

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE COMPANIES MANAGEMENT
LAW (2003 REVISION) TO ENHANCE THE AUTHORITY'S
ENFORCEMENT POWERS AGAINST LICENSEES; AND FOR
INCIDENTAL AND CONNECTED PURPOSES**

THE COMPANIES MANAGEMENT (AMENDMENT) (NO. 2) BILL, 2017
MEMORANDUM OF OBJECTS AND REASONS

This Bill enhances the Authority's enforcement powers against licensees in certain circumstances, such as where a licensee contravenes the requirements of Part XVIIIA of the Companies Law (2016 Revision) and Part 12 of the Limited Liability Companies Law, 2016.

Clause 1 of the Bill sets out the short title.

Clause 2 amends section 18 of the Companies Management Law (2003 Revision) to provide additional sanctions that the Authority may take against licensees, including the power to suspend the licence, to impose conditions with respect to decisions made by the licensee, to require a licensee to rectify the situation and to require the removal of any director, manager or officer of the licensee.

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ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Companies Management (Amendment) (No. 2) Law, 2017. Short title
2. The Companies Management Law (2003 Revision) is amended in section 18(1) - Amendment of section 18 of the Companies Management Law (2003 Revision) - additional powers of the Authority
- (a) after subparagraph (i), by inserting the following subparagraphs -
 - “(ia) require the licensee immediately to take steps to rectify the matter;
 - (ib) suspend the licence of the licensee pending a full examination of the licensee’s affairs under section 16(1)(b);
 - (ic) impose conditions with respect to decisions made by the licensee including the suspension of voting rights or nullification of votes cast;”;
 - (b) in subparagraph (iii), by deleting the words “of any director or senior” and substituting the words “or removal of any director, manager or”.

Passed by the Legislative Assembly the day of , 2017.

Speaker.

Clerk of the Legislative Assembly.