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by the Finance and Economics Committee**



STATES OF JERSEY

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REPORT

The purpose of the Regulations is to reduce the rate at which fees payable under the Limited Liability Companies (Registration Fees) (Jersey) Law 1967, as amended (the “1967 Law”) are calculated.

The 1967 Law requires that, every application for registration of a limited liability company, and of any increase in its nominal authorised capital, is to be accompanied by fees calculated on the basis of the total nominal authorised capital of the company, subject to minimum and maximum limits, as stated in the 1967 Law. The fees due under the 1967 Law form part of the income of the Jersey Financial Services Commission.

Changes to the Companies (Jersey) Law 1991 that will take place when Companies (Amendment No. 6) (Jersey) Law 2002 comes into force, include the ability for companies to be created that are either not limited liability companies or that do not issued shares that have a par value. Such companies will not be subject to the 1967 Law. Therefore, the opportunity has been taken for a full review of the structure of the fees payable by all companies, resulting in the requirements of the 1967 Law being replaced by a fixed fee payable by all types of companies, pursuant to requirements of the Companies (Fees) (Jersey) Order 200- (the “Fees Order”).

Until such time as the 1967 Law is repealed, the effect of the change in the rate which is being made by the Regulations, will be that any company that is liable to pay fees under the Law will only be required to pay more than the £50 minimum amount if its nominal authorised share capital is to be greater than £100,000,000 (or the equivalent in another currency). The equivalent fee to be paid by other types of companies under the Fees Order is £50; this is the same as the minimum amount under the 1967 Law after the Regulations come into effect. When the 1967 Law is repealed, the Fees Order will be amended to ensure that the fixed fee is applicable to all companies.

These draft Regulations have no implications for the financial or manpower resources of the States.

Explanatory Note

The effect of these Regulations would be to alter the fee payable on the registration of a limited par value company, or on any increase in its authorized capital, from 0.5 percent of its capital (or of the increase in capital) to 0.00005 per cent. The minimum fee payable will remain at £50.

The Regulations would come into force on 1st July 2002.

Limited Liability Companies (Registration Fees) (Jersey) Law 1967

LIMITED LIABILITY COMPANIES (REGISTRATION FEES) (No. 4) (JERSEY) REGULATIONS 200-

(Promulgated on the _____ day of _____ 200-)

STATES OF JERSEY

The _____ day of _____ 200-

THE STATES, in pursuance of Article 1 of the Limited Liability Companies (Registration Fees) (Jersey) Law 1967,^[1] as amended,^[2] have made the following Regulations -

1. In Article 1(2) of the Limited Liability Companies (Registration Fees) (Jersey) Law 1967,^[3] for the words “one half of one per centum” there shall be substituted the expression “0.00005 per centum”.

2. These Regulations may be cited as the Limited Liability Companies (Registration Fees) (No. 4) (Jersey) Regulations 200- and shall come into force on 1st July 2002.

^[1] Recueil des Lois, Volume 1966-1967, page 727.

^[2] Recueil des Lois, Volume 1990-1991, page 1088, Volume 1998, page 259 and No. 8829.

^[3] Recueil des Lois, Volume 1966-1967, page 727 and No. 8829.