

## Moving with the times: The Companies (Guernsey) Law, 2008 (Miscellaneous Amendments) Ordinance, 2021

#### May 2021

On 1 May 2021 the Companies (Guernsey) Law, 2008 (Miscellaneous Amendments) Ordinance, 2021 brought into force a number of amendments to the Companies (Guernsey) Law, 2008 (the **Law**). The amendments themselves are fairly minor in nature, but the general theme of the amendments is an aim to ensure that Guernsey remains a competitive jurisdiction in which it is easy to do business.

Changes relating to remotely held board meetings and shareholder meetings stem from the increased necessity to rely on technology to counter the issues created by lockdowns and travel restrictions due to the coronavirus pandemic.

Allowing for different board compositions for the incorporated cells (IC) of an incorporated cell company (ICC) will hopefully make the ICC a more practical and appealing structure. It opens up new possibilities for the management of an ICC structure, such as allowing an IC shareholder to enjoy board representation in respect of its IC.

Changes to sections dealing with takeovers, off-market acquisitions and offers to issue shares in lieu of dividends are aimed at clarifying or fixing issues in the existing legislation that will be familiar to practitioners. Although minor changes, they will create welcome improvements to these procedures.

The table below provides a summary of all the key amendments that have been made to the Law.

RELEVANT AREA	Company Law Sections Avended	AVENDMENT	RATIONALE
Deemed location of remotely held board meetings	Section 153(2)4	The law currently provides that where board meetings are held by telephone or video conference the deemed location of the meeting will be the location of the chairman of the meeting. This presumption can be superseded with an alternative presumption detailed in the company's articles of incorporation.	This addition will assist companies in meeting substance requirements and ensuring that their management and control remains based in Guernsey. It will also allow stability of meeting chairs without the need to appoint a chairman based on location to avoid the unintended consequences of the original wording.
Remotely held general meetings	Section 210(1)(b)	Where a general meeting is proposed to be held remotely by telephone or video conference, the notice of the meeting must state the means and manner by which persons may attend.	This updates the Law to reflect changes in the use of technology and the manner in which general meetings have been conducted during the pandemic.
Directors of an ICC and its ICs	Section 136 Section 143	Previously the board of an IC had to be the same as the board of the ICC. This amendment allows ICs to have different board compositions provided that at least one board member from the main ICC board sits on an IC board. The register of directors must clearly set out any differences in board composition between the ICs and the main ICC.	This will offer greater flexibility for the management of an ICC structure and hopefully increase the appeal and marketability of the ICC structure internationally.

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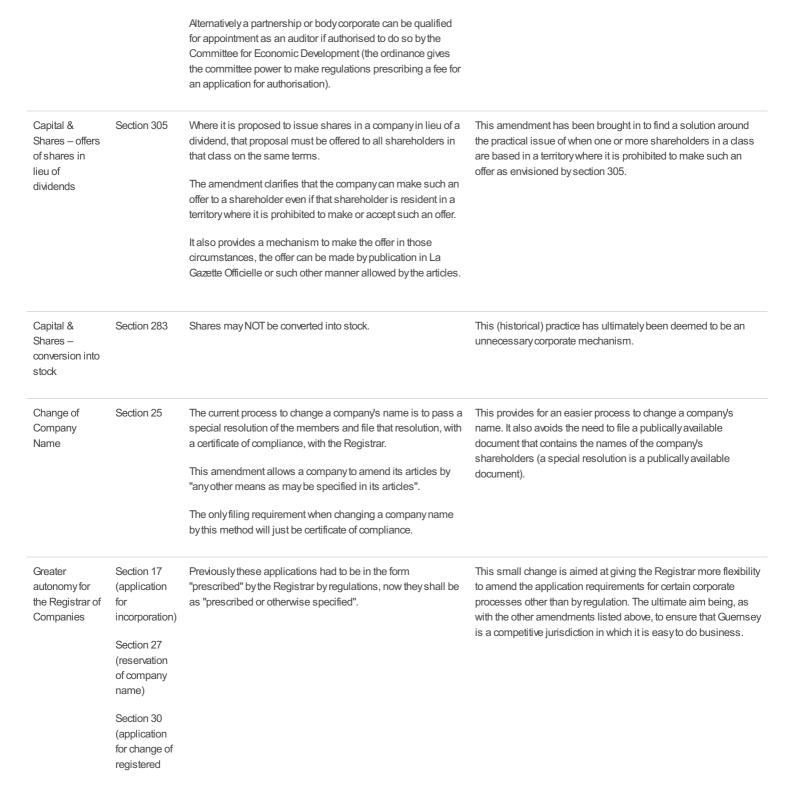
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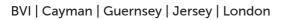
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Section 83 (application for registration as a Guernsey company (migration))

Section 97 (application for transfer of registration)

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