

Island of  Guernsey

Ordinance of the States

VI
2002

Made	31st May, 2002.
Coming into operation	1st June, 2002.

The Companies (Shares of No Par Value) Ordinance, 2002

The Companies (Shares of No Par Value) Ordinance, 2002

THE STATES, in exercise of the powers conferred upon them by section 1 of the Companies (Enabling Provisions) (Guernsey) Law, 1996^a, hereby order:-

Issue of shares of no par value.

1. A company (including a company limited by guarantee) may, subject to the provisions of this Ordinance and of any regulations made under section 5, issue shares which have no nominal or par value ("**shares of no par value**").

Power to issue shares of no par value.

2. (1) A company may not issue shares of no par value -

- (a) unless expressly authorised to do so by the provisions of its memorandum; and
- (b) otherwise than in accordance with such provisions (if any) as may be set out in the company's articles in relation to the issue by it of such shares.

(2) A company may by special resolution alter its memorandum so as to provide authority for the issue of shares of no par value.

(3) A company with power to issue shares of no par value may (but need not) also have power to issue shares with a nominal or par value.

Determination of consideration for issue of shares of no par value.

^a Order in Council No. XII of 1996.

3. The consideration for which and the terms upon which a company may issue shares of no par value shall be determined in accordance with the provisions of the company's articles.

Redemption and cancellation of shares of no par value.

4. (1) Shares of no par value -

(a) may, if they are redeemable, and subject to the provisions of subsection (2), be redeemed at any time at the option of -

(i) the company; or

(ii) any shareholder thereof; or

(b) may, subject as aforesaid, be cancelled.

(2) The redemption and cancellation of shares of no par value by a company shall be effected in accordance with such provisions (if any) as may be applicable to the company in relation to the redemption and cancellation by it of such shares and as may be set out in -

(a) the company's articles;

(b) the terms subject to which, or the rights, qualifications or restrictions with which, the shares were issued; and

(c) the subscription agreement for the issue of the shares.

(3) The redemption and cancellation of shares of no par value by a

company in accordance with the provisions of this Ordinance does not constitute a reduction of share capital for the purposes of the Companies (Guernsey) Law, 1994^b.

Modification and disapplication of certain provisions of company law.

5. The Committee may by regulation prescribe exceptions, adaptations and modifications subject to which the provisions of -

- (a) the Companies (Guernsey) Law, 1994;
- (b) any Ordinance made under the Companies (Enabling Provisions) (Guernsey) Law, 1996^c; and
- (c) the Document Duty (Guernsey) Law, 1973^d, as it has effect in Guernsey;

shall apply in relation to shares of no par value and to the companies which issue them; and those provisions shall, subject to any such exceptions, adaptations and modifications, and subject also to the provisions of this Ordinance, apply in relation to shares of no par value and to the companies which issue them.

General provisions as to regulations.

6. (1) Regulations of the Committee under this Ordinance -

^b Order in Council No. XXXIII of 1994; amended by No. XIV of 1996.

^c Order in Council No. XII of 1996.

^d Ordres en Conseil Vol. XXIV, pp. 74 and 236; Vol. XXV, p. 43; Ordinance No. XL of 1992; Ordinance No. XXV of 1995; and Ordinances No. IX and No. XLI of 1997.

- (a) may be amended or repealed by subsequent regulations hereunder;
- (b) may contain such consequential, incidental, supplemental and transitional provisions as may appear to the Committee to be necessary or expedient;
- (c) may provide that the provisions of this Ordinance shall apply in relation to any class or description of company specified in the regulations subject to such exceptions, adaptations and modifications as may be so specified;
- (d) shall be laid before a meeting of the States as soon as possible and shall, if at that or the next meeting the States resolve to annul them, cease to have effect, but without prejudice to anything done under them or to the making of new regulations.

(2) Any power conferred upon the Committee by this Ordinance to make regulations may be exercised -

- (a) in relation to all cases to which the power extends, or in relation to all those cases subject to specified exceptions, or in relation to any specified cases or classes of cases;
- (b) so as to make, as respects the cases in relation to which it is exercised -
 - (i) the full provision to which the power extends, or

any lesser provision (whether by way of exception or otherwise);

- (ii) the same provision for all cases, or different provision for different cases or classes of cases, or different provision for the same case or class of case for different purposes;
- (iii) any such provision either unconditionally or subject to any prescribed conditions.

Interpretation.

7. In this Ordinance, unless the context requires otherwise -

- (a) **"shares of no par value"** means shares issued in accordance with this Ordinance which have no nominal or par value;
- (b) other expressions have the same meanings as in the Companies (Guernsey) Law, 1994^e; and
- (c) any reference to an enactment is a reference thereto as from time to time amended, replaced or re-enacted (in either case, with or without modification), extended or applied.

Citation.

8. This Ordinance may be cited as the Companies (Shares of No Par

^e Order in Council No. XXXIII of 1994; amended by No. XIV of 1996.

Value) Ordinance, 2002.

Commencement.

9. This Ordinance shall come into force on the 1st day of June, 2002.