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Upcoming amendments to the Jersey Companies Law

JANUARY 2026

On the 21 January 2026, the States of Jersey adopted the Companies (Jersey) Amendment Law 2026 (the **Companies Law Amendment**) which will come into force in June 2026.

Given that the Companies (Jersey) Law 1991 (the **Law**) was last materially amended in 2014 and, in light of the changes that have occurred over the last decade, the updates to the Law are to be welcomed to ensure that Jersey remains competitive and the Jersey company remains the vehicle of choice for international transactions and is fit for purpose for domestic users.

The Companies Law Amendment contains a significant number of amendments to the Law which have been grouped around seven principal themes as set out below.

Flexibility

Some of the amendments to the Law aim to provide the company and its directors with wider flexibility as to how a company is structured and managed within an appropriate and legitimate framework.

Removal of requirement for public companies to have at least two members

Currently there is a requirement for a Jersey public company to have at least two members and removing this requirement will harmonise Jersey law with UK law in this area.

Abolition of 30 member rule

In prescribed circumstances, it is will be possible for Jersey companies to continue as private companies, even with more than 30 members.

This change will reduce the administrative burden on companies and reflect that the use of such a 30 member limit may not serve a current day purpose. For example, this will allow companies with more than 30 shareholders to maintain private status and would remove the requirement for such companies to have their accounts audited and for the accounts to be filed.

Remove requirement for par value companies to have a specified authorised share capital

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The Companies Law Amendment will remove the requirement for par value companies to specify a maximum authorised share capital in their memorandum of association. This helpful amendment will bring a par value company in line with a no par value company (whose memorandum of association can state it may issue an unlimited number of shares).

However, shareholders will still be able to set such a limit if desired.

Amendments to share capital

The Companies Law Amendment will permit share capital to be amended by special resolution in any way, provided that it does not effect a reduction of capital (unless effected in accordance with Part 12 of the Law) or increase liability on a share (unless the member agrees), which will provide significant flexibility in relation to amending the share capital of a company.

Procedure in relation to the change of name

The Companies Law Amendment will also allow a change of name to be effected by any means provided for by the company's articles of association rather than only by way of special resolution.

This would harmonise Jersey law with UK law in this area and there would still be a requirement for companies to notify the Jersey Company Registry of the change and for the name change only to be effective once the Jersey Company Registry issues an altered certificate of incorporation.

Death of a sole director

The Companies Law Amendment will also amend Article 73 of the Law to provide that in the event of the death of a sole member and director and, in the absence of any provision in the articles of association to cover the situation, the deceased's executor or personal representative shall have the power to appoint a new director.

This amendment is to prevent the situation where the death of a sole member and director results in there being no one able to appoint a director, resulting in the need to make a Court application.

Circumstances in which a director may be indemnified

The Law will also be expanded upon in relation to the circumstances in which a director may be indemnified in relation to his actions as a director. The Law will also be amended to allow a company to purchase and maintain insurance for liabilities incurred by current and former directors and company secretaries. This more fully reflects the day to-day circumstances of a business and provide consistency with laws in other jurisdictions.

Variation of class rights

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Pursuant to the Companies Law Amendment, the articles of association may now specify what is, or is not to be, regarded as a variation of the rights of any class of members of the company.

Dispensation from issuing share certificates

The Law has also been amended to permit a company to dispense with the requirement to issue share certificates.

Clarification

Certain of the amendments to the Law are aimed to provide enhanced legal certainty and to reflect day-to-day practice of company administration on a statutory basis.

Signing of solvency statements

Pursuant to the Companies Law Amendment, the requirements as to which directors must sign a solvency statement in various situations have been generally revised to clarify that former directors do not have to sign the statement (including if they leave office in the period between the approval of an action and the signing of the solvency statement).

Company migrations and company mergers

The Companies Law Amendment will also make a number of helpful amendments to the Law in relation to migrations, including:

a. amending Article 127P of the Law to expressly provide that, on a continuance of a foreign body corporate into Jersey, the resultant Jersey company is the same body corporate as the foreign entity; and
b. amending Article 127V of the Law to expressly clarify that a company which has continued is not treated as having been dissolved and that legal personality continues.

In relation to both company migrations and mergers, the notice provisions for creditors will also be amended to include a de minimis threshold so that notices to creditors are only required for claims against the company for a liquidated sum exceeding £25,000. This will avoid the administrative burden of having to send out notices to all creditors, even ones with de minimis claims and will help streamline the migration and merger process.

Helpfully, the requirement for separate class consents will also be removed in relation to mergers.

Special resolutions

The definition of a special resolution in Article 90 of the Law will also be amended to provide that a resolution is only a special resolution if it is required by the Law to be passed as a special resolution.

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As a result, if the articles of association provide that other types of resolution must be passed by a majority of two-thirds or more, such resolutions will not be required to be filed under Article 100 of the Law.

Simplification

Certain suggestions have been made to simplify the requirements of the Law, order to ensure that the Jersey company continues to be appropriately regulated and user friendly.

Transfer of shares

The Companies Law Amendment will permit a transfer of shares to be carried out in a manner provided for in the articles of association rather than just in writing. This will be a useful amendment for Jersey companies which have a relatively high volume of share movements but do not fall within the relevant exemptions (such as companies operating incentive share plans).

The Companies Law Amendment will also remove the requirement for an instrument of transfer where the company is purchasing its own shares otherwise than on a stock exchange, as there will already be a repurchase contract in place.

Redeemable shares and share buybacks

The Companies Law Amendment will also remove the requirement for a solvency statement when buying back/redeeming fully paid up shares for nil consideration.

Importantly, If a redemption of shares or a share buyback has been made by a company without the directors making a solvency statement as required by the Law, the amendments to the Law will also allow the directors of the company in certain circumstances to subsequently ratify the redemption or share buyback and confirm that it is to be treated for all purposes as if it had been made in accordance with the Law.

Rectification of register of members for manifest errors

The Companies Law Amendment will also amend the Law to give the directors an express power to rectify a manifest error in the register of members without a court order with consent from all parties impacted by the change.

In practice, this undoubtedly already takes place, and this helpful amendment would save court time and costs and will avoid having to go to court to correct genuine errors when there is no protection required.

Ratification of distributions

The Companies Law Amendment will also amend the Law, to permit directors to ratify a distribution without a court order where a distribution has been made and there has been a technical breach, provided that the company is solvent.

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It is a helpful proposal as it will reduce cost and the administrative burden associated with court applications.

Filing of shareholder agreements

The Companies Law Amendment will also provide that an agreement between members, such as a shareholders' agreement, will not have to be filed with the Jersey Company Registry under Article 100 of the Law if it contains a term stating that in the event of a conflict between that agreement and the articles of association then the agreement will prevail and the shareholders will amend the articles of association accordingly.

This is a very helpful amendment which provides clarity and aligns with current market practice.

Director interests

The Companies Law Amendment will also update the provisions relating to disclosure of interests by the directors to reduce unnecessary administration and the potential for a court application whilst ensuring due recognition of this safeguard. In particular, the amendments to the Law will allow ratification by a majority of directors without a conflict of interest or by special resolution where there has been a failure to comply with the disclosure requirements.

Companies with securities listed on certain approved non-EU/UK exchanges

The Companies Law Amendment will also introduce a new Part 16A, in relation to Jersey companies with securities listed on certain approved non-EU/UK exchanges which are subject to stringent overseas regulatory oversight (equivalently regulated companies). These companies, under foreign regulatory oversight, will be considered as complying with Jersey's public company accounts filing requirements provided that accounts prepared in accordance with the relevant overseas regulatory requirements are also filed at the Companies Registry in Jersey.

Removal of headcount test for members' schemes of arrangement

The Companies Law Amendment will also abolish the headcount test for members' schemes of arrangement in order to avoid a scheme being blocked despite being voted for by members holding 75% of the voting rights and this is viewed as a welcome change.

Digitalisation

The Companies Law Amendment also include provisions aimed at ensuring the compatibility with or use of electronic means. For example:

a. enabling the use of electronic common seals and electronic official seals;
b. the enablement of digital transfers of shares;

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c. electronic delivery of share certificates; and
d. participation in meetings using electronic communication technology, the appointment of proxies using electronic means or the effectiveness of notices posted on a company's website

Competition

In order to make the Law more competitive, consideration has been given to provisions in other jurisdictions, particularly the UK in order to streamline and enhance the Jersey regime.

Merger relief provisions

The amendments to the Law include new Articles 39C to 39F which will adopt provisions which are intended to mirror the 'merger relief' provisions appearing in sections 612 to 615 of the UK Companies Act 2006 save that they have been adapted so as to also apply to no par value companies, and that they are optional rather than mandatory. These provisions give relief from the requirements to make transfers to share premium accounts or stated capital accounts when a company acquires or secure 9/10ths of the share capital of another company.

Contributions of assets to companies other than in respect of an issuance of shares

The Companies Law Amendment also proposes to amend the Law to expressly permit contributions of assets to be made to a company other than in respect of an issuance of shares provided that this is not prohibited by the Company's articles of association.

Direct voting

The amendments to the Law will clarify that direct voting is permitted, subject to the articles of association. This would expressly allow a member to send in a voting form which is taken directly as the vote rather than the member having to appoint a proxy who then votes on the member's behalf.

Director disqualification under sanctions regulations

The Companies Law Amendment also provides for the automatic removal from office of a UK sanctioned director and for the establishment of personal liability for any liabilities of a Jersey company incurred where a director was acting whilst disqualified.

Insolvency

Amendments to creditor winding up procedure

Following the introduction of the new creditor winding up procedure it became possible for a creditor to apply to court for an insolvent Jersey company to be wound up and for a liquidator to be appointed to conduct that

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winding up.

A number of winding up applications have now been made to the Royal Court and following the relevant decisions of the Royal Court, the Companies Law Amendment will make certain improvements and these are reflected in the amendments to Part 21, which will include the following:

a. clarification that it is necessary to have a liquidated claim (being one that is undoubtedly due and payable rather than a contingent claim) before applying for a winding up under Article 157A of the Law;
b. confirmation that the moratorium which occurs when a winding up is commenced (or a provisional liquidator is appointed), does not prevent a secured creditor from enforcing their security;
c. clarification that the order appointing a provisional liquidator should specify whether all the powers of the directors cease or not;
d. clarification that a court ordered creditors' winding up is deemed to commence on the date that the order is made; and
e. insertion of a new Schedule 1A which sets out the standard powers usually given to a liquidator and which will be automatically available to a liquidator unless modified by the Court.

Summary winding up

The Companies Amendment Law also proposes amendments to the summary winding up procedure to remove references to the six month time limit which will no longer apply.

This is a helpful amendment as references to the 6 month period is viewed as unnecessary and can cause confusion, particularly given the lack of clear consequences in the event that, where directors have stated that the company will be able to discharge its liabilities within six months, unforeseen liabilities subsequently arise and fall due after that period.

Company reinstatements

In relation to company reinstatements, amendments will also be made to Article 19 of the Financial Services (Disclosure and Provision of Information) (Jersey) Law 2020 (the **Disclosure Law**) in order to revise the list of persons who may apply to the Royal Court for a declaration that the dissolution of an entity (for non-compliance with the Disclosure Law) is void. The Comptroller of Revenue is added as a potential applicant together with "any other person appearing to the Royal Court to be interested," which will align the provisions of the Disclosure Law, more closely with the Law.

Conclusion

The amendments to the Law are very welcome and will assist in modernising certain provisions of the Law and reflect recent legal developments (both domestic and international). It will also provide enhancements to reflect provisions or practices adopted in other jurisdictions.

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Importantly, a number of the amendments to the Law should also streamline certain processes and reflect how modern companies in Jersey are operating in practice, with the reduction of unnecessary administration and associated costs enhancing Jersey competitiveness and reputation.

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