

## New Guernsey Companies Law and Guernsey Companies Registry

Guernsey will shortly see the introduction of a new Companies Law. In January 2008 the States of Guernsey approved legislation that will now be passed to the Privy Council for Royal Assent. The hope is that the new Law will come on stream at the beginning of July 2008 alongside the new Guernsey Companies Registry that has already been established.

The new Companies Law and Registry will, in the words of the Minister of the Commerce and Employment Department, “streamline the company incorporation process, making it easier for local firms to conduct business and at the same time ensure that Guernsey retains its standing as a reputable and progressive International Finance Centre”.

The new Law both modernises and consolidates. On the one hand, it modernises the existing legislation which dates back to 1994. On the other hand it also consolidates the raft of secondary legislation that has built up since that time.

The most obvious change is by reference to the creation of the Companies Registry and the establishment of the office of the Registrar of Companies. For the first time, Guernsey will have a modern company formation process. The Court will no longer be involved in the formation of a Company nor (save in certain specified circumstances) will the consent of the Guernsey Financial Services Commission be required. This will enable a company to be registered quickly and on the day required by the applicant.

Whilst the Royal Court will continue to have an important role to play in Companies Law, it will be far less involved in the administration processes. For example, it will no longer be involved in the amalgamation or migration of companies.

The Court's role in these situations will pass to the Registrar. The Registrar will rely on declarations of compliance given by the corporate services providers.

The Law promises to simplify procedures and make Guernsey a more attractive finance centre in which to do business whilst, at the same time, ensuring proper and adequate systems of control and governance are maintained.

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