

A BILL

entitled

COMPANIES AMENDMENT ACT 2023

WHEREAS it is expedient to amend the Companies Act 1981 in section 129A to enable an exempted company that is licensed under the Digital Asset Business Act 2018 to carry on business in Bermuda without the need to be additionally licensed under section 129A(1) of the Companies Act 1981; to remove the requirement under section 46(2)(a) of the Companies Act 1981 for a company intending to reduce its share capital to publish certain details of the proposed reduction of capital; to amend the Limited Liability Company Act 2016 in section 24 to enable an exempted limited liability company that is licensed under the Digital Asset Business Act 2018 to carry on business in Bermuda without the need to be additionally licensed under section 25(1) of the Limited Liability Company Act 2016;

Be it enacted by The King'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 may be cited as the Companies Amendment Act 2023.

Amends section 46 of Companies Act 1981

2 The Companies Act 1981 is amended in section 46 by repealing subsection (2) and substituting the following—

“(2) No company shall reduce the amount of its share capital if, on the date the reduction is to be effected, there are reasonable grounds for believing that the company is, or after the reduction would be, unable to pay its liabilities as they become due.”.

Amends section 129A of Companies Act 1981

3 The Companies Act 1981 is amended in section 129A(4) by—

- (a) deleting the word “or” at the end of paragraph (aa);
 - (b) deleting the period at the end of paragraph (b)(ii) and substituting “; or”;
- and

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(c) inserting after paragraph (b) the following new paragraph—

“(c) digital assets business as defined in the Digital Assets Business Act 2018 if the company is licensed under that Act to do so.”.

Amends section 24 of Limited Liability Company Act 2016

4 The Limited Liability Company Act 2016 is amended in section 24(1)(d) by—

(a) deleting the word “and” at the end of subparagraph (v);

(b) deleting the period at the end of subparagraph (vi) and substituting “; and”;

(c) inserting after subparagraph (vi) the following new subparagraph—

“(vii) digital asset business as defined in the Digital Asset Business Act 2018 if the company is licensed under that Act to do so.”.

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EXPLANATORY MEMORANDUM

This Bill seeks to amend the Companies Act 1981 in section 129A to enable an exempted company that is licensed under the Digital Asset Business Act 2018 to carry on business in Bermuda without the need to be additionally licensed under section 129A(1) of the Companies Act 1981; to remove the requirement under section 46(2)(a) of the Companies Act 1981 for a company intending to reduce its share capital to publish certain details of the proposed reduction of capital; to amend the Limited Liability Company Act 2016 in section 24 to enable an exempted limited liability company that is licensed under the Digital Asset Business Act 2018 to carry on business in Bermuda without the need to be additionally licensed under section 25(1) of the Limited Liability Company Act 2016.

Clause 1 provides a citation for the Bill.

Clause 2 amends the Companies Act 1981 in section 46 by repealing subsection (2)(a) for the purpose of removing the requirement for a company intending to reduce its share capital to publish certain details of the proposed reduction of capital.

Clause 3 amends the Companies Act 1981 in section 129A(4) for the purpose of enabling an exempted company that is licensed under the Digital Asset Business Act 2018 to carry on business in Bermuda without the need to be additionally licensed under section 129A(1) of the Companies Act 1981.

Clause 4 amends section 24 of the Limited Liability Company Act 2016 for the purpose of enabling an exempted limited liability company that is licensed under the Digital Asset Business Act 2018 to carry on business in Bermuda without the need to be additionally licensed under section 25(1) of the Limited Liability Company Act 2016.