

STATES OF JERSEY



Jersey

DRAFT LIMITED LIABILITY COMPANIES (WINDING UP AND DISSOLUTION) (AMENDMENT) (JERSEY) REGULATIONS 202-

**Lodged au Greffe on 22nd December 2022
by the Minister for External Relations and Financial Services
Earliest date for debate: 7th February 2023**

STATES GREFFE

REPORT

Background and purpose

Since the commencement of the [Limited Liability Companies \(Winding Up and Dissolution\) \(Jersey\) Regulations 2022](#) (the “LLC WU Regulations”), amendments have been made to the [Companies \(Jersey\) Law 1991](#) (the “Companies Law”), which permit a creditor with a debt of £3,000 or more to apply to the court for an insolvent company to be wound up and for a liquidator to be appointed to conduct that winding up. The Liquidator must be listed on the Approved List of Liquidators maintained by the Viscount.

The current LLC WU Regulations are based on the winding up provisions within the Companies Law as they were, and it is seen as appropriate for changes reflecting the Companies Law amendments to be made to the LLC WU Regulations so that this remedy is available for a creditor of an LLC also. Consequently, the proposed draft Regulations follow the changes made to the Companies Law subject to necessary adjustments where necessary to cater for the particular nature of an LLC (for example that there is a manager and not a director).

Consultation

A Consultation Paper seeking comment on the proposed amendments was prepared by Government and circulated by Jersey Finance Limited amongst its membership on 21st November. The consultation remained open until 1st December 2022. In addition, an online virtual ‘town hall’ consultation was organised by Jersey Finance Limited on 24th November 2022.

No comments, adverse or otherwise, were received during the virtual ‘town hall’ event, nor were any responses received by the consultation closing date of 1st December 2022. As noted above, the Working Group supports these amendments.

Financial and/or manpower implications

There are no new financial and/or manpower implications.

EXPLANATORY NOTE

The Limited Liability Companies (Winding Up and Dissolution) (Amendment) (Jersey) Regulations 202- amend the Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022 (“the WU Regs”) in order to bring the rules for the winding up and dissolution of limited liability companies (“LLCs”) in line with the equivalent rules for companies under the Companies (Jersey) Law 1991 (“CLJ91”). These Regulations make similar changes to the LLC regime that were made in relation to companies under the CLJ91 by virtue of the Companies (Amendment No. 8) (Jersey) Regulations 2022.

The amendments include the following:

- *Regulation 5* inserts new Regulations 13A to 13D into the WU Regs that relate to the application for a creditors’ winding up by a creditor, the appointment of a provisional liquidator, an order of the Court commencing a creditors’ winding up and an LLC’s application to terminate a creditors’ winding up. These provisions are equivalent to Articles 157A to 157D of the CLJ91;
- *Regulation 9* inserts a new Regulation 16A into the WU Regs dealing with the meeting of creditors following a Court-ordered creditors’ winding up. This provision is equivalent to Article 160A of the CLJ91;
- *Regulation 12* inserts new Regulation 29A into the WU Regs providing for liability in certain cases where LLC interests are acquired. This is equivalent to Article 181 of the CLJ91;
- *Regulation 14* amends Regulation 45 of the WU Regs relating to the qualifications of a liquidator. These amendments reflect the provisions in Article 7 of the Companies (General Provisions) (Jersey) Order 2002;
- *Regulation 15* inserts a new Regulation 45A into the WU Regs to allow for the Viscount to investigate the conduct of liquidators. This is equivalent to Article 8 of the Companies (General Provisions) (Jersey) Order 2002;
- *Regulation 18* inserts a new Regulation 52A into the WU Regs relating to the disposal of records when an LLC has been wound up. This is equivalent to Article 194 of the CLJ91;
- *Regulation 19* inserts a new Schedule into the WU Regs which contains the template that a creditor of an LLC must use to serve a statutory demand on an LLC.

Regulation 20 gives the citation and provides that these Regulations come into force 7 days after they are made.



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Contents

Regulation

1	Amendment of the Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022	7
2	Regulation 1 (interpretation) amended.....	7
3	Regulation 12 (application) amended.....	7
4	Regulation 13 (procedure) amended.....	7
5	Regulations 13A to 13D inserted	8
6	Regulation 14 (notice of winding up) amended	10
7	Regulation 15 (commencement and effects of creditors' winding up) amended	11
8	Regulation 16 (meeting of creditors in creditors' winding up) amended	11
9	Regulation 16A inserted.....	11
10	Regulation 17 (appointment of liquidator) amended	12
11	Regulation 26 (powers and duties of liquidator) amended.....	12
12	Regulation 29A inserted.....	13
13	Regulation 31 (appointment or removal of liquidator by the Court) amended	14
14	Regulation 45 (qualifications of liquidator) amended	14
15	Regulation 45A inserted.....	16
16	Regulation 47 (remuneration, and vacancy in office, of liquidator) amended	18
17	Regulation 52 (bar against other proceedings in bankruptcy) amended	19
18	Regulation 52A inserted.....	19
19	Schedule (statutory demand) inserted	20
20	Citation and commencement	23



Jersey

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Made [date to be inserted]
Coming into force [date to be inserted]

THE STATES make these Regulations under Article 60 of the [Limited Liability Companies \(Jersey\) Law 2018](#) –

1 Amendment of the [Limited Liability Companies \(Winding Up and Dissolution\) \(Jersey\) Regulations 2022](#)

These Regulations amend the [Limited Liability Companies \(Winding Up and Dissolution\) \(Jersey\) Regulations 2022](#).

2 Regulation 1 (interpretation) amended

In Regulation 1, after the definition “manager” there is inserted –

““special resolution” means a vote (or consent) of members which is passed (or given) by members who together hold a two thirds majority of the total rights to the profits of the limited liability company, but where that results in no members with a right to vote or provide consent, a vote (or consent) by a two thirds majority in number of the members;”.

3 Regulation 12 (application) amended

In Regulation 12(1) for “Parts 2 or 4” there is substituted “Parts 1 or 2”.

4 Regulation 13 (procedure) amended

For Regulation 13 there is substituted –

“13 Procedure

A limited liability company, other than a limited liability company in respect of which a declaration has been made (and not recalled) under the Désastre Law, may be wound up under this Part if –

- (a) the limited liability company resolves to do so by special resolution; or
- (b) the Court makes an order for winding up under Regulation 13C.”.

5 Regulations 13A to 13D inserted

After Regulation 13 there is inserted –

“13A Application for creditors’ winding up by creditor

- (1) A creditor may make an application to the Court for an order to commence a creditors’ winding up if the creditor has a claim against the limited liability company for not less than the minimum liquidated sum and –
 - (a) the limited liability company is unable to pay its debts;
 - (b) the creditor has evidence of the limited liability company’s insolvency; or
 - (c) the creditor has the consent of the limited liability company.
- (2) A limited liability company is deemed to be unable to pay its debts for the purposes of paragraph (1)(a) if –
 - (a) the creditor to whom the limited liability company is indebted in a sum exceeding the minimum liquidated sum then due has served on the limited liability company, by way of personal service, a statutory demand in the form set out in the Schedule requiring the limited liability company to pay the sum so due; and
 - (b) the limited liability company has for 21 days after service of the statutory demand failed to pay the sum or otherwise dispute the debt due to the reasonable satisfaction of the creditor.
- (3) Except in exceptional circumstances, a creditor who makes an application under paragraph (1) must give the limited liability company at least 48 hours’ notice of the application that is being made.
- (4) A creditor must not make an application under paragraph (1) –
 - (a) to the extent that the creditor has agreed not to make an application; or
 - (b) if the creditor’s only claim is for repossession of goods.
- (5) An application under paragraph (1) must be made in the form approved by the Court and must be accompanied by an affidavit verifying the content of the form.
- (6) In this Regulation, the “minimum liquidated sum” means the minimum liquidated sum prescribed for the time being in the [Companies \(General Provisions\) \(Jersey\) Order 2002](#) for the purposes of Article 157A of the [Companies \(Jersey\) Law 1991](#).

13B Appointment of provisional liquidator

- (1) Subject to the provisions of this Regulation, the Court may, at any time after an application for a creditors' winding up is made under Regulation 13A, appoint a liquidator provisionally.
- (2) The liquidator appointed provisionally under this Regulation must carry out such functions that the Court may confer on the liquidator.
- (3) The powers of a liquidator appointed provisionally under this Regulation may be limited by the order appointing the liquidator.
- (4) After the appointment of a liquidator provisionally under this Regulation no action must be taken or proceeded with against the limited liability company except by leave of the Court and subject to such terms as the Court may impose.
- (5) A liquidator appointed provisionally under this Regulation must as soon as is reasonably practicable after the appointment –
 - (a) give notice of the appointment to the registrar, the Viscount and the managers and creditors of the limited liability company (to the extent known to the liquidator); and
 - (b) send a copy of the relevant act of Court to the registrar.

13C Order of Court commencing creditors' winding up

- (1) The Court, after considering an application made, and the affidavit required, under Regulation 13A, may –
 - (a) make an order that a creditors' winding up must commence in respect of the limited liability company from the date of the application or such other date as the Court deems fit and appoint a person nominated by the applicant or selected by the Court as the liquidator; or
 - (b) dismiss the application and make such order as it thinks fit.
- (2) The Court may –
 - (a) at any time adjourn the hearing of an application made under Regulation 13A for such time as the Court thinks fit;
 - (b) require the applicant to furnish such further information as the Court requires; and
 - (c) order other parties to be convened to the application.
- (3) A liquidator appointed under paragraph (1)(a) must, within 14 days after the liquidator's appointment –
 - (a) give notice of the appointment to the registrar, the Viscount and the managers and creditors of the limited liability company (to the extent known to the liquidator); and
 - (b) send a copy of the relevant act of Court to the registrar.
- (4) A liquidator who fails to comply with paragraph (3) commits an offence and is liable to a fine not exceeding level 3 on the standard scale.
- (5) If, as a result of an application made by a creditor, an order for a creditors' winding up is made and the limited liability company was

not insolvent at the date that the application was made, the limited liability company has the right of action against the applicant to recover damages for or in respect of any loss sustained by the limited liability company as a consequence of the order, unless the applicant, in making the application, acted reasonably and in good faith.

- (6) Any action brought under paragraph (5) must be commenced within 12 months from the date of the application.

13D Limited liability company's application to terminate creditors' winding up

- (1) A limited liability company may, at any time during the course of the creditors' winding up which has been ordered by the Court under Regulation 13C(1)(a), apply to the Court for an order terminating the creditors' winding up.
- (2) The Court must refuse an application made under paragraph (1) if the Court is not satisfied that the property of the limited liability company is at the time of the application sufficient to pay in full claims filed with the liquidator or claims which the liquidator has been advised will be filed within the time required for proving a debt.
- (3) In considering an application under paragraph (1), the Court must have regard to the interests of –
 - (a) creditors who have filed a proof of debt;
 - (b) creditors whose claims the liquidator has been advised will be filed within time required for proving a debt; and
 - (c) the limited liability company.
- (4) If the Court makes an order under this Regulation, the Court may make such further order as it thinks fit.
- (5) If the Court makes an order under this Regulation, the creditors' winding up terminates from the date of the order unless the Court orders otherwise.
- (6) An order made under this Regulation does not prejudice the validity of any act of the liquidator relating to the limited liability company between the date the application for the creditors' winding up is made under Regulation 13C(1)(a) and the date of the termination of the creditors' winding up under paragraph (5).
- (7) For the purposes of this Regulation, the same rules apply to the time and manner of proving debts as are in force for the time being with respect to persons against whom a declaration has been made under the Désastre Law with the substitution of references to a creditors' winding up for references to the désastre and references to a liquidator for references to the Viscount.”.

6 Regulation 14 (notice of winding up) amended

In Regulation 14, after paragraph (3) there is inserted –

- “(4) The liquidator must, if the Court orders a creditors’ winding up –
 - (a) publish a notice in the Jersey Gazette; and
 - (b) provide notice to the registrar.
- (5) The notice must be published, and provided to the registrar, within 14 days after the day on which the order was made.
- (6) A liquidator that fails to comply with paragraph (4) or (5) commits an offence and is liable to a fine not exceeding level 3 on the standard scale.”.

7 Regulation 15 (commencement and effects of creditors’ winding up) amended

In Regulation 15 –

- (a) for paragraph (1) there is substituted –
 - “(1) A creditors’ winding up commences –
 - (a) when a creditors’ winding up is approved by the members of the limited liability company; or
 - (b) if the Court orders the creditors’ winding up under Regulation 13C(1)(a), at the time the application is made under Regulation 13A(1), unless the Court orders otherwise.”;
 - (b) in paragraph (3) for “company’s powers” there is substituted “company”.

8 Regulation 16 (meeting of creditors in creditors’ winding up) amended

In Regulation 16 –

- (a) in the heading after “creditors’ winding up” there is inserted “other than a Court-ordered creditors’ winding up”;
- (b) before paragraph (1) there is inserted –
 - “(A1) This Regulation applies in the case of a creditors’ winding up that is not ordered by the Court.”.

9 Regulation 16A inserted

After Regulation 16 there is inserted –

“16A Meeting of creditors following Court-ordered creditors’ winding up

- (1) If the Court orders a creditors’ winding up in respect of a limited liability company under Regulation 13C(1)(a) or appoints a liquidator provisionally under Regulation 13B, the liquidator must –
 - (a) within 7 days after the date of the appointment of the liquidator, give notice to the creditors of the limited liability company of a meeting to be held in Jersey on the day falling 21 days after the date of the Court order, or if that day is not a working day, the next working day after that day;

- (b) during the period before the meeting, provide, free of charge, any information concerning the affairs of the limited liability company as the creditors may reasonably require.
- (2) The notice must be given –
 - (a) at least 14 days before the day on which the meeting is to be held; and
 - (b) by advertisement in the Jersey Gazette at least 10 days before the day of the meeting.
- (3) If a liquidator fails, without reasonable excuse, to comply with paragraph (1) or (2), the liquidator commits an offence and is liable to a fine.
- (4) The managers of a limited liability company in a creditors' winding up must –
 - (a) prepare a statement as to the affairs of the limited liability company, verified by affidavit by one or more of the managers; and
 - (b) lay that statement before the creditors' meeting.
- (5) If a manager fails, without reasonable excuse, to comply with paragraph (4), the manager commits an offence and is liable to a fine.
- (6) The liquidator appointed by the Court must preside over the creditors' meeting called under this Regulation.
- (7) In paragraph (1), "working day" means a day which is not –
 - (a) a Saturday, a Sunday, Christmas Day, or Good Friday; or
 - (b) a day that is a public holiday under the [Public Holidays and Bank Holidays \(Jersey\) Act 2010](#).

10 Regulation 17 (appointment of liquidator) amended

In Regulation 17, after paragraph (3) there is inserted –

- “(3A) Where a liquidator has been appointed by the Court, a creditor of the limited liability company in respect of which the creditors' winding up has been ordered under Regulation 13C(1)(a) may, within 7 days of the creditors' meeting referred to in Regulation 16A, apply to the Court for an order appointing some other person to be the liquidator instead of the person appointed by the Court under Regulation 13C(1)(a).”.

11 Regulation 26 (powers and duties of liquidator) amended

In Regulation 26 –

- (a) in paragraph (5) after “The appointment” there is inserted “(other than pursuant to a Court order)”; and
- (b) after paragraph (5) there is inserted –
 - “(6) A Court order appointing more than one person as a liquidator may provide whether any act to be done is to be done by all or any one or

more of them and in the absence of any such provision, any such act may be done by 2 or more of them.”.

12 Regulation 29A inserted

After Regulation 29 there is inserted –

“29A Liability in respect of acquisition of LLC interests

- (1) This Regulation applies where a limited liability company is being wound up in a creditors’ winding up and –
 - (a) it has within 6 months before the commencement of the winding up made a payment under Article 45 of the Law to acquire, by purchase, redemption or otherwise any LLC interest in the limited liability company;
 - (b) the payment was not made lawfully; and
 - (c) the aggregate realisable value of the limited liability company’s assets and the amount paid by way of contribution to its assets (apart from this Regulation) is not sufficient for the payment of its liabilities and the expenses of the winding up.
- (2) In this Regulation, the amount of a payment that has not been made lawfully for the purpose of the acquisition is referred to as the “relevant payment”.
- (3) Subject to paragraph (5), the Court on the application of the liquidator may order the following to contribute in accordance with this Regulation to the limited liability company’s assets so as to enable the insufficiency to be met –
 - (a) a person from whom the LLC interests were acquired; or
 - (b) a manager.
- (4) A person from whom any LLC interests were acquired may be ordered to contribute an amount not exceeding so much of the relevant payment as was made in respect of those LLC interests.
- (5) The Court may not order a person from whom the LLC interests were acquired to contribute under this Regulation unless the Court is satisfied that, when the person received payment for their LLC interest, the person knew, or ought to have concluded from the facts known to the person, that immediately after the relevant payment was made –
 - (a) the limited liability company would be unable to discharge its liabilities as they fell due; and
 - (b) the realisable value of the limited liability company’s assets would be less than the aggregate of its liabilities.
- (6) Where a person has contributed an amount under this Regulation, the Court may direct any other person who is jointly and severally liable to contribute under this Regulation to pay to that person such amount as the Court thinks just and reasonable.”.

13 Regulation 31 (appointment or removal of liquidator by the Court) amended

In Regulation 31, after paragraph (2) there is inserted –

- “(3) The appointment or removal of a liquidator under this Regulation may be made on request by the limited liability company, a manager of the limited liability company, a creditor, the Viscount, the Commission, the Minister or any other person.”.

14 Regulation 45 (qualifications of liquidator) amended

In Regulation 45 –

- (a) for paragraph (1) there is substituted –

“(1) A person must not act as a liquidator of a limited liability company that is being wound up under Regulation 3 (power for Court to wind up on just and equitable grounds) or Part 2 (summary winding up) unless the person –

- (a) is an individual; and
(b) is qualified to act as a liquidator in accordance with paragraph (3) or (4).”;

- (b) after paragraph (1) there is inserted –

“(1A) Subject to paragraph (4), a person must not act as a liquidator of a limited liability company that is being wound up under Part 3 (creditors’ winding up) unless the person is registered as an approved liquidator and entered on the Register of Approved Liquidators under paragraph (3C).”;

- (c) in paragraph (2) after “(1)” there is inserted “or (1A)”;
(d) in paragraph (3) after “limited liability company” there is inserted “that is being wound up under Regulation 3 or Part 2”;
(e) after paragraph (3) there is inserted –

“(3A) A person is not qualified to be registered as an approved liquidator and entered on the Register of Approved Liquidators under paragraph (3C) unless the person –

- (a) is ordinarily resident in Jersey;
(b) is an individual who has the level of experience determined by the Viscount in writing and –

(i) is licensed in the United Kingdom to act as insolvency practitioner by one of the recognised professional bodies as defined under section 391(8) of the Insolvency Act 1986 of the United Kingdom, or

(ii) is a member of –

- (A) the Association of Chartered Certified Accountants,
(B) the Chartered Accountants of Ireland,
(C) the Institute of Chartered Accountants in England and Wales, or

- (D) the Institute of Chartered Accountants in Scotland; and
- (c) has in place –
 - (i) a general bond of an amount for the time being specified in Article 7(2A)(c) of the [Companies \(General Provisions\) \(Jersey\) Order 2002](#), and
 - (ii) a specific bond of between the minimum and maximum amounts for the time being specified in that provision for each appointment.
- (3B) An individual who is not ordinarily resident in Jersey but is otherwise qualified in accordance with paragraph (3A)(b) and (c) may, together with an individual who is registered as an approved liquidator and entered in the Register of Approved Liquidators under paragraph (3C), be appointed as a liquidator of a limited liability company, and the Viscount may, in accordance with this Regulation, register the individual as a non-Jersey liquidator in the Register of Approved Liquidators.
- (3C) An individual who is qualified under paragraph (3A) to be registered as an approved liquidator or as a non-Jersey liquidator under paragraph (3B) may apply to the Viscount, in the form approved by the Viscount, to be registered or re-registered as an approved liquidator or a non-Jersey liquidator, as the case may be, and entered in the Register of Approved Liquidators.
- (3D) The Viscount must keep and maintain a Register of Approved Liquidators and may upon –
 - (a) application under paragraph (3C) by an individual who is qualified to be registered as an approved liquidator under paragraph (3A) or as a non-Jersey liquidator under paragraph (3B); and
 - (b) payment to the Viscount by the individual of the registration or re-registration fee of an amount for the time being specified in Article 7(2D)(b) of the [Companies \(General Provisions\) \(Jersey\) Order 2002](#),
register the individual as an approved liquidator or non-Jersey liquidator and enter the name of the individual in the Register of Approved Liquidators.
- (3E) The registration of an individual as an approved liquidator or a non-Jersey liquidator under this Regulation expires after one year and an individual may apply to the Viscount under paragraph (3C) to re-register.
- (3F) A person registered as an approved liquidator or a non-Jersey liquidator under this Regulation must within 21 days of any change of circumstances which disqualifies the person from meeting the requirements under paragraph (3A) notify the Viscount of the change and the Viscount must cancel the person's registration as an approved liquidator or non-Jersey liquidator and remove the name of the person from the Register of Approved Liquidators.

- (3G) The Viscount must publish online the Register of Approved Liquidators kept and maintained under paragraph (3D) and make the register available for inspection to the public.”.

15 Regulation 45A inserted

After Regulation 45 there is inserted –

“45A Investigation into conduct of liquidators

- (1) The Viscount may investigate the conduct of a liquidator where –
- (a) the Viscount receives representations (including, but not limited to, complaints) about the exercise of powers, or a failure to exercise powers, by a liquidator and the Viscount is of the opinion that the matter relating to the representations has not been satisfactorily dealt with by the liquidator or within a reasonable timeframe; or
 - (b) it otherwise appears to the Viscount that there are circumstances justifying investigation including circumstances which –
 - (i) give rise to concerns on the part of the Viscount about the conduct of the liquidator (including, but not limited to, the level of fees charged or proposed to be charged by a liquidator),
 - (ii) suggest that a liquidator has failed to comply with an order made or directions given by the Court, or
 - (iii) otherwise constitute good reason, in the view of the Viscount, to seek further information about a liquidator’s discharge of their functions.
- (2) The Viscount may by notice in writing –
- (a) except where the Viscount finds that there is good reason not to do so, inform the liquidator of the representations made under paragraph (1), if any; and
 - (b) require the liquidator to provide such information (including accounts) or documents as may be specified, or as are of such description as may be specified, and such reports as the Viscount may require, from the liquidator as to the exercise of the liquidator’s functions, and in either case, may require the liquidator to do so in such a manner and before the end of such reasonable period and at such place as may be specified.
- (3) Where any information or document is provided to the Viscount under paragraph (2)(a), the Viscount may further require such information to be verified, or such document to be authenticated, in such reasonable manner as the Viscount may see fit.
- (4) Nothing in these Regulations requires the Viscount to investigate, consider or determine any complaint if, in the Viscount’s opinion –
- (a) the subject matter of the complaint is trivial; or

- (b) the complaint is frivolous or vexatious or is not made in good faith.
- (5) A person required under paragraph (2)(b) to submit a report may make an application to the Viscount to request more time for doing so.
- (6) An application under paragraph (5) must –
 - (a) state the grounds for requesting more time; and
 - (b) contain, or be accompanied by, such information as the Viscount may reasonably require to determine the application.
- (7) The Viscount may, in response to an application under paragraph (5), grant such extension of time as the Viscount may consider reasonable.
- (8) The Viscount may, at all reasonable times, examine and take copies of any record kept in relation to the liquidator's functions by persons or bodies carrying on the business of providing financial services within the meaning given to that expression by Article 1(1) of the [Financial Services Commission \(Jersey\) Law 1998](#).
- (9) For the purposes of an investigation into a complaint received by the Viscount, the Viscount may consult such persons, who have expertise in the matter in respect of which the complaint is made, as the Viscount may see fit.
- (10) Where, following an investigation under this Regulation the Viscount considers it necessary or appropriate to do so, the Viscount may make an application to the Court requesting the exercise, in relation to a liquidator of any of the Court's powers under the Law.
- (11) In considering whether it is necessary or appropriate to make an application under paragraph (10), the Viscount must have regard to –
 - (a) the terms of the appointment of the liquidator; and
 - (b) orders or directions given by the Court.
- (12) A liquidator may require the Viscount to reconsider any decision made by the Viscount under this Regulation in relation to that liquidator.
- (13) The right conferred by paragraph (12) is exercisable by the liquidator giving notice in writing to the Viscount within the period of 21 days beginning with the date on which notice of the decision was given to the liquidator.
- (14) Notice given in accordance with paragraph (13) must –
 - (a) state the grounds for the request for reconsideration; and
 - (b) contain, or be accompanied by, any relevant information or documents.
- (15) At any time after receiving the notice and before reconsidering the decision to which it relates, the Viscount may require the liquidator to provide such further information, or to produce such documents, as the Viscount reasonably considers necessary to enable reconsideration of the decision.

- (16) Following reconsideration, the Viscount must give to the liquidator –
 - (a) notice in writing of the decision on reconsideration; and
 - (b) if the previous decision is upheld, a statement in writing of the reasons for upholding it.
- (17) The Viscount, or any member of the Viscount’s Department is not liable in damages for anything done or omitted in the discharge of or purported discharge of any function under these Regulations.
- (18) Paragraph (17) does not apply –
 - (a) if it is shown that the act was done, or the omission made, in bad faith; or
 - (b) so as to prevent an award of damages made in respect of an act on the ground that the act was unlawful as a result of Article 7(1) of the [Human Rights \(Jersey\) Law 2000](#).”.

16 Regulation 47 (remuneration, and vacancy in office, of liquidator) amended

In Regulation 47 –

- (a) in paragraph (1), after “creditors’ winding up” there is inserted “(other than a liquidator appointed by the Court)”;
- (b) after paragraph (1) there is inserted –
 - “(1A) A liquidator appointed by a Court in a creditors’ winding up ordered by the Court is entitled to receive such remuneration as is fixed by the Court.”;
- (c) for paragraph (2) there is substituted –
 - “(2) The creditors, in the case of a creditors’ winding up that is not ordered by the Court under Regulation 13C(1)(a) or the Court, in the case of a creditors’ winding up ordered by the Court under Regulation 13C(1)(a), may at any time remove a liquidator.”;
- (d) in paragraph (3) –
 - (i) after “signed by the liquidator” there is inserted “, to the registrar; and –”, and
 - (ii) for sub-paragraphs (a) and (b) there is substituted –
 - “(a) in the case of a creditors’ winding up (except where the removal is under paragraph (2)), to the creditors;
 - (b) in the case of a creditors’ winding up ordered by the Court, to the Court and the Viscount.”;
- (e) in paragraph (5) for sub-paragraphs (a) and (b) there is substituted –
 - “(a) in the case of a creditors’ winding up that is not ordered by the Court –
 - (i) by the Court on the application of a manager or member, but only if the former liquidator was appointed by the Court, or
 - (ii) in any other case, by the creditors;

- (b) in the case of a creditors' winding up that is ordered by the Court under Regulation 13C(1)(a), by the Court.”;
- (f) for paragraph (6) there is substituted –
 - “(6) On the appointment of a liquidator in a creditors' winding up, all the powers of the managers cease, except –
 - (a) in the case of a creditors' winding up that is not ordered by the Court, so far as the liquidation committee (or, if there is no committee, the creditors) sanction their continuance; or
 - (b) in the case of a creditors' winding up that is ordered by the Court under Regulation 13C(1)(a), so far as the Court or liquidator sanction their continuance.”.

17 Regulation 52 (bar against other proceedings in bankruptcy) amended

In Regulation 52, after “except” there is inserted “, where the winding up is not one ordered by the court under Regulation 13C(1)(a),”.

18 Regulation 52A inserted

After Regulation 52 there is inserted –

“52A Disposal of records

- (1) When a limited liability company has been wound up and is about to be dissolved, its records and those of a liquidator may be disposed of as follows –
 - (a) in the case of a summary winding up, in the way that the limited liability company by special resolution directs;
 - (b) in the case of a creditors' winding up that is not ordered by the Court, in the way that the liquidation committee (or, if there is no committee, the creditors) may direct; and
 - (c) in the case of a creditors' winding up that is ordered by the Court under Regulation 13C(1)(a), in the way that the Court or liquidator may direct.
- (2) After 10 years from the date of the limited liability company's dissolution no responsibility rests on the limited liability company, a liquidator, or a person to whom the custody of the records has been committed, to provide or produce any record to a person claiming to be interested in it.
- (3) The Commission may direct that for such period as it thinks proper (but not exceeding 10 years from the date of the limited liability company's dissolution), the records of a limited liability company which has been wound up must not be destroyed.
- (4) A person who acts in contravention of a direction made by the Court or the Commission for the purposes of this Regulation commits an offence and is liable to a fine not exceeding level 3 on the standard scale.”.

19 Schedule (statutory demand) inserted

After Regulation 55 there is inserted –

“SCHEDULE

(Regulation 13A(2)(a))

STATUTORY DEMAND

STATUTORY DEMAND	
Under Regulation 13A of the Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022	
Warning	
<ul style="list-style-type: none"> This is an important document. This demand must be dealt with within 21 days after its service upon the Limited Liability Company or a winding-up order could be made in respect of the Limited Liability Company 	<ul style="list-style-type: none"> Please read the demand and notes carefully.

Section 1 – DEMAND

To *[Insert details of Debtor Limited Liability Company]*

Name: (The Limited Liability Company)

[insert its registered name]

Registered No.:

Address:

[insert its registered office]

This demand is made under Regulation 13A of the [Limited Liability Companies \(Winding Up and Dissolution\) \(Jersey\) Regulations 2022](#) and is served on you by the Creditor *[insert details of Creditor below]*

Name:

[If a registered company or limited liability company, insert its registered name; if unregistered, its name; if an individual, their full name]

Registered No. (if any):

[If an entity registered in Jersey with the Jersey Financial Services Commission, insert its registered number]

Address:

[If registered, insert the registered address; if unregistered, the postal address of any principal residence or principal place of business;]

The creditor claims that the Limited Liability Company owes the sum of £[], full details of which are set out in section 2 of this Demand.

Notes for Creditor on Section 1

- The person making this demand must complete the whole of sections 1, 2 (including Part B if applicable) and 3 and the authentication (including the date) at the end.

- The Details of Debt (Section 2) must include all the relevant matters listed in the margin notes at Section 2. These should be set out in the order given unless the person completing the demand considers that a different order would be more convenient for the recipient.
- The creditor must give details of an individual with whom the Limited Liability Company can communicate about the Demand in Section 3.
- If the signatory of the demand is an Advocate/Solicitor or other agent of the creditor the name of their firm should be given.

Section 2 Part A: Details of Debt

Notes for Creditor on Section 2 Part A

These details must include the following information:

- The amount of the debt as at the date of this demand.
- How the debt arose – such as any cause or consideration given for the debt; the date on which the debt arose should also be included.
- If the demand is based on a judgment or order of a court, details of the judgment or order.
- If the creditor is entitled to the debt by way of assignment, a statement to that effect and that the details of the relevant assignment(s) are given in Part B below (which must then also be filled in).
- If the sums demanded include:
 - a. Any charge by way of interest not previously notified to the company as included in its liability and/or
 - b. Any other charge accruing due from time to time,

each such charge must be separately identified (if claimed) with the amount or rate of the charge and the grounds upon which payment is claimed and the amount claimed for such charges must be limited to that which has accrued due at the date of the demand.

Part B: [for completion if the creditor is entitled to the debt by way of assignment]

	Name	Date(s) of Assignment
Original Creditor		
Assignees		

Section 3

The Limited Liability Company must pay the above debt within 21 days of service of this demand on the Limited Liability Company after which the creditor may make an application to the Royal Court of Jersey to wind up the Limited Liability Company unless the Limited Liability Company offers security for the debt and the creditor agrees to accept security or the Limited Liability Company compounds the debt with the creditor's agreement.

The individual(s) acting for the Creditor to whom any communication regarding this demand may be addressed is/are:

Name	
Address	
Electronic address	

Telephone number	
Reference	

How to comply with a statutory demand

If the Limited Liability Company wishes to avoid an application for winding up being made against it, it must pay the debt shown in Section 1 above, details of which are set out in Section 2 of this notice, within the period of 21 days after its service upon the Limited Liability Company. Alternatively, the Limited Liability Company can attempt to come to a settlement with the creditor. To do this an officer or representative of the Limited Liability Company should:

- Inform the individual(s) named in Part A above immediately that it is willing and able to offer security for the debt to the creditor’s satisfaction; or
- Inform the individual(s) named in Part A immediately that it is willing and able to compound for the debt to the creditor’s satisfaction.

If the Limited Liability Company disputes the demand in whole or in part, it should contact the individual(s) named in Part A immediately.

REMEMBER **The Limited Liability Company only has 21 days after the date of service on it of this document before the creditor may apply to the Royal Court of Jersey to wind up the Limited Liability Company.**

NOTE: **The Limited Liability Company has the right to make an application to the Royal Court of Jersey for an injunction restraining the creditor from presenting an application to wind it up.**

Authentication:

Signature of Individual:
Name (block letters):
Date:
Address:

Telephone No:
Ref:

[I, the above-signed, not being the creditor herein, state as follows:
I am authorised to make this demand on the creditor’s behalf.
My position in/relationship to the creditor is [insert]
[[If the creditor is a body corporate of which the signatory is the sole member] I
am the sole member of the creditor.]

Note: The demand must be dated, and authenticated either by the creditor, or a person authorised to make the demand on the creditor’s behalf. A demand which is authenticated by a person other than by the creditor must state that the person is authorised to make this demand on the creditor’s behalf and state the person’s relationship to the creditor.”.

20 Citation and commencement

These Regulations may be cited as the Limited Liability Companies (Winding Up and Dissolution) (Amendment) (Jersey) Regulations 202- and come into force 7 days after they are made.