

# STATES OF JERSEY



## **DRAFT COMPANIES (AMENDMENT No. 6) (JERSEY) REGULATIONS 201-**

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**Lodged au Greffe on 24th May 2011  
by the Minister for Economic Development**

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**STATES GREFFE**





Jersey

## **DRAFT COMPANIES (AMENDMENT No. 6) (JERSEY) REGULATIONS 201-**

### **REPORT**

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The Draft Companies (Amendment No. 6) (Jersey) Regulations 201- (“**the draft Regulations**”) provide for consequential amendments to the Companies (Jersey) Law 1991 following the coming into force of the Incorporated Limited Partnerships (Jersey) Law 2011 (“**ILP Law**”), which will allow for the establishment of a new type of Jersey body corporate, the Incorporated Limited Partnership (“**ILP**”).

An ILP will be a body corporate, having perpetual succession. This may be attractive for a number of reasons. Firstly, there may be an attraction to having body corporate status for those engaging in cross-border transactions, since this gives greater certainty as a matter of international law, in particular regarding the limited liability of the limited partners. Secondly, perpetual succession means that those dealing with the ILP can be confident that it will continue to exist and be held accountable for its obligations.

The ILP Law follows the Limited Partnership model and provides that to the extent that matters are not expressly provided for in the ILP Law, the customary law of partnership will apply to ILPs. However, because the ILP will be an incorporated body, consequential amendments are needed to the Companies (Jersey) Law 1991 to clarify the extent of its applications to ILPs.

In brief, the draft Regulations will remove ILPs from the definition of a ‘body corporate’ for the purposes of the application of the Companies Law, just as Limited Liability Partnerships (“**LLPs**”) are excluded currently.

In keeping with current policy, neither an ILP nor a Separate Limited Partnership (“**SLP**”) formed under the new Separate Limited Partnerships (Jersey) Law 2011 (“**SLP Law**”) will be permitted to be an auditor or director of a Jersey company.

The Regulations are expressed to come into force 7 days after they are made.

### **Financial and manpower implications**

There are no financial or manpower implications for the States arising from these draft Regulations.

## Explanatory Note

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These Regulations amend the Companies (Jersey) Law 1991 (“the Companies Law”).

*Regulation 1* is an interpretation clause.

*Regulation 2* amends Article 1 of the Companies Law.

The amendment defines the expressions “incorporated limited partnership” and “separate limited partnership” for the purposes of the Law. They mean partnerships formed under the Incorporated Limited Partnerships (Jersey) Law 2011 and the Separate Limited Partnerships (Jersey) Law 2011 respectively.

The effect of the amendment is also to provide that references in the Law to bodies corporate do not include incorporated limited partnerships (as so defined).

*Regulation 3* amends Article 73 of the Companies Law.

The effect is to provide that neither an incorporated limited partnership nor a separate limited partnership can be a director of a company.

*Regulation 4* amends Article 102 of the Companies Law.

The effect is to provide that neither an incorporated limited partnership nor a separate limited partnership can be an auditor of a company.

*Regulation 5* provides for the citation and commencement of the Regulations.

They will come into force 7 days after they are made.



Jersey

## **DRAFT COMPANIES (AMENDMENT No. 6) (JERSEY) REGULATIONS 201-**

### **Arrangement**

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#### **Regulation**

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Jersey

## **DRAFT COMPANIES (AMENDMENT No. 6) (JERSEY) REGULATIONS 201-**

*Made* [date to be inserted]

*Coming into force* [date to be inserted]

**THE STATES**, in pursuance of Articles 2B, 85A, 113H and 220 of the Companies (Jersey) Law 1991<sup>1</sup>, have made the following Regulations –

### **1 Interpretation**

In these Regulations, “Law” means the Companies (Jersey) Law 1991<sup>2</sup>.

### **2 Article 1 amended**

(1) In Article 1(1) of the Law, there shall be inserted in their appropriate alphabetical order the following definitions –

“ ‘incorporated limited partnership’ means an incorporated limited partnership as defined in Article 1 of the Incorporated Limited Partnerships (Jersey) Law 2011<sup>3</sup>;”;

“ ‘separate limited partnership’ means a separate limited partnership as defined in Article 1 of the Separate Limited Partnerships (Jersey) Law 2011<sup>4</sup>;”.

(2) In Article 1(2) of the Law –

(a) in sub-paragraph (d), for the full stop there shall be substituted a semicolon;

(b) after sub-paragraph (d), there shall be added the following sub-paragraph –

“(e) do not include an incorporated limited partnership.”.

### **3 Article 73 amended**

For Article 73(4A) of the Law there shall be inserted the following paragraphs –

“(4A) An incorporated limited partnership shall not be a director of a company.

(4B) A separate limited partnership shall not be a director of a company.”.

#### **4 Article 102 amended**

After Article 102(1) of the Law, there shall be inserted the following paragraph –

“(1A) In this Part, unless the context otherwise requires, ‘partnership’ does not include an incorporated limited partnership or a separate limited partnership.”.

#### **5 Citation and commencement**

- (1) These Regulations may be cited as the Companies (Amendment No. 6) (Jersey) Regulations 201-.
- (2) These Regulations shall come into force 7 days after they are made.



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- <sup>1</sup> *chapter 13.125*
  - <sup>2</sup> *chapter 13.125*
  - <sup>3</sup> *L.5/2011*
  - <sup>4</sup> *L.6/2011*