies

4. The principal Act is amended in section 51(6) and (13) by deleting the word “applicable” and substituting the word “prescribed”.

Amendment of section 56 - conversion of an exempted company to a limited liability company

5. The principal Act is amended in section 56(4) by deleting the words “conversion application” and substituting the words “application for reregistration”.

Insertion of sections 59A and 59B - administrative services; express fees

6. The principal Act is amended by inserting after section 59 the following sections —

“Administrative services

59A. A person shall pay to the Registrar the prescribed fee for the provision by the Registrar of such administrative services as may be prescribed.

Express fees

59B.(1) The Registrar, on receipt of —

- (a) a registration statement under section 5(2);
- (b) a plan of merger or consolidation, or any other document, under section 46, 50 or 51;
- (c) an application for continuation as a limited liability company under section 54;
- (d) an application for deregistration of a limited liability company under section 55; or
- (e) an application for reregistration under section 56(4),

which is accompanied by the prescribed express fee, shall complete the transaction for which the respective document has been submitted by —

- (i) the end of the working day, where the document and all fees are received by 12 noon; or



- (ii) 12 noon on the following working day, where the document and all fees are received after 12 noon.
- (2) Where this Act provides for or requires —
 - (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) copies to be issued, made or provided by the Registrar;
 - (d) the issuance of certificates by the Registrar; or
 - (e) the issuance of customised certificates or customised letters by the Registrar,on receipt of the prescribed express fee, the Registrar shall complete the transaction by —
 - (i) the end of the working day, where the relevant information and all fees are received by 12 noon; or
 - (ii) 12 noon on the following working day, where the relevant information and all fees are received after 12 noon.”.

Validation of payment and collection of fees

7. 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.

8. 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.

Speaker

Clerk of the Parliament