

**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**11 APRIL 2011**  
**11.40 AM**  
*Seventh Sitting*

**The Speaker:** I will call on the First Elected Member for George Town to say Prayers this morning.

I have a brief statement that I will make at this time.

**PRAYERS**

**Mr. D. Kurt Tibbetts:** Let us pray.

*Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.*

*Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.*

Let us say The Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

*The Lord bless us and keep us. The Lord make His face shine upon us and be gracious unto us. The Lord lift up the light of His countenance upon us and give us peace, now and always. Amen.*

**The Speaker:** Please be seated.  
 Proceedings are resumed.

**READING BY THE HONOURABLE  
 SPEAKER OF MESSAGES  
 AND ANNOUNCEMENTS**

**Apologies**

**The Speaker:** I have two apologies for absence. The Second Elected Member for Bodden Town, and the First Elected Member for Cayman Brac and Little Cayman, and the Fourth Elected Member for West Bay.

**SPEAKER'S STATEMENT**

**Accusations hurled at the Chair**

**The Speaker:** In view of the accusations hurled at this Chair on Friday the 10<sup>th</sup>, 2011 [*sic*], I wish to remind all Members of this Legislative Assembly that:

1) Standing Order 35(7) states, “**(7) The conduct of Her Majesty, members of the Royal Family, the Governor, the Presiding Officer,**” (and that is the holder of this Chair) “**Members, Judges and other persons engaged in the administration of justice or of Officers of the Crown may not be raised or impugned except upon a substantive motion; and in any amendment, question to a Member of the Government or debate on a motion dealing with any other subject any reference to the conduct of any such person is out of order.**”

2) Standing Order 40 states, “**The Presiding Officer is responsible for the observance of the rules of order in the House and in Committees of the whole House respectively, and his decision upon any point of order shall not be open to appeal and shall not be reviewed by the House save upon a substantive motion made after notice.**”

Further, I remind the House that the Presiding Officer has the power to order forthwith expunging from the record of any statement which in his or her opinion demeans the integrity of the Chair, the House or any person.

Standing Order 41 lays out in clear detail the steps to be taken by the Presiding Officer if a Member shows disregard for the authority of the Chair.

I will not review the matter on Friday, but I will remind Members again of Standing Order 32(4)—a Member may read extracts of reasonable length from books or papers in support of his argument. I will state at this time that the procedure for such presentation is:

1) A copy must be provided to the Chair of any document or paper from which a Member intends to quote in support of his argument.

2) The source of the quotation, whether from a paper or a document must be identified, that is, for example, the *Times* newspaper, page 10.

3) Correspondence between two parties cannot be introduced unless clearance has been received from the parties concerned for its publication.

4) The use of confidential documents, papers, either from Cabinet, Government, private sector,

businesses, banks, et cetera, will not be allowed on the Floor of this House while I sit in this Chair.

Thank you all very much.

## PRESENTATION OF PAPERS AND OF REPORTS

### Draft Order —The Cayman Islands Constitution Order 2009, S. I. 2009 No. 1379—The Electoral District Boundaries Order, 2011

**The Speaker:** Honourable Premier, the Honourable Minister of Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Cayman Islands Constitution Order 2009, S. I. 2009 No. 1379—The Electoral District Boundaries Order, 2011.

**The Speaker:** So ordered.

Does the Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have laid before this Assembly a draft of an order by His Excellency the Governor for giving effect, with modification, to the recommendations contained in the Electoral Boundaries Commission Report 2010.

The extent of the proposed modification is to insert into the Schedule the breakdown of the polling divisions for each electoral district. The reason for this slight modification of the description in the Schedule is to clarify that what the Government is proposing to this House for approval by way of the Draft Order is an order for six electoral districts consisting of polling divisions as contemplated by the Elections Law.

This clarification is necessary because the Commission's report in the respective Schedules makes reference to the description of electoral districts and constituencies. The Draft Order that is being proposed to this House for approval does not seek any approval for constituencies, but, instead, is seeking approval for six electoral districts consisting of polling divisions.

Thank you, Madam Speaker.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** I have received no notice of Statements by Honourable Ministers and Members of the Cabinet.

## GOVERNMENT BUSINESS

### BILLS

## FIRST READINGS

### Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011

**The Clerk:** The Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

### Securities Investment Business (Amendment) Bill, 2011

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

### Companies (Amendment) Bill, 2011

**The Clerk:** The Companies (Amendment) Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker.

**The Speaker:** Honourable Premier.

### Motion to deal with the Second Reading of the Companies (Amendment) Bill, 2011, before the other two Bills on the Order Paper

**The Premier, Hon. W. McKeever Bush:** I, firstly, would say that the Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011, and the Security Investment Business (Amendment) Bill, 2011, are companions Bills to the Companies (Amendment) Bill, 2011. I would prefer to have taken that first, because that really explains the whole thing, and there is not much to explain under the two Bills.

So, if Members would agree, I would like to take the Companies (Amendment) Bill, 2011, first.

**The Speaker:** The question is that the [House] take the Companies (Amendment) Bill, 2011, first on the Order Paper.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: That the Second Reading of the Companies (Amendment) Bill, 2011, be dealt with before the other two Bills on the Order Paper.**

**The Speaker:** Please proceed Honourable Premier.

## SECOND READINGS

### Companies (Amendment) Bill, 2011

**The Clerk:** The Companies (Amendment) Bill, 2011.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker, and I thank honourable Members for their indulgence.

Madam Speaker, once this Bill is passed, I believe it will position the Cayman Islands at the forefront of the financial services market and keep us in line with international standards.

**The Speaker:** Honourable Premier, you need to move the Second Reading.

**The Premier, Hon. W. McKeeva Bush:** I thought I did that, but maybe . . .

**The Speaker:** We got turned around by turning the Bills around.

**The Premier, Hon. W. McKeeva Bush:** Okay. Out of an abundance of caution, Madam Speaker, I will move [A Bill] for a Law to amend the Companies Law (2010 Revision) to make miscellaneous changes to the provisions relating to names of companies, segregated portfolios, mergers and consolidations and shares; and to provide for incidental and connected purposes.

**The Speaker:** Thank you.

The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeeva Bush:** Thank you kindly, Madam Speaker.

As I was saying, once this Bill is passed it will position the Cayman Islands at the forefront of the financial services market and keep us in line with international standards.

Madam Speaker, the proposed process by which these amendments were prepared reflects the renewed partnership with the private sector. Working hand-in-hand with my Ministry, the Registrar of Companies, CIMA (Cayman Islands Monetary Authority), and Legislative Drafting, and the Financial Services Legislative Committee (FSLC) have been instrumental in soliciting the views of industry and providing input into the drafting process.

The Financial Services Legislative Committee began work on these instruments from early last year, and has gone through two rounds of consultations with various associations across the industry. The FSLC provided clear rationale for each proposed amendment along with comparisons with competing jurisdictions where appropriate. This extra depth to the research is one additional reason that our partnership

with the private sector is the key to improving the competitiveness of our jurisdiction.

Madam Speaker, in addition to the proposed amendments to the Companies Law, ancillary changes to the Property (Miscellaneous Provisions) Law and the Securities Investment Business Law are also required to follow these amendments.

Madam Speaker, this is the first round of critical changes to the Companies Law that are needed to improve the competitiveness of our jurisdiction and to address difficulties with the present Law. Further changes (which are important but not as critical) are also needed.

The FSLC has already begun the process of preparing further amendments and will continue to work closely with Government and CIMA to achieve consensus and ensure that Cayman is at the forefront with regard to company registration.

Madam Speaker, since it was first enacted in 1964, the Companies Law has had numerous amendments. As a significant product of the Cayman Islands, such amendments have been necessary to ensure the competitiveness of the jurisdiction and to respond to issues that have arisen within the operation of the Law.

Further to the formation of the FSLC, the Companies Law was identified as a key piece of legislation where specific uncertainties and deficiencies in the Law could be addressed. Amendments were proposed to address client- and market-driven issues that have arisen in practice to increase the attractiveness of the Cayman Islands as a domicile for corporate entities, particularly in the context of international financial services transactions, and to regain ground against competitor jurisdictions.

Madam Speaker, the amendments proposed constituted those that were considered the most critical to the local industry. A second wave of proposed amendments is also planned, but these are less urgent and should not delay the introduction of the more pressing amendments.

Madam Speaker, there are a number of provisions that this amendment seeks to address, [which are] as follows:

1) Amendment of merger provisions: There is significant uncertainty about the precise meaning of voting thresholds in the current Law. The proposed amendments would provide for approval solely by special resolution, provided that this is permitted by the Articles of Association. At present, Madam Speaker, business is being lost to competitor jurisdictions where mergers into foreign companies are permitted. The proposed amendments would permit mergers and consolidations where a foreign company is the surviving company.

2) Treasury shares: Treasury shares allow a company to elect whether or not to cancel shares on an own purchase by the company and are a common tool used in many jurisdictions. The proposed amendment would introduce capacity to hold shares

in Treasury, that is, so that they are capable of re-issue, otherwise than from authorised share capital.

3) Paperless share transfer: The proposed amendment would allow for shares to be transferred and recorded in accordance with the rules of recognised exchanges and electronic settlement systems. This would allow Cayman Islands companies to take advantage of trends around the world where exchanges are moving to a script-less system for share transfer and are utilising electronic systems to maintain accounts that show share ownership.

4) Share redemption and repurchases: Madam Speaker, current provisions relating to share redemptions and repurchases can be difficult to apply in practice. The proposed amendments provide greater certainty for companies' directors and advisors by clarifying that that manner of repurchase can be determined by a board if authorised by the Articles, by defining "paid up by reference to par value," and permitting surrender of shares for zero consideration.

5) Execution of documents: Madam Speaker, the current Law is unclear as to whether (i) Cayman law governed deeds may be validly executed by signing separate signature pages; and (ii) the manner in which foreign companies may execute Cayman law governed deeds generally. The proposed amendment helps to eliminate any impression of Cayman execution requirements being arcane or problematic, which will likely increase transactional flow and use of Cayman for commercial structures and documentation.

6) Update of Foreign Company Provisions: Madam Speaker, certain provisions of the current Law relating to the registration of foreign companies do not reflect current practice or documents available from registration authorities in other jurisdictions.

7) Special resolutions—permit different thresholds for different matters: The proposed amendment clarifies that a company may specify in its Articles of Association that different thresholds for different matters require to be passed as special resolutions. This will increase the flexibility of commercial parties to specify terms of the governance of the Cayman Islands' company, particularly in cross-border joint venture transactions.

8) Permitting company names in a foreign script: Madam Speaker, the proposed amendment would allow a company to have a dual name in a foreign script (that is not the Roman alphabet) and to remove the requirement for the dual name to be a direct translation of the English name. This proposal is designed to increase the attractiveness of the Cayman Islands' companies, in particular appeal to the Hong Kong Asian market where many companies want to have dual and Chinese names which are not direct translation.

9) Segregated Portfolio Companies (that is, portfolio names): In order to improve flexibility and convenience, the proposed amendment would enable a segregated portfolio with a segregated portfolio company to be referred by the abbreviations "SP."

10) Segregated Portfolio Company and the director's liability: The proposed amendment would omit personal liability on the directors of a company where there has been a failure to correctly execute a contract and so on, so as to show to which segregated portfolio it is attributable. It also makes provisions allowing the directors to correct misattributions and the ability for affected persons who are dissatisfied to make application to the court for an order attributing the contract, et cetera, to a particular portfolio, or portfolios, or to the general asset.

11) The Segregated Portfolio Company, segregation of assets: Madam Speaker, while the current law allows for transfers between segregated portfolios at full value, the proposed amendment would also allow the transfer of assets and/or liabilities between the segregated portfolio and the general asset at full value. This is a logical extension of current provisions that adds flexibility to the commercial structures.

12) Segregated Portfolio Company, the termination of segregated portfolios: Madam Speaker, currently there are no special or specific provisions for the termination of a segregated portfolio. The proposed amendment formalises a registry aspect to the termination of a segregated portfolio, and also introduces the ability of a terminated portfolio to be [reinstated].

13) The Governor in Cabinet to make changes to fourth and fifth Schedules: The proposed amendment allows the Governor in Cabinet to set fees and penalties.

As a whole, Madam Speaker, these provisions have a sound commercial rationale, both for the private sector as well as the Government. I would reiterate that extensive consultation and many rounds of discussion involving both public and private sector representatives have led to these amendments. This renewed partnership reintroduces a dynamic, collaborative arrangement whereby the legislation and tools that underlie the success of the financial services sector can once again be innovative and create new opportunities for growth in this key sector of our economy.

So, Madam Speaker, I commend the amendments of the Companies Law, the amendment Bill 2011, to all honourable Members of the House for support and thus its passage.

I do want to put on record my thanks to our Chief Officer, Dr. Dax Basdeo, and to the deputy, Mr. Samuel Rose; to the Legislative Committee that sits on the consultative council, the Legal Department, the AG (Attorney General), and all those others, our private sector partners who work hand-in-hand to, as I have said, be innovative. Because that is what it takes, Madam Speaker, in this day and age when we have tremendous competition in the financial services industry.

We have challenges from Europe, from the United States, and, Madam Speaker, it causes these Islands to have to sit around a table on the interna-

tional stage to put Cayman's case before the world. And the only way to survive is to be innovative and to make these kinds of changes that are now proposed. Madam Speaker, it is all for the betterment of the people of these Islands.

**The Speaker:** Thank you, Honourable Premier.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Honourable Leader of the Opposition.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Madam Speaker, just to indicate the support of the Opposition for the Bill.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I will call on the mover of the [Bill] to make his reply.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, just to say thanks to the House for its support.

**The Speaker:** The question is that a Bill shortly entitled the Companies (Amendment) Bill, 2011, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: the Companies (Amendment) Bill, 2011, given a second reading.**

**Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011**

**The Clerk:** The Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move a Bill for a Law to amend the Properties (Miscellaneous Provisions) Law (2001 Revision) to provide for the manner of signing of a deed or instrument under seal; and to provide for incidental and connected purposes.

**The Speaker:** Thank you.

The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Just to say briefly, as I have said, these are companion Bills to the substantive and very substantial Bill that I have just moved and the House has given support to. The amendments of the Property (Miscellaneous Provisions) Law is required to address problems of execution of deeds and is ancillary to, as I said, the Companies (Amendment) Bill, 2011.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Honourable Leader of the Opposition.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Yes, Madam Speaker, again, just to indicate our support of the Bill.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I call on the mover to exercise his right of reply.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, just to thank Members for their support.

**The Speaker:** The question is that the Property (Miscellaneous Provisions) (Amendment) Bill, 2011, be given a second reading.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Property (Miscellaneous Provisions)(Amendment) Bill, 2011, given a second reading.**

**Securities Investment Business (Amendment) Bill, 2011**

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I wish to move a Bill for a law to amend the Securities Investment Business Law (2010 Revision) to provide that the disposal of treasury shares by a company does not constitute security investment business; and to provide for incidental and connected purposes.

**The Speaker:** The Bill has been duly moved, does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

As I said, this is a companion Bill to the Companies (Amendment) Bill, 2011. The purpose of the amendment is to clarify that the disposal of treasury shares does not constitute security investment business. And I thank honourable Members for their support.

**The Speaker:** Does any other Member wish to speak?

Honourable Leader of the Opposition.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Madam Speaker, just to indicate the support of the Opposition to the Bill.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I will call on the Honourable Premier to exercise his right of reply.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I just want to thank Members for their support.

**The Speaker:** The question is that a Bill shortly entitled The Securities Investment Business (Amendment) Bill, 2011, be given a second reading.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Securities Investment Business (Amendment) Bill, 2011 given a second reading.**

**The Speaker:** The House will now go into Committee to consider the Bills.

**House in Committee at 12.14 pm**

## **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses?

### **Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011**

**The Clerk:** The Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011.

**The Chairman:** Which Bill do you wish to go into Committee first with?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Chair. If we could deal with the . . . well, either one; it can go as the Order Paper is because they are very short Bills and companion Bills and it shouldn't take any time to move through that.

**The Chairman:** Okay.

**The Clerk:** Clause 1 Short title  
Clause 2 Repeal of section 8(3) of the Property (Miscellaneous Provisions) Law (2001 Revision)—deeds and certain other instruments no longer required to be executed under seal

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Property (Miscellaneous Provisions) Law (2001 Revision) to provide for the manner of signing of a deed or instrument under seal; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **Securities Investment Business (Amendment) Bill, 2011**

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2011.

Clause 1 Short title  
Clause 2 Amendment of the Third Schedule of the Securities Investment Business

Law (2010 Revision) – excluded activities

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Securities Investment Business Law (2010 Revision) to provide that the disposal of treasury shares by a company does not constitute securities investment business; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**Companies (Amendment) Bill, 2011**

**The Clerk:** The Companies (Amendment) Bill, 2011.

- Clause 1 Short title
- Clause 2 Amendment of section 2 of Companies Law (2010 Revision)—definitions and interpretation
- Clause 3 Amendment of section 7—memorandum of association
- Clause 4 Amendment of section 26—registration
- Clause 5 Amendment of section 30—restriction on registration of certain names

**The Chairman:** The question is that clauses 1 through 5 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 5 passed.**

**The Clerk:** Clause 6 Repeal and substitution of section 31—change of name.

**The Chairman:** The question is that clause—

**The Premier, Hon. W. McKeeva Bush:** Madam Chairman, I do have an amendment, a number of amendments, and just to say that subsequent to Cabinet approval for the Companies (Amendment) Bill for onward submission to the Legislative Assembly, there were a number of minor corrections to inadvertent errors which were brought to the attention of the Ministry by the Financial Services Legislative Committee and the Cayman Islands Monetary Authority.

Specifically, there are five committee stage amendments to the Companies (Amendment) Bill. And clause 6 of the Bill, revision of section 31, this change reinstates section 31(4) which would otherwise have been inadvertently deleted. And I so move, Madam Chair, [that the Bill be amended in Clause 6 by inserting in section 31 after subsection (3) the following subsection:“(4) A company which defaults in complying with a direction under subsection (3) is liable to a fine of ten dollars for every day during which the default continues.”]

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause] If no Member wishes to speak, I will put the question.

The question is that the amendment stands part of the clause. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 6 passed.**

**The Chairman:** The question now is that clause 6, as amended, stand part of the Bill. Does any Member wish to speak on this? If not I will put the question.

The question is that clause 6, as amended, stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 6, as amended, passed.**

**The Clerk:**

- Clause 7 Amendment of section 34—share premium account
- Clause 8 Amendment of section 37—redemption and purchase of shares
- Clause 9 Insertion of sections 37A—treasury shares and 37B—surrender of shares

**The Chairman:** The question is that clauses 7 through 9 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 7 through 9 passed.**

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I have an amendment to clause 10 of the Bill.

**The Clerk:**

Clause 10 Insertion of sections 40A— branch registers of members and 40B— transfer and registration of shares in respect of a company with listed shares.

**The Premier, Hon. W. McKeever Bush:** Madam [Chair] the—

**The Chairman:** The amendment has been duly moved.

**The Premier, Hon. W. McKeever Bush:** The amendment to clause [10], section 40A; these changes are to clarify that a branch register of members governs with respect to entries therein to the exclusion of the duplicate of such branch register.

There is also a correction of a typographical error there. I so move, Madam Chair, [that the Bill be amended in clause 10 by deleting section 40A and substituting the following section —

“40A (1) an exempted company may cause to be kept in any country or territory one or more branch registers of such category or categories of members as the exempted company may determine from time to time.

“(2) A branch register is deemed to be part of the exempted company’s register of members.

“(3) Subject to subsection (6), a branch register shall be kept in the same manner in which a principal register is by this Law required or permitted to be kept.

“(4) The exempted company shall cause to be kept at the place where the exempted company’s principal register is kept a duplicate of any branch register duly entered up from time to time.

“(5) If default is made in complying with subsection (4) within twenty-one days after—

(a) establishing a branch register; or

(b) making changes to the details recorded in a branch register,

“the exempted company and every officer of the exempted company who is in default is liable to a fine and, for continued contravention, to a daily default fine on the same basis as is set out in section 40(2).

“(6) Subject to subsection (4) with respect to a duplicate of any branch register —

(a) the shares registered in a branch register shall be distinguished from those registered in the principal register; and

(b) no transaction with respect to any shares registered in a branch register shall, during the continuance of that registration, be registered in any other register.

“(7) An exempted company may discontinue keeping any branch register, and thereupon all entries in that branch register shall be transferred to some other branch register kept by the exempted company or to the principal register.

“(8) For the avoidance of doubt a listed share register maintained under section 40B(3) shall not constitute a branch register for the purposes of this section.

“(9) In this section —

“‘branch register’ means a branch register referred to in subsection (1); and

“‘principal register’ means a company’s register of members.”]

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If not, I will put the question.

The question is that the amendment stands part of the clause. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 10 passed.**

**The Chairman:** The question now is that clause 10, as amended, stand part of the Bill.

Does any Member wish to speak on that?

If not, I will put the question that clause 10, as amended, stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**The Clerk:**

Clause 11 Amendment of section 41—annual list of members and return of capital, shares, calls, etc.

- Clause 12 Amendment of section 45—notice of increase of capital and of members to be given to Registrar
- Clause 13 Amendment of section 52—publication of a name by a limited company
- Clause 14 Amendment of section 60—definition of special resolution
- Clause 15 Amendment of section 81—how contracts may be made
- Clause 16 Repeal and substitution of section 83—execution of deeds etc. by attorney

**The Chairman:** The question is that clauses 11 through 16 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 11 through 16 passed.**

**The Clerk:**

- Clause 17 Amendment of section 84—power of company to have official seal for use abroad;
- Clause 18 Amendment of section 104—appointment and powers of provisional liquidator
- Clause 19 Amendment of section 116—circumstances in which a company may be wound up voluntarily
- Clause 20 Amendment of section 121—removal of voluntary liquidators
- Clause 21 Amendment of section 136—misconduct in course of winding up
- Clause 22 Amendment of section 137—material omissions from statement relating to company's affairs
- Clause 23 Amendment of section 141—preferential debts
- Clause 24 Amendment of section 169—annual fee

**The Chairman:** The question is that clauses 17 through 24 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 17 through 24 passed.**

**The Clerk:**

- Clause 25 Amendment of heading to Part IX—Part IX—companies incorporated out-

side the Islands carrying on business within the Islands

Clause 26 Repeal and [ [replacement] of section 183—definition of foreign companies

Clause 27 Amendment of section 184—documents etc., to be delivered to Registrar by foreign companies

**The Chairman:** The question is that clauses 25 through 27 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 25 through 27 passed.**

**The Clerk:** Clause 28 Amendment of section 185—power of certain foreign companies to hold land.

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, the amendment to clause 28 (amendment of section 185); this corrects a cross-reference. [I so move that the Bill be amended in clause 28 by deleting paragraph (c) and substituting the following paragraph –

“(c) in subsection (4) -

- (i) by deleting the words ‘under paragraph (c)’ and substituting the words ‘under paragraph (e).’
- (ii) by deleting the words ‘body corporate or company’ wherever they appear and substituting the words ‘overseas company.’”]

**The Chairman:** The amendment has been duly moved. Does the Member wish to speak thereto?

Does any other Member wish to speak?

If not, I shall put the question that the amendment stands part of the clause. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 28 passed.**

**The Chairman:** The question now is that the clause as amended stand part of the Bill.

Does any Member wish to speak?

If not, I shall put the question. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 28, as amended, passed.**

**The Clerk:**

Clause 29 Amendment of section 186—  
registration of foreign companies

Clause 30 Repeal and substitution of section  
187—return to be delivered to Regis-  
trar where documents etc., altered

**The Chairman:** The question is that clauses 29 and 30 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 29 and 30 passed.**

**The Clerk:**

Clause 31 Repeal and substitution of section  
188—obligation to state name of com-  
pany, whether limited, and country  
where incorporated.

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Chair, this amendment is a new amendment to clause . . . well, this is a new clause to the Bill, an amendment to section 189, by deleting the words “paragraph (c) of section 184 or paragraph (c) of section 187” and substituting the words “section 184(1)(e) or 187.”

What this change does is to basically correct a cross reference.

**The Chairman:** The amendment has been duly moved, does any Member wish to speak thereto?

If not, I will put the question that the amendment stands part of clause 31. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 31 passed.**

**The Chairman:** The question now is that clause 31, as amended, stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 31, as amended, passed.**

**The Clerk:**

Clause 32 Repeal and substitution of section  
190—deeds etc., of foreign companies  
executed outside the Islands

Clause 33 Repeal and substitution of section  
191—execution of deeds etc.

Clause 34 Repeal and substitution of section  
194—definitions in this Part

Clause 35 Amendment of section 195—power of  
Registrar to prohibit sale

Clause 36 Amendment of section 199—fees in  
lieu of other provisions

Clause 37 Amendment of section 206—  
deregistration of exempted compa-  
nies including companies registered  
under this Part

Clause 38 Amendment of section 212—  
definitions in this Part

Clause 39 Amendment of section 213—  
applications for registration

Clause 40 Repeal and substitution of section  
216—segregated portfolios

Clause 41 Amendment of section 218—company  
to act on behalf of portfolios

**The Chairman:** The question is that clauses 32 through 41 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 32 through 41 passed.**

**The Clerk:**

Clause 42 Amendment of section 219—assets  
Clause 43 Amendment of section 220—  
segregation of assets

Clause 44 Amendment of section 223—winding  
up of company

Clause 45 Insertion of section 228A—termination  
and re-instatement

Clause 46 Amendment of section 232—  
definitions in this Part

Clause 47 Amendment of section 233—merger  
and consolidation

Clause 48 Amendment of section 237—merger or  
consolidation with foreign company

Clause 49 Amendment of section 238—rights of  
dissenters

Clause 50 Amendment of section 239—limitation  
on rights of dissenters

Clause 51 Insertion of section 239A—prohibition  
on being a segregated portfolio com-  
pany

**The Chairman:** The question is that clauses 42 through 51 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 42 through 51 passed.**

**The Clerk:** Clause 52 Insertion of Part XVIII – miscellaneous.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I have an amendment, which is a new clause, and I move that the Bill be amended in clause 52 by inserting after section 244 the following section—

“245. The Governor in Cabinet may make regulations prescribing all matters that are required or permitted under this Law to be prescribed, or are necessary or convenient to be prescribed for giving effect to the purposes of this Law.”

Madam Chairman, this grants to the Governor in Cabinet the power to make regulations necessary or convenient to give effect to the Companies Law; for example, it will enable regulations to be made dealing with the implementation by the Registrar of Companies of the dual foreign name provisions.

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] If not, I will put the question that clause 52 as amended do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

The question now is that clause . . . I'm sorry. I did that wrong.

The question now is that clause 52, as amended, do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it. Clause 52, as amended, will stand part of the Bill.

**Agreed: Clause 52, as amended, passed.**

**The Clerk:**

Clause 53	Amendment of principal Law
Clause 54	Insertion of Fourth Schedule and Fifth Schedule

**The Chairman:** The question is that clauses 53 and 54 do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 53 and 54 passed.**

**The Clerk:** A Bill for a Law to amend the Companies Law (2010 Revision) to make miscellaneous changes to the provisions relating to names of companies, segregated portfolios, mergers and consolidations and shares; and to provide for incidental and connected purposes.

**The Chairman:** the question is that the Title do stand part of the Bill.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question now is that the House be resumed and the Bills be reported to the House. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**House resumed at 12.40 pm**

**The Speaker:** Please be seated, proceedings are resumed.

## **REPORTS ON BILLS**

### **Property (Miscellaneous Provisions) [(Amendment)] Bill], 2011**

**The Clerk:** Property (Miscellaneous Provisions) [(Amendment)] Bill], 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I have to report that a Bill entitled the Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011, was examined in committee of the whole House [and passed] without amendment.

**The Speaker:** Thank you.

The Bill has been duly reported and is set down for Third Reading.

**Securities Investment Business (Amendment) Bill, 2011**

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I have to report that a Bill entitled the Securities Investment Business (Amendment) Bill, 2011, was examined in a committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Companies (Amendment) Bill, 2011**

**The Clerk:** Companies (Amendment) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I have to report that a Bill entitled the Companies (Amendment) Bill, 2011, was examined [by a] committee of the whole House [and passed] with amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Suspension of Standing Order 47**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of Standing Order 47 to enable the three Bills on the Order Paper to be given a third reading.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the three Bills on the Order Paper to be given a third reading.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended.**

**THIRD READINGS**

**Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011**

**The Clerk:** Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I do move that the Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011, be given a third reading and passed.

**The Speaker:** The question is that the Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011, be given a third reading and passed.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Property (Miscellaneous Provisions) [(Amendment)] Bill, 2011, given a third reading and passed.**

**Securities Investment Business (Amendment) Bill, 2011**

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I move that the Securities Investment Business (Amendment) Bill, 2011, be given a third reading and passed.

**The Speaker:** The question is that the Securities Investment Business (Amendment) Bill, 2011, be given a third reading and passed.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Securities Investment Business (Amendment) Bill, 2011, given a third reading and passed.**

**Companies (Amendment) Bill, 2011**

**The Clerk:** Companies (Amendment) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you.

Madam Speaker, I move that the Companies (Amendment) Bill, 2011, be given a third reading and passed.

**The Speaker:** The question is that the Companies (Amendment) Bill, 2011, be given a third reading and passed.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Companies (Amendment) Bill, 2011, given a third reading and passed.**

**The Speaker:** I think this is a good time for us to take a suspension of the lunch break so that debate on the motion on the Order Paper to follow will not be interrupted.

We will suspend until 2.30.

**Proceedings suspended at 12.45 pm**

**Proceedings resumed at 4.03 pm**

**The Speaker:** Proceedings are resumed, please be seated.

## GOVERNMENT MOTIONS

### Government Motion No. 11/2010-11—Draft Order to Effect Recommendations of the Electoral Boundaries Commission

*[Deferred]*

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we propose to carry this over to another meeting or sitting and, therefore, we are going to move the adjournment at this point in time.

This motion will be dealt with at a later sitting. Well, I am going to propose to adjourn the House sine die, Madam Speaker.

**The Speaker:** Leader of the Opposition.

**Hon. Alden M. McLaughlin, Jr., Leader of the Opposition:** Madam Speaker, thank you. We have been waiting here patiently all afternoon, and I would be grateful if the Premier would indicate why this matter is not proceeding and give us some indication as to when it might, and when we will be back so that we can sort of plan our lives a little better.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have . . . there are still concerns to the

Schedule as reflected in the current Draft Order. So, Madam Speaker, as I said, we do not propose to take the motion today. I propose to adjourn sine die. Members will be made known when the House will resume.

**The Speaker:** Do we have to have a motion to move this motion to the next order paper, or are we just continuing it?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I thought it was necessary for me to say that we would not be taking the motion today. So this will be carried forward to another order paper. That is all I think is necessary.

**The Speaker:** All right.

The motion before the House is a motion for adjournment of the House sine die.

Member for East End.

**Mr. V. Arden McLean:** Thank you, Madam Speaker.

I can't find the section of the Standing Orders right now, but the Order Paper has to be completed, and then we take an adjournment. The Order Paper has not been completed, Madam Speaker, in my respectful view.

*[Inaudible interjections]*

**The Speaker:** Ah—

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, as I said, the intention is to take the proposed motion at another sitting. So, this motion would be carried over to another day's Order Paper. So, if Members are not satisfied and they think there is something wrong with that, let me say then that I move that [Government Motion No. 11/2010-11] be deferred to another Order Paper.

**The Speaker:** The motion is that Government Motion No. 11/2010-11 be deferred to a future Order Paper.

All those in favour, please say Aye. Those against, No.

**Ayes and Noes.**

**The Speaker:** The Ayes have it.

**Mr. V. Arden McLean:** Madam Speaker, can we have a division please?

**The Speaker:** Madam Clerk.

**The Deputy Clerk:**

**Division No. 37/2010-11**

**Ayes: 8**  
Hon. W. McKeever Bush

**Noes: 3**  
Hon. A. M. McLaughlin, Jr.

Hon. J. Y. O'Connor-Connolly      Mr. V. Arden McLean  
Hon. Rolston M. Anglin              Mr. D. Ezzard Miller  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour

**The Speaker:** The result of the division, 8 Ayes, 3 Noes, four absentees.

The Ayes have it. The motion is accordingly deferred to a future Order Paper.

**Agreed by majority on division: Government Motion No. 11/2010-11 deferred to a future Order Paper.**

**The Speaker:** May I have a motion for the adjournment now please?

## **ADJOURNMENT**

**The Premier, Hon. W. McKeever Bush:** Hopefully, Madam Speaker, all appetites are now satisfied with those voting. Therefore, I move the adjournment of this honourable House sine die.

**The Speaker:** The question is that this honourable House do adjourn sine die.

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**At 4.08 pm the House stood adjourned sine die.**