

of the Island by carefully vetting which companies are to be allowed into Jersey.

Migration could be very helpful where a company wishes to maintain its identity and have no break or transfer which might otherwise have adverse tax, regulatory or contractual implications.

Mergers

Where two companies wish to merge, rather than impose an overarching parent company, the JFSC has introduced a relatively simple procedure for merger. Again there is shareholder and creditor protection.

Conclusion

This amendment to Jersey Law introduces greater flexibility. Further amendments regarding insolvency and beneficial owner disclosure requirements are in the pipeline. The result gives Jersey companies the capacity to provide the ideal corporate structure to many international arrangements.

Our Services

We arrange for the incorporation of Jersey companies and provide management and administration services.

Our formation and annual fees are pre-agreed and are published on our fee scale.

More Information

For more information, or to discuss how the expertise of Key Trust Company Limited can assist, please contact our Managing Director, John Perkins, at the address details below or by email: john.perkins@key-trust.com

This note is given on the basis that no liability is accepted for any errors of fact or opinion and that professional advice must be obtained before applying the information to particular circumstances.

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Key Trust Company

Jersey Company Services

Jersey Company Services

Company incorporation and administration radically changed in Jersey when the Companies (Amendment No. 6) (Jersey) Law 2002 came into force in September 2002. New types of companies were introduced and also the ability to migrate companies to and from foreign jurisdictions.

Single Member Companies

It is now possible for stand-alone private companies to have only one member without losing the benefits of limited liability. (Previously this was reserved for wholly owned subsidiaries forming part of a group.) The greater availability of single member companies appeals to sole traders and small businesses.

Public Companies

Previously, if a private company had more than 30 members, it would automatically be subject to the tougher public company regime (e.g. having greater disclosure requirements and restrictions on officers). Now, however, it is possible for administrators to obtain a dispensation from the Jersey

Financial Services Commission (JFSC) if the company is likely to stray over the 30 members mark but its nature is such that it is not really a public company. In the words of the law, this dispensation is available where the company's affairs are of domestic concern to its members.

Other types of Companies

Companies available in Jersey have now been greatly expanded, to include the following:

Par value Companies

These are companies limited by shares, (e.g. having a share capital of £10,000 divided into 10,000 shares of £1 each).

No par value Companies

These are limited liability companies with shares that have no par or nominal value attached to them. Thus, for example, a no par value company would merely have 10,000 ordinary shares. There is no par value ascribed to the shares nor any premium. The directors merely determine a subscription price for the particular shares to be issued. All the funds received go into one capital account.

From an accounting position, this type of company has the advantages of flexibility and enabling capital to be returned to the investors in a slightly less restrictive fashion.

Guarantee Companies

Membership is personal. Members have to pay a "guarantee" (usually £1) if called upon to do so but do not necessarily have any proprietary rights over the company.

These companies are useful in non profit-making or quasi-charitable circumstances where the identity of individual members is important. They may be very helpful for clubs, non profit-making bodies and charitable organisations.

Unlimited Companies

Traditionally used for professional firms wishing to incorporate who may be precluded by their governing bodies from having limited liability. They make it simpler to enter into contracts and continue in existence without breaks if members (or partners) come and go.

Unlimited companies have also been used for employee share option schemes, and for funds where the return of capital to investors is important as there are no maintenance of capital requirements for unlimited companies.

Hybrid Companies

It is possible to combine guarantees with limited and unlimited shares. But no par value shares cannot be mixed in the same company.

Migration

This amendment to the law allows foreign companies to migrate to Jersey or for Jersey companies to migrate to other jurisdictions provided certain conditions and procedures are met. There is built in to the procedures protection for shareholders and creditors of the company. Also, the JFSC continues to jealously guard the reputation