

Overview of Jersey company law

Service area / [Corporate](#)

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Date / [July 2020](#)

Basics

Companies legislation

The Companies (Jersey) Law 1991, as amended (CJL).

Types of company available

A Jersey company (Jco) can be:

- limited by shares (having a par value or no par value);
- a guarantee company;
- an unlimited company;
- a limited life company (limited by time or the occurrence of specified events); or
- a cell company (see also Cells of cell companies, below).

Public/private companies

A Jco can be either a private company or a public company.

Share buybacks/redemptions

Permitted and, for redemptions, if permitted by the articles of association and can convert issued non-redeemable shares into redeemable shares. If Jco is not an open ended investment company (OEIC), all the directors authorising the buyback/redemption must make a solvency statement among other things that immediately following the date on which the payment is proposed to be made Jco will be able to discharge its liabilities as they fall due and that it will be able to continue to carry on business and discharge its liabilities as they fall due until the expiry of 12 months immediately following that date. If Jco is an OEIC, the authorising directors must have reasonable grounds for believing that immediately following the date on which the payment is proposed to be made Jco will be able to discharge its liabilities as they fall due. A buyback must be

sanctioned by a special resolution except where the purchase is by a wholly-owned subsidiary. If the shares are to be purchased: (i) otherwise than on a stock exchange, an additional resolution is required to approve the relevant purchase contract; or (ii) 'on exchange', the special resolution above must also specify certain terms of the purchase.

Migrations

It is possible to migrate a Jco to another jurisdiction and vice versa.

Mergers

Permitted (other than in respect of a cell company or cell, a Jco with unlimited shares or guarantee company).

Capital requirement

None.

Currency of shares

Any currency.

Schemes of arrangement

Permitted between Jco and its creditors or shareholders (or a class of either of them). Must be approved by a majority in number representing 75% in value of the creditors (or class of creditors) or a majority in number representing 75% of the voting rights of the shareholders (or class of shareholders) and sanctioned by the court.

Financial assistance

Permitted.

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Formation

Timing

Within 2 hours for a 'fast-track' incorporation, and 'out of hours' and '1-5 business days' methods available (see also Fee, below)

A Jco is incorporated on the date of issue of the certificate of incorporation.

Fee

Incorporation fee:

- 'Fast track': £605
- 'Out of hours': £1,100 (minimum fee)
- Within 1 business day: £385
- Within 2 business days: £275
- Within 3 business days: £220
- Within 5 business days: £165

Anti-money laundering (AML)/ Know your client (KYC)

In line with UK standards. Compliance primarily falls on regulated Jersey service providers.

KYC checks are performed on beneficial owners of more than 25%. Rules are adjusted for listed companies.

Directors

Minimum number

A public Jco: two directors. A private Jco: one director.

Individual/corporate directors

May be a natural person or (subject to conditions) a body corporate.

Residence

A director need not be resident in Jersey. For a regulated Jco, there is a general regulatory (not company law) requirement for two directors to be Jersey resident.

Director duties

Jersey provides statutory and common law duty to:

- act honestly in good faith with a view to the best interests of the Jco; and
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Members

Minimum number

A public Jco must have two members unless it is a wholly-owned subsidiary. A private Jco may have one member.

Public information

Publicly available information is memorandum and articles of association, special resolutions, legal owners and, for a public Jco, directors, audited accounts and prospectus.

Bearer shares

Not permitted.

Treasury shares

Can be held.

Limited liability

Yes. Similar to the UK.

Resolutions

A special resolution is required to amend the memorandum or articles of association, commence a summary winding up and for certain other purposes. Requires a two-thirds' majority, or such higher majority required by the Articles. Can also be passed by written resolution capable of being passed by majority stipulated in Articles.

Company administration

Registered office in jurisdiction

Yes. Certain statutory books and records must be held.

Company secretary

Required. Can be a body corporate.

Ongoing requirements

A Jco must file an annual return each year and pay an annual filing fee of £225/235 if filed using online facility/in paper form, respectively.

A Jco is not required to hold AGMs unless its articles of association specify otherwise.

A public Jco must prepare and file annual audited accounts.

Accounting requirements

Accounts

Books of account must be kept for 10 years.

Auditors/filing

A private Jco is not required to audit or file its accounts but a public Jco must appoint auditors and file audited accounts.

Continued

Typical regulatory consents

Issue of shares/securities

A Jco will be issued with a COBO consent as part of the incorporation process to issue shares.

Circulation of prospectus

The Jersey Registrar's consent is required to circulate a prospectus to more than 50 people.

Regulatory consent is required to circulate a prospectus for a regulated fund in Jersey.

Cells of cell companies

A protected cell company cell does not have separate legal personality. An incorporated cell company cell is a separate company with its own legal identity.

Both provide for segregated assets and credit ring-fencing.

Transfer of shares

Process

An instrument of transfer is required.

Shares may trade and settle freely on CREST, the London Stock Exchange paperless settlement system.

Shares may also trade electronically and settle freely on certain other designated markets including NYSE, Nasdaq and Toronto Stock Exchange. It is possible to add new markets to this facility.

Pre-emption rights

There are no statutory pre-emption rights.

UK Takeover Code

Does apply.



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