

Overview of Jersey company law

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Location / [Jersey](#)

Date / [October 2016](#)

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 page 3 - Transfer of shares).

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. Buybacks and redemptions require a cash flow solvency statement from the directors which provides that immediately following the buyback/redemption, Jco will be able to discharge its liabilities as they fall due and that Jco will be able to discharge its liabilities as they fall due until the expiry of 12 months immediately following the date on which the buyback/redemption is proposed to be made. For open ended investment companies this requires a solvency statement from the directors which provides that immediately after the buyback/redemption, Jco will be able to discharge its liabilities as they fall due.

Migrations

It is possible to migrate Jcos to other jurisdictions and vice versa.

Mergers

Permitted (other than cell companies or cells).

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 and 75% in value of the creditors (or class of creditors) or a majority in number and 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

Same day for a 'fast track' incorporation or otherwise next day, provided the name has been approved.

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

Fee

Incorporation fee is £200 and an additional £200 for 'fast track' incorporation regardless of proposed share capital.

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 regulated Jcos, there is a 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 company; 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, special resolutions, legal owners and, for public companies, 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 Articles, 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

All Jcos must file an annual return each year and pay an annual filing fee of £150.

Jcos are not required to hold AGMs unless Articles 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.

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.

Continued

Types

Protected cell company cells do not have separate legal personality. Incorporated cell company cells are separate companies with their 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.

Pre-emption rights

There are no statutory pre-emption rights.

UK Takeover Code

Does apply.

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