



# MIGRATING COMPANIES: TRANSFERRING CORPORATE DOMICILE FROM ONE COUNTRY TO ANOTHER

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Corporate re-domiciliation, sometimes known as transfer, continuance or company migration, is the process by which a company moves its domicile from one jurisdiction to another by changing the country under whose laws it is registered or incorporated while continuing the existence of the company.

With the adoption of a statutory re-domiciliation process by many jurisdictions, Collas Crill is seeing an increasing trend in offshore companies migrating from one jurisdiction to another.

Statutory migration provides a much better alternative mechanism for the transfer of a business from one jurisdiction to another than the traditional forms of transfer such as an asset sale. In most cases the relevant statute in the destination jurisdiction will deem the company to be the same entity, avoiding issues relating to deposing and re-acquiring assets and assigning or novating contracts.

We have seen companies changing domicile for a variety of reasons including:

- To take advantage of more favourable regulatory regimes
- To consolidate or merge with existing group structures
- To access specialist capital markets or business opportunities
- To cut down on costs and assist with the ongoing administration of the offshore company or group

Generally, for a company to re-domicile it must be permitted in both in its originating jurisdiction and in its destination jurisdiction. In addition, there should be no restrictions in the memorandum and articles of association, contracts or finance documents to which the company is a party.

Re-domiciliation is lawful in almost all of the offshore jurisdictions in which Collas Crill operates and, whilst each jurisdictions' migration process is distinct, there are a number of similarities. It is usual that a company be solvent and it must be able to show that it has complied with the laws of its originating jurisdiction. Given our network of offices, Collas Crill is able to advise on, and assist in, all aspects of the migration process.

Following completion of a company's migration, it is no longer a company incorporated in its originating jurisdiction and, instead, is deemed to be incorporated under and subject to the laws of its destination jurisdiction. The company has the same legal identity and

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migration does not prejudice or affect the identity or continuity of the company. There are no changes to the assets, rights, obligations and liabilities of the company, nor does the migration affect any appointment, resolution or act done under powers the company had conferred on it by its incorporation in its former jurisdiction. In addition, migration to a new jurisdiction will not make defective any process, such as litigation, which was commenced by or against the company before its migration. As a result, a migration allows a company to transfer to a new jurisdiction without the need for complex or costly arrangements.

Collas Crill has extensive practical experience assisting with multiple and large scale migrations and are happy to provide you with any advice on this subject.

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