

AS TABLED IN THE HOUSE OF ASSEMBLY

A BILL

entitled

COMPANIES AMENDMENT ACT 2013

WHEREAS it is expedient to amend the Companies Act 1981;

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act, which amends the Companies Act 1981 (the "principal Act") may be cited as the Companies Amendment Act 2013.

Amends section 26

2 Section 26 of the principal Act is amended—

(a) in subsection (1A)—

(i) in paragraph (a) by deleting the word "or";

(ii) in paragraph (b) by deleting the full stop and substituting "; or"; and

(iii) by inserting, after paragraph (b), the following—

"(c) an appointed stock exchange or any competent regulatory authority has received or otherwise accepted a prospectus or other document in connection with the offer of shares to the public. ";

(b) by repealing subsection (2) and substituting the following—

"(2) The Registrar shall not accept for filing a copy of a prospectus unless it is accompanied by a certificate signed by an attorney certifying that the prospectus contains the particulars required by section 27(1) and is accompanied by a written statement from the auditor of the company, dated within seven days prior to the date of such filing, which confirms—

(a) the auditor's consent to the inclusion of his name in the prospectus to be issued by the company as having accepted the appointment as auditor of the company; or

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- (b) the auditor's consent to the inclusion in that prospectus of any or all reports prepared by him.”.

Amends section 27

3 Section 27 of the principal Act is amended by repealing subsection (2) and substituting the following—

“(2) Where a company is not required by this Part to publish and file a prospectus then subsection (1) shall not apply.”.

Amends section 28

4 Section 28 of the principal Act is amended by repealing subsection (2) and substituting the following—

“(2) Where a company is not required by this Part to publish and file a prospectus then subsection (1) shall not apply.”.

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EXPLANATORY MEMORANDUM

This Bill amends the Companies Act 1981 (the principal Act) to further modernise the principal Act in line with economic changes in Bermuda and internationally, which have necessitated the removal of demonstrable inefficiencies in the administration of companies. For this purpose, the Bill amends the Act so as to remove current requirements for the filing of a prospectus with the Registrar of Companies by any company whose prospectus is received or otherwise accepted by an appointed stock exchange (as defined in the principal Act) or a competent regulatory authority (as defined in the principal Act).

Clause 1 provides a citation for the Bill.

Clause 2 amends section 26 of the principal Act to insert a paragraph (c) under subsection (1A) which provides for an additional condition to apply if a prospectus is not to be published or filed. The additional condition is that the prospectus or other document relating to the offer of shares to the public has been received or otherwise accepted by an appointed stock exchange or competent regulatory authority. Section 26 is further amended in subsection (2) by repealing and replacing the subsection so as to harmonize it with the amendments to subsection (1A).

Clause 3 amends section 27 of the principal Act by repealing and replacing subsection (2) so as to harmonize the section with the amendments to section 26(1A).

Clause 4 amends section 28 of the principal Act by repealing and replacing subsection (2) so as to harmonize the section with the amendments to section 26(1A).