



October, 2015

## The Companies (Amendment) Law, 2015 and amnesty for late filing of changes to the register of directors and officers of a company

### Overview

The Companies (Amendment) Law, 2015 (the “**Amendment Law**”) was published in the Cayman Islands Gazette on 23 September, 2015. It is to come into effect on 2 November, 2015.

The purpose of the Law is to amend the Companies Law (2013 Revision) (the “**Law**”) by extending the deadline for filing entries or changes to the register of directors and officers of a company with the Registrar of Companies (the “**Registrar**”) and further by establishing a maximum penalty for a breach of section 55 of the Law.

Additionally, the Registrar has declared an amnesty for a specified period of time during which no penalties will be levied if a company has failed to make a filing of the register of directors and officers on time or at all with the Registrar.

### Extension of Notification Period

Section 55 of the Law requires all companies to maintain at their registered office a register of directors and officers which records the name, address, date of appointment and date of resignation of each director and officer of the company (the “**Register**”). Previously the

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Company was obliged to notify the Registrar of the details of the directors and officers within 90 days of registration of the Company and thereafter within 30 days if any changes or updates were being made to the Register. This new piece of legislation amends the time periods so that a company must notify the Registrar of:

- ▣ the first appointment of any director or officer following incorporation of the company within 60 days of that appointment; and thereafter
- ▣ any change in the information contained in the Register within 60 days of the date of the change.

### ▣ Reduction in Penalties

The Amendment Law also reduces and caps the penalty for a single breach of section 55 of the Law to US\$610.00. Failure to file multiple changes to the Register of a single company will now be penalised as a single breach and capped at US\$610.00, provided that the breaches occurred within 60 days of each other and that the Registrar is notified of such changes on the same day. A new provision has also been introduced so that where there are changes to the Register in respect of five or more companies, an aggregate penalty for all breaches will be capped at US\$3,049.00, and will be equally apportioned between, and paid by such companies.

The Amendment Law states that if the Registrar determines that a breach of section 55 is intentional, and has been knowingly and willfully authorised or permitted, then the company shall incur a penalty of US\$1,220.00 and every director and/or officer of the company to which the breach relates shall incur a penalty of US\$1,220.00, and a further US\$122.00 per day for every day during which the default continues. These penalties are in addition to the US\$610.00 penalty payable by the company outlined above.

### ▣ Waiver (Amnesty Period)

The Registrar has declared an amnesty for a period before the coming into force of the Amendment Law so that no penalties will be levied on any company, or on any director or officer of that company, which makes a filing to update the Register outside of the notice periods laid down in the Law. The amnesty applies to any prior changes to a company's Register irrespective of when the changes being filed were made or how many such changes are filed. The Registrar has also confirmed that any penalty notices which had been issued previously, but had not been paid, will be cancelled. The amnesty will continue until 5.00 pm on 30 October, 2015.

This amnesty affords companies the opportunity to make changes to the Register which had been overlooked to be filed with the Registrar without incurring penalties so please contact us if you wish to make an 'out-of-time' filing in advance of 30 October, 2015.

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