STATES OF JERSEY

DRAFT COMPANIES (JERSEY) AMENDMENT LAW 202- (P.106/2025): COMMENTS

Presented to the States on 16th January 2026
by the Economic and International Affairs Scrutiny Panel

STATES GREFFE

COMMENTS

Background

The Draft Companies (Jersey) Amendment Law 202- [P.106/2025] (hereafter referred to as the "draft Law") was lodged *au Greffe* on 21st November 2025 by the Minister for External Relations (hereafter the "Minister") and is scheduled for debate at the States' sitting commencing 20th January 2026.

The Economic and International Affairs Scrutiny Panel (hereafter the "Panel") has been kept informed of developments on this draft Law from an early stage. In response to a letter from the Panel requesting updates on the Minister's legislative program, the Minister provided, on 28th February 2025, an explanation of the reasons behind the proposed changes. The Panel has also received briefings from Government of Jersey Officers, which offered an opportunity to raise questions and seek clarification on the draft Law. These comments are presented to assist Members in their consideration of the draft Law.

The Draft Law

The draft Law seeks to amend the Companies (Jersey) Law 1991 (the "Law") and the rationale behind these changes were outlined in the letter to the Panel on the 28th February 2025 which stated:

> *"Jersey's Companies Law has not been updated for some ten years. The proposals were consulted on in principle in 2024 and extend to some 93 proposals, in addition to consideration of the introduction of an administration procedure for insolvency. The proposals seek to respond to case law and legal developments (domestic and international), enhance the legislation to reflect provisions or practices adopted in other jurisdictions, address inconsistencies within the Law and with other legislation and to streamline processes."*[1]

The Panel was informed that the proposed draft Law had been discussed by the Companies Law Working Group comprising practitioners from local law firms, and representatives from the Jersey Financial Services Commission, Revenue Jersey and Jersey Association of Trust Companies before publication of the Consultation Paper. The consultation, which concluded in December 2024, received twenty-two responses from a range of stakeholders, including law firms, banks, trust companies, and accountancy firms. In addition, the Working Group had discussions with the Viscount and their department, as well as various insolvency lawyers and practitioners, particularly on matters relating to part 21 of the draft Law.

The Panel understands that the proposed amendments are largely technical in nature and are aimed at ensuring the flexibility of the Law and improving the ease of doing business, while supporting developing industry practice within an appropriate and legitimate framework. This was highlighted to the Panel during its briefing with Officers who went through the background and some of the proposed changes such as in relation to the memorandum and articles of association, name changes, 30-member rule, company seals, asset contributions, share register rectification, sole directors, participation in meetings, direct voting, and distributions rectification, and Part 21 on

[1] Letter - MER to EIA re Legislative Programme 2025- 28 February 2025

the winding up of companies. The Panel questioned Officers during briefing regarding some of the proposed changes which were answered to the Panels satisfaction. As mentioned in the draft Law the amendments can most readily be grouped into seven main themes.

1. Flexibility
   Amendments to the Law included within this category aim to provide the company and its directors with wider flexibility as to how a company is structured and managed.
2. Clarification
   Amendments to the Law included within this category aim to provide enhanced legal certainty, align the approach within the Law with other statutes, and to reflect day-to-day practice of company administration on a statutory basis.
3. Simplification
   In order to ensure that the Jersey company continues to be appropriately regulated and user friendly, and to remove unnecessary administration and associated costs.
4. Digital
   The proposed amendments to the Law therefore include provisions aimed at ensuring the compatibility with or use of electronic means.
5. Competition
   Consideration has been given to provisions in other jurisdictions, particularly the UK, where the adoption of similar provisions would streamline and enhance the Jersey regime.
6. Director disqualification under sanctions regulations
   "Amendments to the Law also seek to support efforts to implement the UK Directors Disqualification Provisions into Jersey Law."[2]

In response to letter of 20 November, in which the Panel raised questions regarding sanctions and asset freezing, the Panel was advised that the proposed amendments to the Companies (Jersey) Law 1991 would make it automatic for a director to cease holding office if they became subject to director disqualification sanctions, as outlined below:

"The Jersey General Licence expires on 31 December 2025, but it is the Minister's intention to extend it until such time as the proposed amendments to the Companies (Jersey) Law 1991 take effect, which would provide for the automatic disqualification of designated directors."

"As part of wider amendments to the Companies (Jersey) Law 1991, which will be lodged shortly, changes will be made to provide that a person who is designated for the purpose of director disqualification sanctions is automatically disqualified. Once that legislative change has come into force in 2026, the Jersey Directors Disqualification General Licence (which will be extended as noted in the response to Question 3 above) can be revoked as it will no longer be required once automatic disqualification is in place."[3]

[2] Draft Companies (Jersey) Amendment Law 202- (P.106/2025)
[3] Letter - MER to EIA re Quarterly Follow-up Questions

7. Insolvency
   There are amendments to improve and adapt the law around insolvency which have been suggested by those who use it and in response to decisions of the court.

The Panel notes that due to the interaction between the draft Law and other legislation, consequential amendments will be needed to connected laws, regulations and orders and some of which is listed below:

- Bankruptcy (Désastre) (Jersey) Law 1990
- Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020
- Financial Services (Disclosure and Provision of Information) (Jersey) Regulations 2020
- Financial Services (Disclosure and Provision of Information) (Jersey) Order 2020
- Companies (Demerger) (Jersey) Regulations 2018
- Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022
- Limited Liability Companies (Jersey) Law 2018[4]

Conclusion

The Panel understands that Companies Law has not been updated for several years and that the amendments are largely technical in nature and are aimed at improving the ease of doing business. The Panel is content that the draft Law has been subject to an appropriate consultation process and is supportive of the proposals.

[4] Draft Companies (Jersey) Amendment Law 202- (P.106/2025)