



Astana Financial Services Authority

Consultation Paper

AFSA-P-CE-2019-0008

Proposed amendments to the AIFC Legal entities framework

3 September 2019

Introduction

1. The Astana Financial Services Authority (AFSA) has issued this Consultation Paper to invite public comments on the proposed amendments to the AIFC Regulations and Rules which aim at updating and modernising the legal framework to meet the current needs of business and provide the flexibility needed for companies to operate in an evolving business environment
2. The proposals in this Consultation Paper will be of interest to current and potential AIFC Participants who are interested in doing business in the AIFC.
3. All comments should be in writing and sent to the address or email specified below. If sending your comments by email, please use “Consultation Paper AFSA-P-CE-2019-0008” in the subject line. You may, if relevant, identify the organisation you represent when providing your comments. The AFSA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise. Comments supported by reasoning and evidence will be given more weight by the AFSA.
4. The deadline for providing comments on the proposals is **2 October 2019**. Once we receive your comments, we shall consider if any refinements are required to the proposals.
5. Comments to be addressed by:

post: Policy and Strategy Division
Astana Financial Services Authority (AFSA)
55/17 Mangilik El avenue, block C3.2, Nur-Sultan, Kazakhstan
or emailed to: consultation@afsa.kz
Tel: +7 7172 613626
6. The remainder of this Consultation Paper contains the following:
 - (a) background to the proposals;
 - (b) the list of key elements of the proposed amendments;
 - (c) Annex 1: Draft of proposed amendments to AIFC Regulations;
 - (d) Annex 2: Draft of proposed amendments to AIFC Rules;
 - (e) Annex 3: Draft of the proposed amendments to the Schedule 1 of the AIFC Companies Rules.

Background

The Astana Financial Services Authority ("AFSA") proposes to make amendments to the AIFC Companies Regulations which aim at updating and modernising the legal framework to meet the current needs of business and provide the flexibility needed for companies to operate in an evolving business environment.

The amendments introduce a number of changes to simplify and improve the AIFC legal framework, including a variety of deregulatory measures which have been widely welcomed by business in global financial centres. Best practices of the United Kingdom, Singapore and DIFC were considered in preparing this proposal.

The proposed amendments are intended to apply generally to the AIFC Participants. It is accordingly proposed to amend each of the following AIFC Acts to give effect to the general legal framework:

- 1) AIFC Companies Regulations
- 2) AIFC General Partnership Regulations
- 3) AIFC Limited Partnership Regulations
- 4) AIFC Limited Liability Partnership Regulations
- 5) AIFC Non-Profit Incorporated Organisations Regulations
- 6) AIFC Foundations Regulations
- 7) AIFC Companies Rules
- 8) AIFC General Partnership Rules
- 9) AIFC Limited Partnership Rules
- 10) AIFC Limited Liability Partnership Rules
- 11) AIFC Non-Profit Incorporated Organisations Rules
- 12) AIFC Special Purpose Company Rules
- 13) AIFC Fees Rules

KEY ELEMENTS OF THE PROPOSED AMENDMENTS

The key aspects of the proposal include:

1) Substitution of Annual return with Confirmation Statement.

The Confirmation Statement is based on the 2016 amendments to the UK Companies Act which substituted such statements for Annual Returns. The Confirmation statement is intended to serve roughly the same purpose as the Annual return: for companies to provide up-to-date information for inclusion on the Register. However, one main difference is that rather than the AIFC Participants providing a snapshot of their data at a specific date, AIFC Participants will need to 'check and confirm' the information that the Registrar holds is accurate.

2) Introduction of corporate directorship possibility for Companies, so that an Ancillary Service Provider or a holding company may serve as a corporate director, and giving the Registrar power to give permission in other circumstances. However, companies will be required to have at least one director who is a natural person. This amendment is consistent with the approach taken in the UK and the Netherlands, while maintaining the transparency and accountability of directors.

3) Transferring the AFSA Board of Directors' power to adopt rules in relation to (i) prescribing standard articles of association; (ii) forms, procedures and requirements under the Companies Regulations, the Rules or any other Legislation Administered by the Registrar; and (iii) keeping of public registers and database to the Registrar. Granting of such restricted rule-making power to the Registrar will improve the operational efficiency of AFSA.

4) Revision of the Standard Articles of Association for Private Companies, and elimination of the requirement to file Standard Articles with the Registrar.

Topics dealt with for the first time or in greater detail include:

- (a) removal of a section on the registered address. The registered address shall be that provided in the public register;
- (b) introduction of a section on liability of Shareholders;
- (c) introduction of a section on classes of Shares;
- (d) revision of the section on transmission of shares;
- (e) introduction of a section on Shareholders' reserve power;
- (f) introduction of a section on Lien over partly paid shares;
- (g) introduction of a section on calls on shares and forfeiture;
- (h) other matters.

These have largely been modelled on corresponding provisions in the United Kingdom Companies Act 2006 and their corresponding private company model articles as well as the model articles of DIFC.

5) Granting additional power for the Registrar of Companies to waive and modify any provisions of legislation administered by the Registrar, declared by the Rules to be a provision to which waivers and modifications apply. This will increase the operational efficiency of the AFSA, and is consistent with the approach taken in the DIFC.

6) Extending the scope of the Scheme of arrangement section to include body corporates incorporated outside of the AIFC to participate in restructuring or amalgamation. This is in line with the English High Court's decisions concerning schemes of arrangement (English High court cases of German-incorporated companies PrimaCom Holding GmbH and Rodenstock GmbH).

7) Other miscellaneous enhancements.

Question

Do you have any concerns related to the proposed amendments to AIFC Rules and Regulations? If so, what are they, and how should they be addressed?

Proposed amendments to AIFC Regulations

In this table, the underlining indicates a new text and the striking through indicates deleted text in the proposed amendments

| Section Number | Current version | Proposed version | Comments |
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| 1. AIFC Companies Regulations | | | |
| Section 13 | <p>13. Formation of companies</p> <p>(1) A company may be incorporated under these Regulations on the application of any 1 or more Persons in accordance with this Part.</p> <p>(2) A company must not be incorporated for an unlawful purpose.</p> <p>(3) An application for the incorporation of a company must be filed with the Registrar by the Incorporators or their duly authorised representative.</p> <p>(4) The application must state the following:</p> <ul style="list-style-type: none"> (a) the proposed name of the Company; (b) whether the proposed Company is to be a Private Company or a Public Company; (c) the nature of the business to be conducted by the proposed Company; (d) the amount of the initial share capital and shareholdings of the Incorporators; (e) the nominal value of each Share; (f) the address of the proposed Company’s registered office; (g) the following information for each Incorporator: | <p>13. Formation of companies</p> <p>(1) A company may be incorporated under these Regulations on the application of any 1 <u>(one)</u> or more Persons in accordance with this Part.</p> <p>(2) A company must not be incorporated for an unlawful purpose.</p> <p>(3) An application for the incorporation of a company must be filed with the Registrar by the Incorporators or their duly authorised representative.</p> <p>(4) The application must state the following:</p> <ul style="list-style-type: none"> (a) the proposed name of the Company; (b) whether the proposed Company is to be a Private Company or a Public Company; (c) the nature of the business to be conducted by the proposed Company; (d) the amount of the initial share capital and shareholdings of the Incorporators; (e) the nominal value of each Share; (f) the address of the proposed Company’s registered office; (g) the following information for each Incorporator: | <p>Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>(i) the full name, nationality and address of the Incorporator;</p> <p>(ii) if the Incorporator is an individual and is to hold Shares in trust for another Person—the full name, nationality and address of the beneficial owner of the Shares;</p> <p>(iii) if the Incorporator is a Body Corporate—the beneficial ownership information of the Body Corporate required by the Rules;</p> <p>(h) the full name (including any previous names), nationality, address, business occupation (if any) and date of birth of the individuals who are to serve as the Directors and, if applicable, the Secretary;</p> <p>(i) the other particulars (if any) required by the Registrar or the Rules; and</p> <p>(j) the particulars required by Part 14-1 (Ultimate Beneficial Owners) of these Regulations.</p> <p>(5) The proposed Articles of Association, signed by or on behalf of each Incorporator, must be filed with the application.</p> | <p>(i) the full name, nationality and address of the Incorporator;</p> <p>(ii) if the Incorporator is an individual and is to hold Shares in trust for another Person—the full name, nationality and address of the beneficial owner of the Shares;</p> <p>(iii) if the Incorporator is a Body Corporate—the beneficial ownership information of the Body Corporate required by the Rules;</p> <p>(h) the full name (including any previous names), nationality, address, business occupation (if any) and date of birth of the individuals who are to serve as the Directors and, if applicable, the Secretary;</p> <p>(i) the other particulars (if any) required by the Registrar or the Rules; and</p> <p>(j) the particulars required by Part 14-1 (Ultimate Beneficial Beneficial Owners) of these Regulations.</p> <p><u>(5) Unless the Standard Articles are adopted by a Company in their entirety, the proposed Articles of Association, signed by or on behalf of each Incorporator, must be filed with the application.</u></p> | |
| Section 14 | <p>14. Articles of Association</p> <p>(1) A Company’s Articles of Association must be in the English language and must be divided into paragraphs numbered consecutively.</p> <p>(2) A Company’s Articles of Association must contain:</p> <p>(a) a statement as to whether the Company is a Private Company or a Public Company; and</p> <p>(b) the information mentioned in section 13(4)(a) to (h) (Formation of companies); and</p> <p>(c) the other matters (if any) required by these Regulations or the Rules to be included in the Articles of Association of a Company.</p> <p>(3) The Articles of Association may contain any other matters that the Shareholders wish to include in the Articles of Association. However, the Articles of Association must not contain a provision that is inconsistent with these Regulations or the Rules.</p> | <p>14. Articles of Association</p> <p>(1) A Company’s Articles of Association must be in the English language and must be divided into paragraphs numbered consecutively.</p> <p>(2) A Company’s Articles of Association must contain:</p> <p>(a) a statement as to whether the Company is a Private Company or a Public Company; and</p> <p>(b) the information mentioned in section 13(4)(a) to (h) (c) (Formation of companies); and</p> <p>(c) the other matters (if any) required by these Regulations or the Rules to be included in the Articles of Association of a Company.</p> <p>(3) The Articles of Association may contain any other matters that the Shareholders wish to include in the Articles of Association. However, the Articles of Association must not contain a provision that</p> | <p>Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>(4) A Company may adopt, as its Articles of Association, the whole or any part of the Standard Articles that is relevant to the Company.</p> <p>(5) If Standard Articles are not adopted by a Company in their entirety, the Company must submit to the Registrar, before the Articles of Association are adopted by the Company, a statement by the Incorporators that the Articles of Association proposed to be adopted by the Company comply with the requirements of these Regulations, the Rules and all other applicable AIFC Regulations and AIFC Rules.</p> <p>(6) If any change to these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules results in an inconsistency between the provisions of a Company’s Articles of Association and the provisions of these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules:</p> <p>(a) the provisions of these Regulations and any other applicable AIFC Regulations and AIFC Rules prevail; and</p> <p>(b) the Company is not required to amend its Articles of Association, unless these Regulations, the Rules or any other applicable AIFC Regulations expressly require it to do so.</p> | <p>is inconsistent with these Regulations or the Rules.</p> <p>(4) A Company may adopt, as its Articles of Association, the whole or any part of the Standard Articles that is relevant to the Company.</p> <p>(5) If Standard Articles are not adopted by a Company in their entirety, the Company must submit to the Registrar, before the Articles of Association are adopted by the Company, a statement by the Incorporators that the Articles of Association proposed to be adopted by the Company comply with the requirements of these Regulations, the Rules and all other applicable AIFC Regulations and AIFC Rules.</p> <p>(6) If any change to these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules results in an inconsistency between the provisions of a Company’s Articles of Association and the provisions of these Regulations, the Rules or any other applicable AIFC Regulations or AIFC Rules:</p> <p>(a) the provisions of these Regulations and any other applicable AIFC Regulations and AIFC Rules prevail; and</p> <p>(b) the Company is not required to amend its Articles of Association, unless these Regulations, the Rules or any other applicable AIFC Regulations expressly require it to do so.</p> | |
| Section 15 | <p>15. Decision on incorporation application etc.</p> <p>(1) The Registrar may refuse to incorporate a Company for any reason the Registrar considers to be a proper reason for refusing to incorporate the Company.</p> <p>(2) If the Registrar incorporates a Company, the Registrar must register the Articles of Association filed with the application for incorporation.</p> | <p>15. Decision on incorporation application etc.</p> <p>(1) The Registrar may refuse to incorporate a Company for any reason the Registrar considers to be a proper reason for refusing to incorporate the Company.</p> <p>(2) If the Registrar incorporates a Company, the Registrar must register the Articles of Association filed with the application for incorporation, unless Standard Articles are adopted by a Company in their entirety.</p> | Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| Section 16 | <p>16. Effects of incorporation etc.</p> <p>(1) On the incorporation of a Company and registration of its Articles of Association, the Registrar must:</p> <p>(a) issue a certificate of incorporation confirming that the Company is incorporated</p> | <p>16. Effects of incorporation etc.</p> <p>(1) On the incorporation of a Company and registration of its Articles of Association, the Registrar must:</p> <p>(a) issue a certificate of incorporation confirming that the Company is incorporated</p> | Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |

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| | <p>as either a Private Company or a Public Company; and</p> <p>(b) assign a number to the Company, which is to be the Company’s identification number; And</p> <p>(c) enter the name of the Company in the Register.</p> <p>(2) On the date of incorporation mentioned in the certificate of incorporation:</p> <p>(a) the Incorporators of the Company become the Shareholders of the Company; and</p> <p>(b) the Company, having the name contained in the certificate of incorporation, becomes a body corporate, capable of Exercising all the Functions of an incorporated Company.</p> <p>(3) A certificate of incorporation issued by the Registrar is conclusive evidence of the following matters:</p> <p>(a) that the Company has been duly incorporated;</p> <p>(b) whether the Company is a Public Company or a Private Company;</p> <p>(c) that the requirements of these Regulations and the Rules have been complied with in respect of the incorporation of the Company.</p> <p>(4) Without limiting subsection (1)(a), the Registrar may make alternative arrangements relating to the issue of certificates of incorporation to Companies in circumstances prescribed by the Rules.</p> | <p>as either a Private Company or a Public Company; and</p> <p>(b) assign a number to the Company, which is to be the Company’s identification number; and</p> <p>(c) enter the name of the Company in the Register.</p> <p>(2) On the date of incorporation mentioned in the certificate of incorporation:</p> <p>(a) the Incorporators of the Company become the Shareholders of the Company; and</p> <p>(b) the Company, having the name contained in the certificate of incorporation, becomes a body corporate, capable of Exercising all the Functions of an incorporated Company.</p> <p>(3) A certificate of incorporation issued by the Registrar is conclusive evidence of the following matters:</p> <p>(a) that the Company has been duly incorporated;</p> <p>(b) whether the Company is a Public Company or a Private Company;</p> <p>(c) that the requirements of these Regulations and the Rules have been complied with in respect of the incorporation of the Company.</p> <p>(4) Without limiting subsection (1)(a), the Registrar may make alternative arrangements relating to the issue of certificates of incorporation to Companies in circumstances prescribed by the Rules.</p> | |
| Section 17 | <p>17. Notification of change in Registered Details of Company</p> <p>(1) If any of the Registered Details of a Company change, the Company must notify the Registrar in Writing of the change within 14 days after the day the change happens and must comply with all other requirements applying to the Company under the Rules in relation to the change.</p> <p>(2) Contravention of this section is punishable by a fine.</p> | <p>17. Notification of change in Registered Details of Company</p> <p>(1) If any of the Registered Details of a Company change, the Company must notify the Registrar in Writing of the change within 14 days after the day the change happens and must comply with all other requirements applying to the Company under the Rules in relation to the change.</p> <p>(2) Contravention of this section is punishable by a fine.</p> | <p>Category 7) of amendments set out “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | | (3) The change in Registered Details notice must be accompanied by the fee prescribed by the Rules from time to time. | |
| Section 18 | <p>18. Effect of Articles of Association</p> <p>(1) Subject to these Regulations and the Rules, on registration the Articles of Association bind the Company and its Shareholders to the same extent as if they had been signed by the Company and by each Shareholder, and contained covenants by the Company and each Shareholder to comply with all their provisions.</p> <p>(2) An amount payable by a Shareholder to the Company under the Articles of Association is a debt due from the Shareholder to the Company.</p> | <p>18. Effect of Articles of Association</p> <p>(1) Subject to these Regulations and the Rules, on registration the Articles of Association bind the Company and its Shareholders to the same extent as if they had been signed by the Company and by each Shareholder, and contained covenants by the Company and each Shareholder to comply with all their provisions.</p> <p>(2) An amount payable by a Shareholder to the Company under the Articles of Association is a debt due from the Shareholder to the Company.</p> | Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| Section 19 | <p>19. Amendment of Articles of Association</p> <p>(1) Subject to these Regulations and the Rules, a Company may amend its Articles of Association by Special Resolution.</p> <p>(2) Unless an amendment of the Articles of Association of a Company relates solely to a change of its name, correcting manifest errors or increasing the amount of its authorised or issued share capital, the Company must, before the amendment is made, submit to the Registrar:</p> <p>(a) the proposed amendment; and</p> <p>(b) a certificate given by at least 1 of the Directors of the Company stating that the proposed amendment complies with the requirements of these Regulations and the Rules and all other applicable AIFC Regulations and AIFC Rules.</p> <p>(3) If the Articles of Association of a Company are amended, the rights and obligations of the Shareholders and the Company that arose under the Articles of Association before the amendment is made are not be affected unless the amendment expressly provides for it to have such an effect.</p> <p>(4) Despite anything in the Articles of Association of a Company, a Shareholder of the Company is not bound by an amendment made to the articles after the day the Shareholder became a Shareholder so far as the amendment:</p> | <p>19. Amendment of Articles of Association</p> <p>(1) Subject to these Regulations and the Rules, a Company may amend its Articles of Association by Special Resolution or by any other means provided by the Company’s Articles of Association.</p> <p>(2) Unless an amendment of the Articles of Association of a Company relates solely to a change of its name, correcting manifest errors or increasing the amount of its authorised or issued share capital, the Company must Company must, before the amendment is made, within 14 days after the amendments to the Articles of Association are made, submit to the Registrar:</p> <p>(a) the proposed amendment a copy of the Articles of Association as amended; and</p> <p>(b) a certificate given by at least 1 of the Directors of the Company stating that the proposed amendment complies with the requirements of these Regulations and the Rules and all other applicable AIFC Regulations and AIFC Rules; and</p> <p>(c) a copy of a Special Resolution, agreement, enactment, order or any other document by which the Articles of Association are amended.</p> <p>(2-1) The Registrar may rely on the certificate, provided in accordance with subsection 2 (b), as sufficient evidence of the matters stated in it.</p> | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |

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| | <p>(c) requires the Shareholder to take or subscribe for more Shares than those held by the Shareholder at the end of the day immediately before the amendment is made; or</p> <p>(d) in any way increases the Shareholder’s Liability at the end of that day to contribute to the Company’s share capital or otherwise to pay an amount to the Company.</p> <p>(5) Subsection (4) does not apply in relation to the Shareholder if the Shareholder, either before or after the amendment is made, agreed to be bound by it.</p> | <p>(3) If the Articles of Association of a Company are amended, the rights and obligations of the Shareholders and the Company that arose under the Articles of Association before the amendment is made are not be affected unless the amendment expressly provides for it to have such an effect.</p> <p>(4) Despite anything in the Articles of Association of a Company, a Shareholder of the Company is not bound by an amendment made to the articles after the day the Shareholder became a Shareholder so far as the amendment:</p> <p>(e-a) requires the Shareholder to take or subscribe for more Shares than those held by the Shareholder at the end of the day immediately before the amendment is made; or</p> <p>(e-b) in any way increases the Shareholder’s Liability at the end of that day to contribute to the Company’s share capital or otherwise to pay an amount to the Company.</p> <p>(5) Subsection (4) does not apply in relation to the Shareholder if the Shareholder, either before or after the amendment is made, agreed to be bound by it.</p> | |
| Section 22 | <p>22. Change of Company name</p> <p>(1) A Company must not change its name otherwise than by Special Resolution and must not change its name to a name that is not acceptable to the Registrar.</p> <p>(2) If a Company changes its name by Special Resolution in accordance with subsection (1), the Company must file the Special Resolution with the Registrar within 14 days after the day the Special Resolution is passed.</p> <p>(3) Contravention of subsection (1) or (2) is punishable by a fine.</p> <p>(4) If a Company changes its name and complies with subsection (2) in relation to the change, the Registrar must, as soon as practicable:</p> | <p>22. Change of Company name</p> <p>(1) A Company must not change its name otherwise than by Special Resolution <u>or by other means provided for by the company’s Articles of Association</u> and must not change its name to a name that is not acceptable to the Registrar.</p> <p>(2) If a Company changes its name by Special Resolution in accordance with subsection (1), the Company must file the Special Resolution <u>the accompanying notice or a statement that the change of name has been made by means provided for by the company’s Articles of Association</u> with the Registrar within 14 days after the day the Special Resolution is passed <u>the change is made</u>.</p> <p>(3) Contravention of subsection (1) or (2) is punishable by a fine.</p> <p>(4) If a Company changes its name and complies with subsection (2) in relation to the</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>(a) enter the new name in the Register in place of the former name; and</p> <p>(b) issue a certificate of name change showing the previous name and the new name of the Company.</p> <p>(5) The change of name takes effect on the day the Registrar issues the certificate of name change.</p> <p>(6) The change of name does not:</p> <p>(a) affect any rights or obligations of the Company; or</p> <p>(b) render defective any legal proceedings by or against it.</p> <p>(7) Any legal proceedings that could have been commenced or continued against the Company under its former name may be commenced or continued against it under its new name.</p> <p>(8) A Company may obtain the prior approval of the Registrar to the new name before the name is changed by Special Resolution.</p> | <p>change, the Registrar must, as soon as practicable:</p> <p>(a) enter the new name in the Register in place of the former name; and</p> <p>(b) issue a certificate of name change showing the previous name and the new name of the Company.</p> <p>(5) The change of name takes effect on the day the Registrar issues the certificate of name change.</p> <p>(6) The change of name does not:</p> <p>(a) affect any rights or obligations of the Company; or</p> <p>(b) render defective any legal proceedings by or against it.</p> <p>(7) Any legal proceedings that could have been commenced or continued against the Company under its former name may be commenced or continued against it under its new name.</p> <p>(8) A Company may obtain the prior approval of the Registrar to the new name before the name is changed by Special Resolution.</p> | |
| Section 24 | <p>24. Registered office and conduct of business</p> <p>(1) A Company must, at all times, have a registered office in the AIFC to which all communications and notices to the Company may be addressed.</p> <p>(2) A Document may be served on a Company by leaving it at, or sending it by post to, the registered office of the Company in the AIFC.</p> <p>(3) A Company must conduct its principal business activity in the AIFC, unless the Registrar otherwise permits.</p> <p>(4) Contravention of subsection (1) or (3) is punishable by a fine.</p> | <p>24. Registered office and conduct of business</p> <p>(1) A Company must, at all times, have a registered office in the AIFC to which all communications and notices to the Company may be addressed.</p> <p>(2) A Document may be served on a Company by leaving it at, or sending it by post to, the registered office of the Company in the AIFC.</p> <p>(3) A Company must conduct its principal business activity in the AIFC, unless the Registrar otherwise permits.</p> <p>(3-1) A Company may change the address of its registered office by giving notice to the Registrar. The change takes effect upon the notice being registered by the Registrar.</p> <p>(4) Contravention of subsection (1) or (3) is punishable by a fine.</p> | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| New section | | 25-1. Annual confirmation of accuracy of information on register | Category 1) of amendments |

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| <p>that substitutes section 26</p> | | <p><u>(1) Every Company must, before the end of the period of 14 days after the end of each review period, deliver to the Registrar:</u></p> <ul style="list-style-type: none"> <u>(a) such information as is necessary to ensure that the Company is able to make the statement referred to in paragraph (b), and</u> <u>(b) a statement (a “confirmation statement”) confirming that all information required to be delivered by the Company to the Registrar in relation to the confirmation period concerned under any duty mentioned in subsection (2) either:</u> <ul style="list-style-type: none"> <u>(i) has been delivered, or</u> <u>(ii) is being delivered at the same time as the confirmation statement.</u> <p><u>(2) The following duties are duties to notify:</u></p> <ul style="list-style-type: none"> <u>(a) the duty to give notice of a change in the address of the company's registered office;</u> <u>(b) the duty to give notice of a change in Shareholders or in particulars required to be included in Register of Shareholders;</u> <u>(c) the duty to give notice of a change in Directors or in particulars required to be included in Register of Directors;</u> <u>(d) in the case of a Company with a Secretary or a Public Company, the duty to give notice of a change in Secretary or joint Secretaries or in particulars required to be included in Register of Secretaries;</u> <u>(e) the duty to give notice of a change in Nominee Directors or in particulars required to be included in Register of Nominee Directors;</u> | <p>set out in “Key elements of proposed amendments” of the Consultation Paper</p> |
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| | | <p>(f) <u>the duty to give notice of a change in of UBO Details in relation to each of its Ultimate Beneficial Owners;</u></p> <p>(g) <u>in the case of a Company which keeps any company records at a place other than its registered office, any duty under this Regulations to give notice of a change in the address of that place;</u></p> <p>(h) <u>the duty to notify a change in company's principal business activities;</u></p> <p>(i) <u>the duty to deliver statement of capital;</u></p> <p>(j) <u>the duty to give a statement, for each class of Shares in the Company, setting out either:</u></p> <p style="padding-left: 20px;">(i) <u>the name and address of each Shareholder who, on the filing date, held not less than 5% of the Allotted Shares of that class and the number of Shares of that class held by the Shareholder, together with the number of Shareholders each of whom, on that date, held less than 5% of the Allotted Shares of that class and the total number of Shares held by them; or</u></p> <p style="padding-left: 40px;">(ii) <u>the name and address of every Shareholder who, on the filing date, held any Shares of that class and the number of Shares of that class held by the Shareholder; and</u></p> <p>(m) <u>the duty to give notice of a change in number of Shares held by the Company as treasury Shares;</u></p> <p>(n) <u>the duty to give notice of a change in other information (if any) required by the Regulations and Rules.</u></p> <p>(3) <u>In this section:</u></p> | |
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| | | <p><u>confirmation period means</u></p> <p>(a) <u>in relation to a Company's first confirmation statement, means the period beginning with the day of the Company's incorporation and ending with the date specified in the statement ("the confirmation date");</u></p> <p>(b) <u>in relation to any other confirmation statement of a Company, means the period beginning with the day after the confirmation date of the last such statement and ending with the confirmation date of the confirmation statement concerned.</u></p> <p>(4) <u>The confirmation date of a confirmation statement must be no later than the last day of the review period concerned.</u></p> <p>(5) <u>For the purposes of this section, each of the following is a review period:</u></p> <p>(a) <u>the period of 12 months beginning with the day of the company's incorporation;</u></p> <p>(b) <u>each period of 12 months beginning with the day after the end of the previous review period.</u></p> <p>(6) <u>But where a Company delivers a confirmation statement with a confirmation date which is earlier than the last day of the review period concerned, the next review period is the period of 12 months beginning with the day after the confirmation date.</u></p> <p>(7) <u>For the purpose of making a confirmation statement, a Company is entitled to assume that any information has been properly delivered to the Registrar if it has been delivered within the period of 5 days ending with the date on which the statement is delivered.</u></p> <p>(8) <u>But subsection (7) does not apply in a case where the Company has received notice from the Registrar that such information has not been properly delivered.</u></p> <p>(9) <u>The confirmation statement must be accompanied by the filing fee prescribed by the Rules from time to time.</u></p> <p>(10) <u>A Shareholder may request a Company to provide a copy of a confirmation</u></p> | |
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| | | <p><u>statement of the Company to the Shareholder. If the Shareholder pays the reasonable fee (if any) that the Company requires, the Company must, within 10 days after the day the request is received or the day any required payment is made (whichever is later), either give the Shareholder a written copy of the confirmation statement or make a written copy of the confirmation statement available for the Shareholder at the Company's registered office.</u></p> <p><u>(11) A Person may request a Public Company to provide a copy of a confirmation statement of the Public Company to the Person. If the Person pays the reasonable fee (if any) that the Public Company requires, the Public Company must, within 10 days after the day the request is received or the day any required payment is made (whichever is later), either give the Person a written copy of the confirmation statement or make a written copy of the confirmation statement available for the Person at the Public Company's registered office.</u></p> <p><u>(12) Contravention of this section is punishable by a fine.</u></p> | |
| Section 26 | <p>26. Annual returns</p> <p>(1) A Company must, within 6 months of the end of each financial year, or other date the Registrar considers appropriate, file with the Registrar an annual return containing:</p> <p>(a) its financial statements for the last financial year for which the Company's accounts have been prepared; and</p> <p>(b) a statement, for each class of Shares in the Company, setting out either:</p> <p>(i) the name and address of each Shareholder who, on the filing date, held not less than 5% of the Allotted Shares of that class and the number of Shares of that class held by the Shareholder, together with the number of Shareholders each of whom, on that date, held less than 5% of the Allotted Shares of that class and the total number of Shares held by them; or</p> <p>(ii) the name and address of every Shareholder who, on the filing date, held any Shares of that class and the number of Shares of that class held by the Shareholder; and</p> | <p>26. Annual returns [<i>intentionally omitted</i>]</p> <p>(1) A Company must, within 6 months of the end of each financial year, or other date the Registrar considers appropriate, file with the Registrar an annual return containing:</p> <p>(a) its financial statements for the last financial year for which the Company's accounts have been prepared; and</p> <p>(b) a statement, for each class of Shares in the Company, setting out either:</p> <p>(i) the name and address of each Shareholder who, on the filing date, held not less than 5% of the Allotted Shares of that class and the number of Shares of that class held by the Shareholder, together with the number of Shareholders each of whom, on that date, held less than 5% of the Allotted Shares of that class and the total number of Shares held by them; or</p> <p>(ii) the name and address of every Shareholder who, on the filing date, held any Shares of that class and the number of Shares of that class held by the Shareholder; and</p> | <p>Category 1) of amendments set out in "Key elements of proposed amendments" of the Consultation Paper</p> |

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| | <p>(c) the particulars mentioned in section 13(4)(j) (Formation of companies) for each Director and, if applicable, the Secretary; and</p> <p>(d) if Shares are held by the Company as treasury Shares—the entry required by section 62(8)(a) (Treasury Shares); and</p> <p>(e) the other information, and declarations, (if any) required by the Rules.</p> <p>(2) The annual return must be accompanied by the filing fee prescribed by the Rules from time to time.</p> <p>(2-1) A Shareholder may request a Company to provide a copy of an annual return of the Company to the Shareholder. If the Shareholder pays the reasonable fee (if any) that the Company requires, the Company must, within 10 days after the day the request is received or the day any required payment is made (whichever is later), either give the Shareholder a written copy of the annual return or make a written copy of the annual return available for the Shareholder at the Company’s registered office.</p> <p>(3) A Person may request a Public Company to provide a copy of an annual return of the Public Company to the Person. If the Person pays the reasonable fee (if any) that the Public Company requires, the Public Company must, within 10 days after the day the request is received or the day any required payment is made (whichever is later), either give the Person a written copy of the annual return or make a written copy of the annual return available for the Person at the Public Company’s registered office.</p> <p>(4) Contravention of subsection (1), (2-1) or (3) is punishable by a fine.</p> | <p>(c) the particulars mentioned in section 13(4)(j) (Formation of companies) for each Director and, if applicable, the Secretary; and</p> <p>(d) if Shares are held by the Company as treasury Shares—the entry required by section 62(8)(a) (Treasury Shares); and</p> <p>(e) the other information, and declarations, (if any) required by the Rules.</p> <p>(2) The annual return must be accompanied by the filing fee prescribed by the Rules from time to time.</p> <p>(2-1) A Shareholder may request a Company to provide a copy of an annual return of the Company to the Shareholder. If the Shareholder pays the reasonable fee (if any) that the Company requires, the Company must, within 10 days after the day the request is received or the day any required payment is made (whichever is later), either give the Shareholder a written copy of the annual return or make a written copy of the annual return available for the Shareholder at the Company’s registered office.</p> <p>(3) A Person may request a Public Company to provide a copy of an annual return of the Public Company to the Person. If the Person pays the reasonable fee (if any) that the Public Company requires, the Public Company must, within 10 days after the day the request is received or the day any required payment is made (whichever is later), either give the Person a written copy of the annual return or make a written copy of the annual return available for the Person at the Public Company’s registered office.</p> <p>(4) Contravention of subsection (1), (2-1) or (3) is punishable by a fine.</p> | |
| Section 28 | <p>28. Filing of Special Resolutions and certain other Resolutions and agreements</p> <p>(1) This section applies to the following Resolutions and agreements in relation to a Company:</p> <p>(a) any Special Resolution;</p> <p>(b) any Ordinary Resolution or agreement agreed to by all the Shareholders of the Company that, if not agreed to by all the</p> | <p>28. Filing of Special Resolutions and certain other Resolutions and agreements <u> affecting a Company’s Constitutional Documents </u></p> <p>(1) This section applies to the following Resolutions and agreements in relation to a Company’s <u>Constitutional Documents</u>:</p> <p>(a) any Special Resolution;</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>Shareholders, would not have been effective for its purpose, unless passed as a Special Resolution;</p> <p>(c) any Ordinary Resolution or agreement agreed to by all the Shareholders of a class of Shares that, if not agreed to by all those Shareholders, would not have been effective for its purpose, unless passed by some particular majority or otherwise in some particular way;</p> <p>(d) any Ordinary Resolution or agreement that effectively binds all the Shareholders of a class of Shares, although not agreed to by all those Shareholders.</p> <p>(2) A reference in subsection (1) to the Shareholders of a Company, or to the Shareholders of class of Shares in a Company, does not include a reference to the Company itself if the Company is a Shareholder, or a Shareholder of that class of Shares, only because it holds Shares as treasury Shares.</p> <p>(3) A Company must file a written copy of every Resolution or agreement to which this section applies or, if a Resolution or agreement is not in Writing, a written memorandum setting out its terms with the Registrar within 15 days after the day it is passed or made.</p> <p>(4) Contravention of subsection (3) is punishable by a fine.</p> | <p>(b) any Ordinary Resolution or agreement agreed to by all the Shareholders of the Company that, if not agreed to by all the Shareholders, would not have been effective for its purpose, unless passed as a Special Resolution;</p> <p>(c) any Ordinary Resolution or agreement agreed to by all the Shareholders of a class of Shares that, if not agreed to by all those Shareholders, would not have been effective for its purpose, unless passed by some particular majority or otherwise in some particular way;</p> <p>(d) any Ordinary Resolution or agreement that effectively binds all the Shareholders of a class of Shares, although not agreed to by all those Shareholders.</p> <p>(2) A reference in subsection (1) to the Shareholders of a Company, or to the Shareholders of class of Shares in a Company, does not include a reference to the Company itself if the Company is a Shareholder, or a Shareholder of that class of Shares, only because it holds Shares as treasury Shares.</p> <p>(3) A Company must file a written copy of every Resolution or agreement to which this section applies or, if a Resolution or agreement is not in Writing, a written memorandum setting out its terms with the Registrar within 15 days after the day it is passed or made.</p> <p>(4) Contravention of subsection (3) is punishable by a fine.</p> | |
| Section 50 | <p>50. Prohibition of public offers by Private Companies</p> <p>(1) A Private Company must not:</p> <p>(a) make an offer of its Securities to the public; or</p> <p>(b) allot or agree to allot its Securities to any Person with a view to the Securities being offered to the public.</p> <p>(2) Unless the contrary is proved, an allotment or agreement to allot Securities is presumed to be made with a view to such Securities being offered to the public if an offer of the Securities (or any of them) is made to the public:</p> | <p>50. Prohibition of public offers by Private Companies</p> <p>(1) A Private Company must not:</p> <p>(a) make an offer of its Securities to the public; or</p> <p>(b) allot or agree to allot its Securities to any Person with a view to the Securities being offered to the public.</p> <p>(2) Unless the contrary is proved, an allotment or agreement to allot Securities is presumed to be made with a view to such Securities being offered to the public if an offer of the Securities (or any of them) is made to the public:</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| <p>(a) within 6 months after the allotment or agreement to allot; or</p> <p>(b) before the receipt by the Company of the whole of the consideration to be received by the Company in respect of the Securities.</p> <p>(3) A Private Company does not Contravene subsection (1) if it:</p> <p>(a) acts in good faith under arrangements under which it is to re-register as a Public Company before the Securities are allotted;</p> <p>(b) undertakes, as part of the terms of the offer, to re-register as a Public Company within 6 months after the day the offer is first made, and the undertaking is complied with; or</p> <p>(c) offers Securities by way of placement as provided in the Rules made by the AFSA.</p> <p>(4) For this section:</p> <p>(a) an offer to the public includes an offer to any section of the public, however selected; and</p> <p>(b) an offer is not regarded as an offer to the public if:</p> <p>(i) it can be properly regarded, in all the circumstances, as not being calculated to result, directly or indirectly, in the Securities becoming available to Persons other than those receiving the offer; or</p> <p>(ii) it can be properly regarded, in all the circumstances, as being made to an existing Shareholder or Employee of the Company (or a member of the Person's immediate family), an existing holder of a Debt Security of the Company, or a trustee for any of them, and, if it is made on terms renounceable, it can only be renounced in favour of another Person who is entitled to receive that offer; or</p> <p>(iii) it can be properly regarded, in all the circumstances, as being an offer for Securities to be held under an Employee Share Scheme and, if it is made on terms renounceable, it can only be renounced in favour of another Person who is entitled to receive that offer.</p> <p>(5) Contravention of subsection (1) is punishable by a fine.</p> | <p>(a) within 6 months after the allotment or agreement to allot; or</p> <p>(b) before the receipt by the Company of the whole of the consideration to be received by the Company in respect of the Securities.</p> <p>(3) A Private Company does not Contravene subsection (1) if it:</p> <p>(a) acts in good faith under arrangements under which it is to re-register as a Public Company before the Securities are allotted;</p> <p>(b) undertakes, as part of the terms of the offer, to re-register as a Public Company within 6 months after the day the offer is first made, and the undertaking is complied with; or</p> <p>(c) offers Securities by way of placement as provided in the Rules made by the AFSA; <u>or</u></p> <p><u>(d) offers, allots or allots by agreement Securities (Debt Securities) which was entitled by the Registrar on the application.</u></p> <p>(4) For this section:</p> <p>(a) an offer to the public includes an offer to any section of the public, however selected; and</p> <p>(b) an offer is not regarded as an offer to the public if:</p> <p>(i) it can be properly regarded, in all the circumstances, as not being calculated to result, directly or indirectly, in the Securities becoming available to Persons other than those receiving the offer; or</p> <p>(ii) it can be properly regarded, in all the circumstances, as being made to an existing Shareholder or Employee of the Company (or a member of the Person's immediate family), an existing holder of a Debt Security of the Company, or a trustee for any of them, and, if it is made on terms renounceable, it can only be renounced in favour of another Person who is entitled to receive that offer; or</p> <p>(iii) it can be properly regarded, in all the circumstances, as being an offer for Securities to be held under an Employee Share Scheme and, if it is made on terms renounceable, it can only be renounced in favour of another Person who is entitled to receive that offer.</p> | |
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| | | (5) Contravention of subsection (1) is punishable by a fine. | |
| Section 65 | <p>65. Reduction of Share Capital by Private Company supported by solvency statement</p> <p>(1) A Resolution for reducing Share Capital of a Private Company is supported by a solvency statement for section 64(1) (Reduction of share capital) if:</p> <p>(a) on a day not more than 30 days and not less than 15 days before the date the reduction of the Share Capital is to have effect, the Company has published a notice in the Appointed Publications stating the following:</p> <p>(i) the amount of the Share Capital as most recently determined by the Company;</p> <p>(ii) the nominal value of each Share;</p> <p>(iii) the amount by which the Share Capital is to be reduced;</p> <p>(iv) the date the reduction is to have effect; and</p> <p>(b) the notice contains a solvency statement that complies with subsection (2).</p> <p>(2) A solvency statement is a statement by each Director of the Company that the Director:</p> <p>(a) has formed the opinion, as regards the Company’s situation at the date of the statement, that there is no ground on which the Company could be found to be unable to discharge its debts as they fall due; and</p> <p>(b) has also formed the opinion that:</p> <p>(i) if the Company intended to commence its winding up within 12 months after the date of the statement, the Company would be able discharge its debts in full within 12 months of the commencement of the winding up; or</p> <p>(ii) in any other case, the Company would be able to discharge its debts as they fall due during the year immediately after the date of the statement.</p> <p>(3) A Director of the Company must not make a solvency statement mentioned in</p> | <p>65. Reduction of Share Capital by Private Company supported by solvency statement</p> <p>(1) A Resolution for reducing Share Capital of a Private Company is supported by a solvency statement for section 64(1) (Reduction of share capital) if:</p> <p>(a) on a day not more than 30 days and not less than 15 days before the date the reduction of the Share Capital is to have effect, the Company has published a notice in the Appointed Publications stating the following:</p> <p>(i) the amount of the Share Capital as most recently determined by the Company;</p> <p>(ii) the nominal value of each Share;</p> <p>(iii) the amount by which the Share Capital is to be reduced;</p> <p>(iv) the date the reduction is to have effect; and</p> <p>(b) the notice contains a solvency statement that complies with subsection (2).</p> <p>(2) A solvency statement is a statement by each Director of the Company that the Director:</p> <p>(a) has formed the opinion, as regards the Company’s situation at the date of the statement, that there is no ground on which the Company could be found to be unable to discharge its debts as they fall due; and</p> <p>(b) has also formed the opinion that:</p> <p>(i) if the Company intended to commence its winding up within 12 months after the date of the statement, the Company would be able discharge its debts in full within 12 months of the commencement of the winding up; or</p> <p>(ii) in any other case, the Company would be able to discharge its debts as they fall due during the year immediately after the date of the statement.</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>subsection (1)(b) unless the Director has reasonable grounds for the opinion expressed in the statement. In forming the opinion, the Director must take into account all of the Company's Liabilities (including any contingent or prospective Liabilities).</p> <p>(4) Contravention of subsection (3) is punishable by a fine.</p> <p>(5) If a Company reduces the amount of its Share Capital, the Company must, within 30 days after the day the reduction takes effect, file with the Registrar a copy of the notice under subsection (1)</p> | <p>(3) A Director of the Company must not make a solvency statement mentioned in subsection (1)(b) unless the Director has reasonable grounds for the opinion expressed in the statement. In forming the opinion, the Director must take into account all of the Company's Liabilities (including any contingent or prospective Liabilities).</p> <p>(4) Contravention of subsection (3) is punishable by a fine.</p> <p>(5) If a Company reduces the amount of its Share Capital, the Company must, within 3014 days after the day the reduction takes effect, file with the Registrar a copy of the notice under subsection (1)</p> | |
| Section 74 | <p>74. Directors</p> <p>(1) A Private Company must have at least 1 director and a Public Company must have at least 2 directors.</p> <p>(2) A Person must not be a Director if the Person:</p> <p>(a) is not a natural person; or</p> <p>(b) is under 18 years old; or</p> <p>(c) is disqualified from being a Director because of:</p> <p>(i) having been convicted of a criminal offence, involving dishonesty or moral turpitude, in any jurisdiction in the past 10 years; or</p> <p>(ii) having been found guilty of insider trading or the equivalent in any jurisdiction at any time; or</p> <p>(iii) having been judged disqualified by any court; or</p> <p>(iv) having been disqualified by the AFSA; or</p> <p>(v) a disqualification specified in the Articles of Association; or</p> <p>(d) is an undischarged bankrupt.</p> | <p>74. Directors</p> <p>(1) A Private Company must have at least 1 director and a Public Company must have at least 2 directors.</p> <p><u>(1-1) A company must have at least one director who is a natural person and meets the requirements set out in subsection (2).</u></p> <p>(2) A Person, <u>who is a natural person</u>, must not be a Director if the Person:</p> <p>(a) is not a natural person; or <u>[intentionally omitted]</u></p> <p>(b) is under 18 years old; or</p> <p>(c) is disqualified from being a Director because of:</p> <p>(i) having been convicted of a criminal offence, involving dishonesty or moral turpitude, in any jurisdiction in the past 10 years; or</p> <p>(ii) having been found guilty of insider trading or the equivalent in any jurisdiction at any time; or</p> <p>(iii) having been judged disqualified by any court; or</p> <p>(iv) having been disqualified by the AFSA; or</p> <p>(v) a disqualification specified in the Articles of Association; or</p> <p>(d) is an undischarged bankrupt.</p> | <p>Category 2) of amendments set out in "Key elements of proposed amendments" of the Consultation Paper</p> |

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| | | <p><u>(3) A Person, who is a Body Corporate, must not be a Director, unless the Person is:</u></p> <p>(a) <u>Ancillary Service Provider; or</u> (b) <u>a holding company.</u></p> <p><u>(4) Notwithstanding subsection (3) Registrar may grant or refuse to grant a permission to a Body Corporate to be appointed as a director of the Company. Guidance issued by Registrar may impose any restrictions and conditions on granting permission.</u></p> <p><u>(5) Contravention of this section is punishable by a fine.</u></p> | |
| Section 92 | <p>92. Disqualification orders</p> <p>(1) Without limiting any other powers available to the Registrar, if the Registrar considers that it is in the public interest that an individual should not, without the leave of the Court, be a Director of, or in any way (whether directly or indirectly) be concerned or take part in the management of, a Company, the Registrar may apply to the Court for an order to that effect against the Person.</p> <p>(2) The Court may make the order applied for if satisfied that the Person’s conduct (including, for example, any Breach by the person of any 1 or more of the duties under sections 77 to 83 and section 85) makes the person unfit to be concerned or take part in the management of a Company. An order under subsection (2) may be made: (a) in the case of a first offence, for the period, not longer than 15 years; or (b) in the case of a repeated offence, for an unlimited period, as the Court considers appropriate.</p> <p>(3) A Person must not Contravene an order under subsection (2). (4) Contravention of subsection (4) is punishable by a fine</p> | <p>92. Disqualification orders</p> <p>(1) Without limiting any other powers available to the Registrar, if the Registrar considers that it is in the public interest that an individual a <u>Person</u> should not, without the leave of the Court, be a Director of, or in any way (whether directly or indirectly) be concerned or take part in the management of, a Company, the Registrar may apply to the Court for an order to that effect against the Person.</p> <p>(2) The Court may make the order applied for if satisfied that the Person’s conduct (including, for example, any Breach by the person <u>Person</u> of any 1 or more of the duties under sections 77 to 83 and section 85) makes the person <u>Person</u> unfit to be concerned or take part in the management of a Company. An order under subsection (2) may be made: (a) in the case of a first offence, for the period, not longer than 15 years; or (b) in the case of a repeated offence, for an unlimited period, as the Court considers appropriate.</p> <p>(3) A Person must not Contravene an order under subsection (2). (4) Contravention of subsection (4) is punishable by a fine</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |
| Section 98 | <p>98. General provisions about meetings and votes</p> <p>The following provisions apply to any General Meeting of a Company or of the holders of any class of Shares in a Company unless the Articles of Association provide otherwise:</p> <p>(a) a notice of every meeting must be given to every Shareholder entitled to receive it:</p> | <p>98. General provisions about meetings and votes</p> <p>The following provisions apply to any General Meeting of a Company or of the holders of any class of Shares in a Company unless the Articles of Association provide otherwise:</p> <p>(a) a notice of every meeting must be given to every Shareholder entitled to receive it:</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>(i) by delivering or posting it to the Shareholder’s registered address; or</p> <p>(ii) in the electronic form (if any) agreed to by the Shareholder; or</p> <p>(iii) by making it available on the website (is any) agreed to by the Shareholder; or</p> <p>(iv) in the other way or form (if any) agreed to by the Shareholder;</p> <p>(b) except for a Company with a single Shareholder, at any General Meeting of the Company, 2 Shareholders personally present or represented by proxy are a quorum;</p> <p>(c) at any meeting dealing with a variation of any class rights other than an adjourned meeting, the quorum is the number of Shareholders holding or representing by proxy at least 1/3 in nominal value of the issued and Allotted Shares of the class, and at an adjourned meeting, 1 Shareholder holding Shares of the class or the Shareholder’s proxy is a quorum;</p> <p>(d) any Shareholder elected by the Shareholders present at the meeting may chair the meeting;</p> <p>(e) on a show of hands, every Shareholder present in person at the meeting has 1 vote and, on a poll, every Shareholder has 1 vote for every Share held by the Shareholder.</p> | <p>(i) by delivering or posting it to the Shareholder’s registered address; or</p> <p>(ii) in the electronic form (if any) agreed to by the Shareholder; or</p> <p>(iii) by making it available on the website (is any) agreed to by the Shareholder; or</p> <p>(iv) in the other way or form (if any) agreed to by the Shareholder;</p> <p>(b) except for a Company with a single Shareholder, at any General Meeting of the Company, 2 Shareholders personally present or represented by proxy are a quorum;</p> <p>(c) at any meeting dealing with a variation of any class rights other than an adjourned meeting, the quorum is the number of Shareholders holding or representing by proxy at least 1/3 in nominal value of the issued and Allotted Shares of the class, and at an adjourned meeting, 1 Shareholder holding Shares of the class or the Shareholder’s proxy is a quorum;</p> <p>(d) any Shareholder elected by the Shareholders present at the meeting may chair the meeting;</p> <p>(e) on a show of hands, every Shareholder present in person at the meeting has 1 vote and, on a poll, every Shareholder has 1 vote for every Share held by the Shareholder.</p> <p>(f) if practicable, voting can be arranged in any other form, determined in the Articles of Association.</p> | |
| Section 104 | <p>104. Minutes and examination of minute books</p> <p>(1) Every Company must ensure that minutes of all proceedings at General Meetings, meetings of the holders of any class of Shares, and meetings of its Directors and of committees of Directors, are entered in books kept for that purpose. The Company must ensure that the names of the Directors</p> | <p>104. Minutes and examination of minute books</p> <p>(1) Every Company must ensure that minutes of all proceedings at General Meetings, meetings of the holders of any class of Shares, and meetings of its Directors and of committees of Directors, are entered in books kept for that purpose. The Company must ensure that the names of the Directors present at each of those meetings are recorded in the minutes.</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| <p>present at each of those meetings are recorded in the minutes.</p> <p>(2) If the minutes purport to be signed by the chair of the meeting at which the proceedings took place or by the chair of the next meeting, the minutes are evidence of the proceedings.</p> <p>(3) If minutes of a meeting have been made in accordance with this section, then, unless the contrary is proved, the meeting is taken to have been duly called and held, and all proceedings that took place at the meeting are taken to have duly taken place.</p> <p>(4) A Company must ensure that the books containing the minutes of the General Meetings of the Company, or of meetings of the holders of a class of Shares of the Company, are kept at the Company's registered office, and are open to inspection during business hours by a Shareholder without charge.</p> <p>(5) A Shareholder of a Company may, by giving the Company a Written request and paying the reasonable amount (if any) required by the Company, ask the Company for a copy of any minutes mentioned in subsection (4) (other than minutes of a meeting of the holders of a class of Shares if the Shareholder is not a holder of that class of Shares). The Company must, within 7 days after the day it receives the request and payment of any required amount, give the copy of the minutes to the Shareholder.</p> <p>(6) If a Company Contravenes subsection (4) or (5) in relation to a Shareholder of the Company, the Registrar may, by Written notice given to the Company, direct the Company to immediately comply with the subsection in relation to the Shareholder. If a Company is given a direction under this subsection, the Company must comply with the direction.</p> | <p>(2) If the minutes purport to be signed by the chair of the meeting at which the proceedings took place or by the chair of the next meeting, the minutes are evidence of the proceedings.</p> <p>(3) If minutes of a meeting have been made in accordance with this section, then, unless the contrary is proved, the meeting is taken to have been duly called and held, and all proceedings that took place at the meeting are taken to have duly taken place.</p> <p>(4) A Company must ensure that the books containing the minutes of the General Meetings of the Company, or of meetings of the holders of a class of Shares of the Company, are kept at the Company's registered office, and are open to inspection during business hours by a Shareholder without charge. The records mentioned in this subsection can be stored using a system of mechanical or electronic data processing or any other medium that is capable or reproducing any required information in intelligible written form within a reasonable time.</p> <p>(5) A Shareholder of a Company may, by giving the Company a Written request and paying the reasonable amount (if any) required by the Company, ask the Company for a copy of any minutes mentioned in subsection (4) (other than minutes of a meeting of the holders of a class of Shares if the Shareholder is not a holder of that class of Shares). The Company must, within 7 days after the day it receives the request and payment of any required amount, give the copy of the minutes to the Shareholder.</p> <p>(6) If a Company Contravenes subsection (4) or (5) in relation to a Shareholder of the Company, the Registrar may, by Written notice given to the Company, direct the Company to immediately comply with the subsection in relation to the Shareholder. If a Company is given a direction under this subsection, the Company must comply with the direction.</p> | |
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| Section 126 | <p>126. Provisions for facilitating Company reconstruction or amalgamation</p> <p>If an application is made to the Court under section 124 (Power of Company to compromise with Creditors and Shareholders) for the sanctioning of a compromise or arrangement proposed between a Company and any Persons mentioned in that section, the Court may make any orders as it considers appropriate to facilitate the compromise or arrangement, including a reconstruction of the Company, or an amalgamation of the Company with any other Company</p> | <p>126. Provisions for facilitating Company reconstruction or amalgamation</p> <p>If an application is made to the Court under section 124 (Power of Company to compromise with Creditors and Shareholders) for the sanctioning of a compromise or arrangement proposed between a Company and any Persons mentioned in that section and/or a Body Corporate incorporated outside the AIFC, the Court may make any orders as it considers appropriate to facilitate the compromise or arrangement, including a reconstruction of the Company and/or a Body Corporate incorporated outside the AIFC, or an amalgamation of the Company with any other Company or a Body Corporate incorporated outside the AIFC.</p> | Category 6) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| Section 148 | <p>148. Notification of change in Registered Details of Recognised Company</p> <p>(1) If any of the Registered Details of a Recognised Company change, the Recognised Company must notify the Registrar in Writing of the change within 14 days after the day the change happens and must comply with all other requirements applying to the Recognised Company under the Rules in relation to the change.</p> <p>(2) Contravention of this section is punishable by a fine.</p> | <p>148. Notification of change in Registered Details of Recognised Company</p> <p>(1) If any of the Registered Details of a Recognised Company change, the Recognised Company must notify the Registrar in Writing of the change within 14 days after the day the change happens and must comply with all other requirements applying to the Recognised Company under the Rules in relation to the change.</p> <p>(2) Contravention of this section is punishable by a fine.</p> <p>(3) The change in Registered Details notice must be accompanied by the fee prescribed by the Rules from time to time.</p> | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| Section 165 | <p>165. Direction to comply with Legislation Administered by the Registrar</p> <p>(1) This section applies if a Regulated Entity, or a Regulated Relevant Person for a Regulated Entity, Fails to comply with a requirement (however expressed and including, to remove any doubt, a requirement applying for the benefit of a Person other than the Registrar of Companies):</p> <p>(a) under a provision of these Regulations, the Rules or any other Legislation Administered by the Registrar; or</p> <p>(b) made by the Registrar under these Regulations, the Rules or any other Legislation Administered by the Registrar.</p> | <p>165. Direction to comply with Legislation Administered by the Registrar</p> <p>(1) This section applies if a Regulated Entity, or a Regulated Relevant Person for a Regulated Entity, Fails fails to comply with a requirement (however expressed and including, to remove any doubt, a requirement applying for the benefit of a Person other than the Registrar of Companies):</p> <p>(a) under a provision of these Regulations, the Rules or any other Legislation Administered by the Registrar; or</p> <p>(b) made by the Registrar under these Regulations, the Rules or any other Legislation Administered by the Registrar.</p> | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |

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| | <p>(2) The Registrar of Companies may, by Written notice, direct the Regulated Entity, the Regulated Relevant Person, or another Regulated Relevant Person for the Regulated Entity, to comply with the requirement, or ensure that the requirement is complied with, within the time stated in the notice.</p> <p>(3) If the Regulated Entity or Regulated Relevant Person Fails to comply with the direction under subsection (2), the Registrar of Companies may apply to the Court for 1 or more of the following orders:</p> <p>(a) an order directing the Regulated Entity or Regulated Relevant Person, or another Regulated Relevant Person for the Regulated Entity, to comply with the direction or with any relevant provision of these Regulations, the Rules or any other Legislation Administered by the Registrar, or ensure that the direction is complied with, within the time stated in the order;</p> <p>(b) an order directing the Regulated Entity or Regulated Relevant Person to pay any costs incurred by the Registrar or any other Person relating to:</p> <p>(i) the giving of the direction by the Registrar; or</p> <p>(ii) the relevant Contravention of these Regulations;</p> <p>(c) any other order that the Court considers appropriate.</p> <p>(4) This section does not affect the operation of any other provision of these Regulations, the Rules or any other Legislation Administered by the Registrar imposing penalties in respect of a Failure to comply with a requirement to which this section applies, or any powers that the Registrar, another Person or the Court may have under any other provision of these Regulations, the Rules or any other AIFC Regulations or AIFC Rules.</p> | <p>(2) The Registrar of Companies may, by Written notice, direct the Regulated Entity, the Regulated Relevant Person, or another Regulated Relevant Person for the Regulated Entity, to comply with the requirement, or ensure that the requirement is complied with, within the time stated in the notice.</p> <p>(3) If the Regulated Entity or Regulated Relevant Person Fails to comply with the direction under subsection (2), the Registrar of Companies may apply to the Court for 1 or more of the following orders:</p> <p>(a) an order directing the Regulated Entity or Regulated Relevant Person, or another Regulated Relevant Person for the Regulated Entity, to comply with the direction or with any relevant provision of these Regulations, the Rules or any other Legislation Administered by the Registrar, or ensure that the direction is complied with, within the time stated in the order;</p> <p>(b) an order directing the Regulated Entity or Regulated Relevant Person to pay any costs incurred by the Registrar or any other Person relating to:</p> <p>(i) the giving of the direction by the Registrar; or</p> <p>(ii) the relevant Contravention of these Regulations;</p> <p>(c) any other order that the Court considers appropriate.</p> <p>(4) This section does not affect the operation of any other provision of these Regulations, the Rules or any other Legislation Administered by the Registrar imposing penalties in respect of a Failure to comply with a requirement to which this section applies, or any powers that the Registrar, another Person or the Court may have under any other provision of these Regulations, the Rules or any other AIFC Regulations or AIFC Rules.</p> | |
| Section 167 | <p>167. Powers to strike off names of Companies from Register</p> <p>(1) The Registrar of Companies may strike the name of a Company off the Register if the Registrar has reason to believe that:</p> <p>(a) the Company is not conducting business or is not in operation;</p> | <p>167. Powers to strike off names of Companies from Register</p> <p>(1) The Registrar of Companies may strike the name of a Company off the Register if the Registrar has reason to believe that:</p> <p>(a) the Company is not conducting business or is not in operation;</p> | <p>Category 1) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| <p>(b) the Company is Contravening these Regulations; or</p> <p>(c) it is prejudicial to the interests of the AIFC for the Company to remain in the Register.</p> <p>(1-1) The Registrar of Companies may conclude that a Company is not conducting business or is not in operation where:</p> <p>(a) the annual return of the Company has not been filed by the relevant date pursuant to section 26 (Annual returns); or</p> <p>(b) a fee due to the Registrar has not been paid on the date due, and in each case, the Company has failed to file the annual return, pay the fee due or to respond to correspondence with the Registrar and a period of 12 months has elapsed since the date on which the annual return was due to be filed or the relevant fee was due to be paid.</p> <p>(2) The Registrar of Companies may also strike the name of a Company off the Register if the Company is being wound up in a creditors voluntary winding up and:</p> <p>(a) the Registrar has reason to believe either that:</p> <p>(i) no liquidator is acting; or</p> <p>(ii) the affairs of the Company are fully wound up; and</p> <p>(b) the returns required to be made by the liquidator have not been made for a period of at least 6 consecutive months.</p> <p>(3) In deciding whether to strike the name of a Company off the Register under subsection (1) or (2), the Registrar of Companies comply with the Decision-making Procedures and must also:</p> <p>(a) publish a notice in the Appointed Publications of the Registrar’s intention to strike the name of the Company off the Register and dissolve the Company before doing so; and</p> <p>(b) if the Company is licensed, registered or recognised by the AFSA—obtain the AFSA’s</p> | <p>(b) the Company is Contravening these Regulations; or</p> <p>(c) it is prejudicial to the interests of the AIFC for the Company to remain in the Register.</p> <p>(1-1) The Registrar of Companies may conclude that a Company is not conducting business or is not in operation where:</p> <p>(a) the annual return confirmation statement of the Company has not been filed by the relevant date pursuant to section 26 (Annual returns) 25-1 (Annual confirmation of accuracy of information on register); or</p> <p>(b) a fee due to the Registrar has not been paid on the date due, and in each case, the Company has failed to file the annual return, pay the fee due or to respond to correspondence with the Registrar and a period of 12 months has elapsed since the date on which the annual return was due to be filed or the relevant fee was due to be paid.</p> <p>(2) The Registrar of Companies may also strike the name of a Company off the Register if the Company is being wound up in a creditors voluntary winding up and:</p> <p>(a) the Registrar has reason to believe either that:</p> <p>(i) no liquidator is acting; or</p> <p>(ii) the affairs of the Company are fully wound up; and</p> <p>(b) the returns required to be made by the liquidator have not been made for a period of at least 6 consecutive months.</p> <p>(3) In deciding whether to strike the name of a Company off the Register under subsection (1) or (2), the Registrar of Companies comply with the Decision-making Procedures and must also:</p> <p>(a) publish a notice in the Appointed Publications of the Registrar’s intention to strike the name of the Company off the Register and dissolve the Company before doing so; and</p> <p>(b) if the Company is licensed, registered or recognised by the AFSA—obtain the</p> | |
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| <p>consent before publishing the notice under paragraph (a).</p> <p>(4) If an application is made by a Company to strike the Company's name off the Register following a voluntary winding up in accordance with the procedures under the AIFC Insolvency Regulations, the Registrar of Companies may strike the Company's name off the Register if the requirements of subsection (5) to (9) are met.</p> <p>(5) An application under subsection (4) must:</p> <p>(a) be made on the Company's behalf by its Directors or a majority of them; and</p> <p>(b) be in the form prescribed by the Rules.</p> <p>(6) Within 7 days after the day that an application under subsection (4) is made, the applicants must give a copy of the application to every Person who, on the day the application is made, is:</p> <p>(a) a Shareholder of the Company; or</p> <p>(b) an Employee of the Company; or</p> <p>(c) a Creditor of the Company; or</p> <p>(d) a Director of the Company who is not a party to the application.</p> <p>(7) An application must not be made on behalf of a Company under subsection (4):</p> <p>(a) if at any time in the previous 3 months, the Company has:</p> <p>(i) changed its name; or</p> <p>(ii) traded or otherwise carried on business; or</p> <p>(iii) made a disposal for value of property or rights held, before the disposal, for gain in the normal course of trading; or</p> <p>(iv) engaged in any other activity, other than an activity that is necessary or desirable for the purposes of making an application under subsection (4) for concluding the affairs of the Company or complying with associated legal requirements; or</p> <p>(b) at a time when any process in respect of the Company, or its property, has commenced under the AIFC Insolvency Regulations.</p> | <p>AFSA's consent before publishing the notice under paragraph (a).</p> <p>(4) If an application is made by a Company to strike the Company's name off the Register following a voluntary winding up in accordance with the procedures under the AIFC Insolvency Regulations, the Registrar of Companies may strike the Company's name off the Register if the requirements of subsection (5) to (9) are met.</p> <p>(5) An application under subsection (4) must:</p> <p>(a) be made on the Company's behalf by its Directors or a majority of them; and</p> <p>(b) be in the form prescribed by the Rules.</p> <p>(6) Within 7 days after the day that an application under subsection (4) is made, the applicants must give a copy of the application to every Person who, on the day the application is made, is:</p> <p>(a) a Shareholder of the Company; or</p> <p>(b) an Employee of the Company; or</p> <p>(c) a Creditor of the Company; or</p> <p>(d) a Director of the Company who is not a party to the application.</p> <p>(7) An application must not be made on behalf of a Company under subsection (4):</p> <p>(a) if at any time in the previous 3 months, the Company has:</p> <p>(i) changed its name; or</p> <p>(ii) traded or otherwise carried on business; or</p> <p>(iii) made a disposal for value of property or rights held, before the disposal, for gain in the normal course of trading; or</p> <p>(iv) engaged in any other activity, other than an activity that is necessary or desirable for the purposes of making an application under subsection (4) for concluding the affairs of the Company or complying with associated legal requirements; or</p> | |
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| | <p>(8) The Registrar of Companies must not strike the Company’s name off the Register under subsection (4) unless the Registrar has published a notice in the Appointed Publications, containing the matters required by subsection (9), and at least 3 months have elapsed since the day of publication of the notice.</p> <p>(9) A notice under subsection (8) must:</p> <p>(a) state that the Registrar of Companies may exercise the power to strike the Company’s name off the Register; and</p> <p>(b) invite any Person to show cause why that should not be done.</p> <p>(10) If the name of a Company is struck off the Register under subsection (1), (2) or (4), the Liability of every Director and Shareholder of the Company continues and may be enforced as if the Company had not been dissolved.</p> <p>(11) If the Registrar of Companies strikes the name of the Company off the Register, the Company must be dissolved.</p> <p>(12) If the name of a Public Company is struck off the Register under this section, the Company must maintain its books and Records for a period of 6 years after the day its name is struck off the Register.</p> | <p>(b) at a time when any process in respect of the Company, or its property, has commenced under the AIFC Insolvency Regulations.</p> <p>(8) The Registrar of Companies must not strike the Company’s name off the Register under subsection (4) unless the Registrar has published a notice in the Appointed Publications, containing the matters required by subsection (9), and at least 3 months have elapsed since the day of publication of the notice.</p> <p>(9) A notice under subsection (8) must:</p> <p>(a) state that the Registrar of Companies may exercise the power to strike the Company’s name off the Register; and</p> <p>(b) invite any Person to show cause why that should not be done.</p> <p>(10) If the name of a Company is struck off the Register under subsection (1), (2) or (4), the Liability of every Director and Shareholder of the Company continues and may be enforced as if the Company had not been dissolved.</p> <p>(11) If the Registrar of Companies strikes the name of the Company off the Register, the Company must be dissolved.</p> <p>(12) If the name of a Public Company is struck off the Register under this section, the Company must maintain its books and Records for a period of 6 years after the day its name is struck off the Register.</p> | |
| Section 182, sub-section (4), para (c) | (c) that the Rules do not change, or significantly change, the policy intended to be give effect to by these Regulations and the Rules or any other AIFC Regulations or AIFC Rules. | (c) that the Rules do not change, or significantly change, the policy intended to be give effect to by these Regulations and the Rules or any other AIFC Regulations or AIFC Rules. | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| Section 181 | <p>181. Power to adopt Rules etc.</p> <p>(1) The Board of Directors of the AFSA may adopt Rules prescribing matters:</p> <p>(a) required or permitted by these Regulations, or any other AIFC Regulations that are Legislation Administered by the Registrar, to be prescribed by the Board by the Rules; or</p> <p>(b) necessary or convenient to be prescribed for carrying out or giving effect to these</p> | <p>181. Power to adopt Rules etc.</p> <p>(1) The Board of Directors of the AFSA may adopt Rules prescribing matters:</p> <p>(a) required or permitted by these Regulations, or any other AIFC Regulations that are Legislation Administered by the Registrar, to be prescribed by the Board by the Rules; or</p> <p>(b) necessary or convenient to be prescribed for carrying out or giving effect to these</p> | Category 3) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |

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| <p>Regulations, the Rules or any other Legislation Administered by the Registrar.</p> <p>(2) However, the Board may not adopt Rules under this section on matters related to the regulation of financial services and related operations in the AIFC.</p> <p>(3) Without limiting subsection (1), the Board may adopt Rules:</p> <p>(a) with respect to any matters relating to the Registrar’s Objectives or Functions; or</p> <p>(b) to facilitate the administration of, or further the purposes of, these Regulations or any Legislation Administered by the Registrar; or</p> <p>(c) prescribing model articles of association; or</p> <p>(d) with respect to the procedures for the imposition or recovery of fines, including any circumstances in which the procedures do not apply to the imposition of a fine; or</p> <p>(e) setting limits for fines and other penalties that may be imposed for Contraventions of these Regulations; or</p> <p>(f) the giving of waiver and modification notices under section 195 (Waivers and modifications of certain provisions), including the procedures for the making of application for, or giving of, notices; or</p> <p>(g) with respect to any of the following:</p> <p>(i) forms, procedures and requirements under these Regulations, the Rules or any other Legislation Administered by the Registrar;</p> <p>(ii) the keeping of public registers and databases;</p> <p>(iii) the conduct of the Registrar and the Registrar’s officers, employees, delegates and agents in relation to the Exercise of Functions, including discretionary Functions and the conduct of investigations and hearings.</p> <p>(4) Rules adopted by the Board may incorporate standards and codes of practice by reference. A standard or code of practice incorporated into Rules adopted by the Board</p> | <p>Regulations, the Rules or any other Legislation Administered by the Registrar.</p> <p>(2) However, the Board may not adopt Rules under this section on matters related to the regulation of financial services and related operations in the AIFC.</p> <p>(3) Without limiting subsection (1), the Board may adopt Rules:</p> <p>(a) with respect to any matters relating to the Registrar’s Objectives or Functions; or</p> <p>(b) to facilitate the administration of, or further the purposes of, these Regulations or any Legislation Administered by the Registrar; or</p> <p>(c) prescribing model articles of association; or <i>[intentionally omitted]</i></p> <p>(d) with respect to the procedures for the imposition or recovery of fines, including any circumstances in which the procedures do not apply to the imposition of a fine; or</p> <p>(e) setting limits for fines and other penalties that may be imposed for Contraventions of these Regulations; or</p> <p>(f) the giving of waiver and modification notices under section 195 (Waivers and modifications of certain provisions), including the procedures for the making of application for, or giving of, notices; or</p> <p>(g) with respect to any of the following:</p> <p>(i) forms, procedures and requirements under these Regulations, the Rules or any other Legislation Administered by the Registrar;<i>[intentionally omitted]</i></p> <p>(ii) the keeping of public registers and databases;<i>[intentionally omitted]</i></p> <p>(iii) the conduct of the Registrar and the Registrar’s officers, employees, delegates and agents in relation to the Exercise of Functions, including discretionary Functions and the conduct of investigations and hearings.</p> <p>(4) Rules adopted by the Board may incorporate standards and codes of practice by reference. A standard or code of practice incorporated into Rules adopted by the Board</p> | |
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| | <p>has the same effect as it had been adopted in the Rules, except so far as the Rules otherwise provide.</p> <p>(5) Instead of incorporating a standard or code of practice into Rules adopted by the Board, the Board may adopt the standard or code of practice as non-binding guidance for AIFC Participants.</p> <p>(6) Without limiting subsection (1), Rules adopted by the Board may do any of the following:</p> <p>(a) make different provision for different cases or circumstances;</p> <p>(b) include supplementary, incidental and consequential provisions;</p> <p>(c) make transitional and savings provisions.</p> <p>(7) If any Rules adopted by the Board purport to be adopted in the exercise of a particular power or powers, the Rules are taken also to be adopted in the exercise of all the powers under which they may be adopted.</p> <p>(8) Until Rules mentioned in subsection (3)(e) are adopted by the Board, there are no limits on the fines and other penalties that may be imposed for a Contravention of these Regulations.</p> | <p>has the same effect as it had been adopted in the Rules, except so far as the Rules otherwise provide.</p> <p>(5) Instead of incorporating a standard or code of practice into Rules adopted by the Board, the Board may adopt the standard or code of practice as non-binding guidance for AIFC Participants.</p> <p>(6) Without limiting subsection (1), Rules adopted by the Board may do any of the following:</p> <p>(a) make different provision for different cases or circumstances;</p> <p>(b) include supplementary, incidental and consequential provisions;</p> <p>(c) make transitional and savings provisions.</p> <p>(7) If any Rules adopted by the Board purport to be adopted in the exercise of a particular power or powers, the Rules are taken also to be adopted in the exercise of all the powers under which they may be adopted.</p> <p>(8) Until Rules mentioned in subsection (3)(e) are adopted by the Board, there are no limits on the fines and other penalties that may be imposed for a Contravention of these Regulations.</p> | |
| New Section 183-1 | | <p>183-1. Registrar’s power to adopt Rules</p> <p>The Registrar of Companies may adopt Rules prescribing:</p> <p>(a) standard articles of association; or</p> <p>(b) forms, procedures and requirements under these Regulations, the Rules or any other Legislation Administered by the Registrar; or</p> <p>(c) the keeping of public registers and databases.</p> | Category 3) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| Section 189 | <p>189. Funding and fees</p> <p>(1) The Board of Directors of the AFSA shall provide financial resources to the Registrar from the annual budget available to the AFSA to enable the Registrar to Exercise the Registrar’s Functions in an adequate manner.</p> <p>(2) The Rules may require the payment to the AFSA of fees in respect of:</p> <p>(a) the Exercise by the Registrar of prescribed Functions under or for these Regulations, the Rules or any other Legislation Administered by the Registrar, including the receipt by the</p> | <p>189. Funding and fees</p> <p>(1) The Board of Directors of the AFSA shall provide financial resources to the Registrar from the annual budget available to the AFSA to enable the Registrar to Exercise the Registrar’s Functions in an adequate manner.</p> <p>(2) The Rules may require the payment to the AFSA of fees in respect of:</p> <p>(a) the Exercise by the Registrar of prescribed Functions under or for these Regulations, the Rules or any other Legislation Administered by the Registrar, including the receipt by the</p> | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |

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| | <p>Registrar of any Document that is required to be given or delivered to, or filed with, the Registrar (however described); and</p> <p>(b) the inspection of Documents or other material held by the Registrar under these Regulations, the Rules or any other Legislation Administered by the Registrar.</p> <p>(3) The Registrar may charge a fee for any services provided by the Registrar otherwise than under an obligation imposed on the Registrar by or under these Regulations, the Rules or any other Legislation Administered by the Registrar.</p> <p>(4) If a fee is prescribed or charged under this section for the Exercise of a Function, or the provision of services, by the Registrar, no action need be taken by the Registrar until the fee is paid and, if the fee is payable on the receipt by the Registrar of a Document required to be given or delivered to, or filed with, the Registrar (however described), the Registrar is taken not to have received the Document until the fee is paid.</p> | <p>Registrar of any Document that is required to be given or delivered to, or filed with, the Registrar (however described); and</p> <p>(b) the inspection of Documents or other material held by the Registrar under these Regulations, the Rules or any other Legislation Administered by the Registrar; <u>and</u></p> <p><u>(c) the Post- Registration Procedures service provided by the Registrar under these Regulations, the Rules or any other Legislation Administered by the Registrar.</u></p> <p>(3) The Registrar may charge a fee for any services provided by the Registrar otherwise than under an obligation imposed on the Registrar by or under these Regulations, the Rules or any other Legislation Administered by the Registrar.</p> <p>(4) If a fee is prescribed or charged under this section for the Exercise of a Function, or the provision of services, by the Registrar, no action need be taken by the Registrar until the fee is paid and, if the fee is payable on the receipt by the Registrar of a Document required to be given or delivered to, or filed with, the Registrar (however described), the Registrar is taken not to have received the Document until the fee is paid.</p> | |
| Section 195 | <p>195. Waivers and modifications of certain provisions</p> <p>(1) In this section:</p> <p>relevant provision means a provision of these Regulations, the Rules, or any other Legislation Administered by the Registrar, if the provision is expressed to be subject to this section or declared by the Rules to be a provision to which this section applies.</p> <p>(2) On the application or with the consent of a Person, the Registrar may, by Written notice, provide that 1 or more relevant provisions:</p> <p>(a) do not apply to the Person; or</p> <p>(b) apply to the Person with the modifications stated in the notice.</p> <p>(3) The notice may be given subject to conditions.</p> | <p>195. Waivers and modifications of certain provisions</p> <p>(1) In this section:</p> <p>relevant provision means a provision of these Regulations, the Rules, or any other Legislation Administered by the Registrar, if the provision is expressed to be subject to this section or <u>any provision of other Regulations and Rules</u> declared by the Rules to be a provision to which this section applies.</p> <p>(2) On the application or with the consent of a Person, the Registrar may, by Written notice, provide that 1 or more relevant provisions:</p> <p>(a) do not apply to the Person; or</p> <p>(b) apply to the Person with the modifications stated in the notice.</p> | <p>Category 5) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>(4) If the notice is given subject to conditions, the Person must comply with the conditions. If the Person Contravenes a condition, the Registrar may, without limiting the Registrar’s other powers, apply to the Court for the order that the Registrar considers appropriate, including an order that the Person comply with the condition, whether or not in a specified way.</p> <p>(5) Unless the Registrar is satisfied that it is inappropriate or unnecessary to do so, the Registrar must publish a notice under subsection (2) in a way the Registrar considers appropriate for bringing the notice to the attention of:</p> <p>(a) Persons likely to be affected by it; and</p> <p>(b) others who may be likely to become subject to a similar notice.</p> <p>(6) The Registrar may withdraw or vary a notice under subsection (2), on the Registrar’s own initiative or on the application of the Person to whom the notice applies.</p> | <p>(3) The notice may be given subject to conditions.</p> <p>(4) If the notice is given subject to conditions, the Person must comply with the conditions. If the Person Contravenes a condition, the Registrar may, without limiting the Registrar’s other powers, apply to the Court for the order that the Registrar considers appropriate, including an order that the Person comply with the condition, whether or not in a specified way.</p> <p>(5) Unless the Registrar is satisfied that it is inappropriate or unnecessary to do so, the Registrar must publish a notice under subsection (2) in a way the Registrar considers appropriate for bringing the notice to the attention of:</p> <p>(a) Persons likely to be affected by it; and</p> <p>(b) others who may be likely to become subject to a similar notice.</p> <p>(6) The Registrar may withdraw or vary a notice under subsection (2), on the Registrar’s own initiative or on the application of the Person to whom the notice applies.</p> | |
| <p>SCHEDULE 1: INTERPRETATION</p> | | <p><u><i>Post-Registration Procedures</i> means any post-registration procedure including but not limited to, change in Registered Details</u></p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |
| <p>SCHEDULE 1: INTERPRETATION</p> | | <p><u><i>Ancillary Service Provider</i> has the meaning given in AIFC Glossary</u></p> | <p>Category 2) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

Proposed amendments to AIFC Rules

In this table, the underlining indicates a new text and the striking through indicates deleted text in the proposed amendments

| Rule Number | Current version | Proposed version | |
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| 1. AIFC Companies Rules | | | |
| 2.2. | <p>2.2. Articles of Association</p> <p>2.2.1. For the definition of Standard Articles in Schedule 1 of the AIFC Companies Regulations, the provisions of Schedule 1 (Standard Articles) are the model articles of association.</p> <p>2.2.2. If the proposed Articles of Association filed with an application for the incorporation of a company do not adopt the Standard Articles in their entirety, the proposed Articles of Association must, for section 14(2)(c) of the AIFC Companies Regulations, include provision for the following matters:</p> <ul style="list-style-type: none"> (a) information set out in the form prescribed by the Registrar of Companies; (b) the purpose for which the company is being incorporated; (c) the rights attaching to Shares or classes of Shares; (d) the transfer of Shares; (e) an Annual General Meeting; (f) the proceedings, including voting at General Meetings; (g) accounts and other information to be provided to Shareholders before Annual General Meetings; | <p>2.2. Articles of Association</p> <p>2.2.1. For the definition of Standard Articles in Schedule 1 of the AIFC Companies Regulations, the provisions of Schedule 1 (Standard Articles) are the model articles of association.</p> <p>2.2.2. If the proposed Articles of Association filed with an application for the incorporation of a company do not adopt the Standard Articles in their entirety, the proposed Articles of Association must, for section 14(2)(c) of the AIFC Companies Regulations, include provision for the following matters:</p> <ul style="list-style-type: none"> (a) information set out in the form prescribed by the Registrar of Companies; (b) the purpose for which the company is being incorporated <u>principal business activities</u>; (c) the rights attaching to Shares or classes of Shares; (d) the transfer of Shares; (e) <u>if a Public company</u>, an Annual General Meeting; (f) <u>if a Public company</u>, the proceedings, including voting at General Meetings; (g) <u>if a Public company</u>, accounts and other information to be provided to Shareholders before Annual General Meetings; | Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |

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| | <ul style="list-style-type: none"> (h) the maximum number of Directors; (i) the appointment, retirement, disqualification and removal of Directors; (j) the powers of Directors; (k) proceedings of Directors; (l) if the company is to have a Secretary (or joint Secretaries)—appointment of the Secretary (or joint Secretaries); (m) the keeping of minutes of all proceedings at General Meetings, meetings of the holders of any class of Shares, and meetings of Directors and of committees of Directors; (n) the division of powers between the Shareholders and Directors; (o) the issue of new Shares; (p) if there are to be any to be restrictions on the transfer of Shares—the restrictions; (q) termination and liquidation of the company. | <ul style="list-style-type: none"> (h) the maximum number of Directors; (i) the appointment, retirement, disqualification and removal of Directors; (j) the powers of Directors; (k) proceedings of Directors; (l) if the company is to have a Secretary (or joint Secretaries)—appointment of the Secretary (or joint Secretaries); (m) the keeping of minutes of all proceedings at General Meetings, meetings of the holders of any class of Shares, and meetings of Directors and of committees of Directors; (n) the division of powers between the Shareholders and Directors; (o) the issue of new Shares; (p) if there are to be any to be restrictions on the transfer of Shares—the restrictions; (q) termination and liquidation of the company. | |
| 2.4. | <p>2.4.3 The following provisions apply to the name of a Company or the reservation of a name for a Company (or a proposed Company):</p> <ul style="list-style-type: none"> (a) the name must use letters of the English alphabet, numerals or other characters acceptable to the Registrar of Companies; (b) the name must not, in the opinion of the Registrar, be, or be reasonably likely to become, misleading, deceptive or conflicting with another name (including an existing name of another Company or Recognised Company); (c) the name must not include words that may suggest a relationship with the AIFCA, AFSA or any other governmental authority in the AIFC, Astana or the Republic of Kazakhstan, unless the relevant authority has consented in Writing to the use of the name; | <p>2.4.3 The following provisions apply to the name of a Company or the reservation of a name for a Company (or a proposed Company):</p> <ul style="list-style-type: none"> (a) the name must use letters of the English alphabet, numerals or other characters acceptable to the Registrar of Companies; (b) the name must not, in the opinion of the Registrar, be, or be reasonably likely to become, misleading, deceptive or conflicting with another name (including an existing name of another Company or Recognised Company); (c) the name must not include words that may suggest a relationship with the AIFCA, AFSA or any other governmental authority in the AIFC, <u>Astana, Nur-Sultan</u> or the Republic of Kazakhstan, unless the relevant authority has consented in Writing to the use of the name; | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |

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| | <p>(d) the name must not include any of the following words unless the AFSA has consented in Writing to their use:</p> <ul style="list-style-type: none"> (i) the word ‘bank’, ‘insurance’ or ‘trust’; (ii) words that suggest that the Company (or proposed Company) is a bank, insurance company or trust company; (iii) words that suggest in some other way that it is authorised to conduct Financial Services in the AIFC; <p>(e) the name must not include words that may suggest a connection with, or the patronage of, any Person or organisation, unless the Person or organisation has consented in Writing;</p> <p>(f) the name must not be, in the opinion of the Registrar, otherwise undesirable.</p> | <p>(d) the name must not include any of the following words unless the AFSA has consented in Writing to their use:</p> <ul style="list-style-type: none"> (i) the word ‘bank’, ‘insurance’ or ‘trust’; (ii) words that suggest that the Company (or proposed Company) is a bank, insurance company or trust company; (iii) words that suggest in some other way that it is authorised to conduct Financial Services in the AIFC; <p>(e) the name must not include words that may suggest a connection with, or the patronage of, any Person or organisation, unless the Person or organisation has consented in Writing;</p> <p>(f) the name must not be, in the opinion of the Registrar, otherwise undesirable.</p> | |
| 3.6. | <p>3.6.2 The application must state the following:</p> <ul style="list-style-type: none"> (a) the address of the Foreign Company’s proposed principal place of business in the AIFC; (b) the nature of the business the Foreign Company proposes to conduct in or from the AIFC; (c) the name and address of each Person authorised to accept service of any Document or notice on behalf of the company; (d) the following information for each Director of the Foreign Company: <ul style="list-style-type: none"> (i) the full name, nationality and address of the Director; (ii) if the Director has a former name (including, for an individual, any former given or family name)—the former name or, if the Director has 2 or more former names, each former name; (iii) the Director’s date and place of birth, incorporation, formation or registration, as the case may be; (iv) the Director’s address; (e) the address of the Foreign Company’s registered office in its place of origin or, if it is not required to have a registered office under the laws of the place of | <p>3.6.2 The application must state the following:</p> <ul style="list-style-type: none"> (a) the address of the Foreign Company’s proposed principal place of business in the AIFC; (b) the nature of the business the Foreign Company proposes to conduct in or from the AIFC; (c) the name and address of each Person authorised to accept service of any Document or notice on behalf of the company; (d) the following information for each Director of the Foreign Company: <ul style="list-style-type: none"> (i) <u>in the case of an individual</u> the full name, nationality and address of the Director, <u>in the case of a body corporate, corporate or firm name and registered or principal address</u>; (ii) if the Director has a former name (including, for an individual, any former given or family name)—the former name or, if the Director has 2 or more former names, each former name; (iii) <u>in the case of an individual</u>, the Director’s date and place of birth, <u>in the case of a body corporate, the legal form of the company or firm and the law by which it is governed and, if applicable, the register in which it is entered (including</u> | <p>Category 2) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | origin, the address of its principal place of business in its place of origin. | <p>details of the state) and its registration number in that register; incorporation, formation or registration, as the case may be;</p> <p>(iv) the Director's address; [intentionally omitted]</p> <p>(e) the address of the Foreign Company's registered office in its place of origin or, if it is not required to have a registered office under the laws of the place of origin, the address of its principal place of business in its place of origin.</p> | |
| 4.2. Evidence of title to Securities | <p>4.2.1. Subject as otherwise provided in the Articles, for sections 54 (Transfer and registration of Shares and Debt Securities) and 58 (Share certificates) of the AIFC Companies Regulations, title to Shares may be evidenced and transferred without a Written instrument of transfer, and title to Shares may be evidenced without a Written instrument, in accordance with the following requirements: (a) where, following a transfer of title evidenced, to the satisfaction of the Company, otherwise than by a Written instrument, details of a Shareholder are to be deleted from, and those of another are to be added to, the Company's Register of Shareholders, the Company must provide Written notice of the deletion to the former Shareholder and Written notice of the addition to the new Shareholder;</p> <p>(b) when the details of a Shareholder are amended in the Company's Register of Shareholders, the Company must provide Written notice of the change to the Shareholder;</p> <p>(c) if share certificates have previously been issued by the Company, the Company must require the return of share certificates and, on their return, must cancel them;</p> <p>(d) the Company will not recognise the rights of third parties in relation to issued Shares.</p> | <p>4.2.1. Subject as otherwise provided in the Articles of Association, for sections 54 (Transfer and registration of Shares and Debt Securities) and 58 (Share certificates) of the AIFC Companies Regulations, title to Shares may be evidenced and transferred without a Written instrument of transfer, and title to Shares may be evidenced without a Written instrument, in accordance with the following requirements: (a) where, following a transfer of title evidenced, to the satisfaction of the Company, otherwise than by a Written instrument, details of a Shareholder are to be deleted from, and those of another are to be added to, the Company's Register of Shareholders, the Company must provide Written notice of the deletion to the former Shareholder and Written notice of the addition to the new Shareholder;</p> <p>(b) when the details of a Shareholder are amended in the Company's Register of Shareholders, the Company must provide Written notice of the change to the Shareholder;</p> <p>(c) if share certificates have previously been issued by the Company, the Company must require the return of share certificates and, on their return, must cancel them;</p> <p>(d) the Company will not recognise the rights of third parties in relation to issued Shares.</p> | Category 7) of amendments set out in "Key elements of proposed amendments" of the Consultation Paper |
| 6.8.4. | 6.8.4 Subject as otherwise provided in the Articles, an Open-Ended Investment Company must redeem its Shares at a price based on the net asset value of the property of the Company in accordance with and at such intervals as may be prescribed by its Articles of Association and any relevant Legislation | 6.8.4 Subject as otherwise provided in the Articles of Association , an Open-Ended Investment Company must redeem its Shares at a price based on the net asset value of the property of the Company in accordance with and at such intervals as may be prescribed by its Articles of Association and any relevant | Category 7) of amendments set out in "Key elements of proposed amendments" of the |

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| | Administered by the AFSA. Chapters 5 (Registers of Shareholders and Debt Security Holders and share certificates) and 6 (Redemption and purchase of Shares) of Part 7 (Private Companies and Public Companies) of the AIFC Companies Regulations do not apply to the redemption of Shares by an Open-Ended Investment Company. | Legislation Administered by the AFSA. Chapters 5 (Registers of Shareholders and Debt Security Holders and share certificates) and 6 (Redemption and purchase of Shares) of Part 7 (Private Companies and Public Companies) of the AIFC Companies Regulations do not apply to the redemption of Shares by an Open-Ended Investment Company. | Consultation Paper | | | | | | | | |
| 8.7.6 | 8.7.6 Nothing in rules 8.7.1 to 8.7.5 is taken to remove the Protected Cell Company’s obligations to identify, obtain and maintain ultimate beneficial ownership information of its Shareholders and, the Registrar’s powers to obtain such information, for the purposes of the AIFC Companies Regulations. | 8.7.6 Nothing in rules 8.7.1 to 8.7.5 is taken to remove the Protected Cell Company’s obligations to identify, obtain and maintain ultimate beneficial ownership Ultimate Beneficial Ownership information of its Shareholders and, the Registrar’s powers to obtain such information, for the purposes of the AIFC Companies Regulations. | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper | | | | | | | | |
| 8.13.3. | 8.13.3 Any provision in the Articles of a Protected Cell Company, or any other contractual provision under which the Company may be liable, which purports to: (a) avoid the incurring of personal liability upon a director or officer in the circumstances described in subrules 8.11.4 and 8.12.2; or (b) indemnify directors or officers in respect of conduct which would otherwise disentitle them to an indemnity against Non-Cellular Assets by virtue of subrules 8.11.4 or 8.12.2, shall be void. | 8.13.3 Any provision in the Articles of Association of a Protected Cell Company, or any other contractual provision under which the Company may be liable, which purports to: (a) avoid the incurring of personal liability upon a director or officer in the circumstances described in subrules 8.11.4 and 8.12.2; or (b) indemnify directors or officers in respect of conduct which would otherwise disentitle them to an indemnity against Non-Cellular Assets by virtue of subrules 8.11.4 or 8.12.2, shall be void. | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper | | | | | | | | |
| AIFC Companies Rules Schedule 1 | | New Standard Articles of Association for a Private Company is provided at the end of this paper | Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper | | | | | | | | |
| AIFC Companies Rules Schedule 3 | <table border="1"> <tr> <td>10</td> <td>26(1) or (3)</td> <td>Annual returns</td> <td>10,000</td> </tr> </table> | 10 | 26(1) or (3) | Annual returns | 10,000 | <table border="1"> <tr> <td>10</td> <td>26 25-1</td> <td>Annual return confirmation of accuracy of information on register</td> <td>10,000</td> </tr> </table> | 10 | 26 25-1 | Annual return confirmation of accuracy of information on register | 10,000 | Category 1) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| 10 | 26(1) or (3) | Annual returns | 10,000 | | | | | | | | |
| 10 | 26 25-1 | Annual return confirmation of accuracy of information on register | 10,000 | | | | | | | | |
| AIFC Companies Rules | | <table border="1"> <tr> <td>69</td> <td>74</td> <td>Directors</td> <td>10,000</td> </tr> </table> | 69 | 74 | Directors | 10,000 | Category 2) of amendments set out in “Key elements of | | | | |
| 69 | 74 | Directors | 10,000 | | | | | | | | |

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| Schedule 3 | | | proposed amendments” of the Consultation Paper |
| 2. AIFC General Partnership Rules | | | |
| 2.1. | <p>2.1.3 The following provisions apply to the name of a General Partnership or the reservation of a name for a General Partnership (or a proposed General Partnership):</p> <p>(a) the name must use letters of the English alphabet, numerals or other characters acceptable to the Registrar of Companies;</p> <p>(b) the name must comply with section 12(2)(a) (Registration as General Partnership) of the AIFC General Partnership Regulations;</p> <p>(c) the name must not, in the opinion of the Registrar, be, or be reasonably likely to become, misleading, deceptive, conflicting with another name (including an existing name of another partnership);</p> <p>(d) the name must not contain words that may suggest a relationship with the AIFCA, AFSA or any other governmental authority in the AIFC, Astana or the Republic of Kazakhstan, unless the relevant authority has consented in Writing to the use of the name;</p> <p>(e) the name must not contain any of the following words unless the AFSA has consented in Writing to their use:</p> <p>(i) the word ‘bank’, ‘insurance’ or ‘trust’;</p> <p>(ii) words that suggest that the partnership is engaged in banking, insurance or trust activities;</p> <p>(iii) words that suggest in some other way that it is authorised to conduct Financial Services in the AIFC;</p> <p>(f) the name must not contain words that may suggest a connection with, or the patronage of, any Person or organisation, unless the Person or organisation consents in Writing;</p> <p>(g) the name must not be, in the opinion of the Registrar, otherwise undesirable.</p> | <p>2.1.3 The following provisions apply to the name of a General Partnership or the reservation of a name for a General Partnership (or a proposed General Partnership):</p> <p>(a) the name must use letters of the English alphabet, numerals or other characters acceptable to the Registrar of Companies;</p> <p>(b) the name must comply with section 12(2)(a) (Registration as General Partnership) of the AIFC General Partnership Regulations;</p> <p>(c) the name must not, in the opinion of the Registrar, be, or be reasonably likely to become, misleading, deceptive, conflicting with another name (including an existing name of another partnership);</p> <p>(d) the name must not contain words that may suggest a relationship with the AIFCA, AFSA or any other governmental authority in the AIFC, Astana, Nur-Sultan or the Republic of Kazakhstan, unless the relevant authority has consented in Writing to the use of the name;</p> <p>(e) the name must not contain any of the following words unless the AFSA has consented in Writing to their use:</p> <p>(i) the word ‘bank’, ‘insurance’ or ‘trust’;</p> <p>(ii) words that suggest that the partnership is engaged in banking, insurance or trust activities;</p> <p>(iii) words that suggest in some other way that it is authorised to conduct Financial Services in the AIFC;</p> <p>(f) the name must not contain words that may suggest a connection with, or the patronage of, any Person or organisation, unless the Person or organisation consents in Writing;</p> | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |

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| | | (g) the name must not be, in the opinion of the Registrar, otherwise undesirable. | |
| 3. AIFC Limited Partnership Rules | | | |
| 2.2.3 | <p>2.2.3 The following provisions apply to the name of a Limited Partnership or the reservation of a name for a Limited Partnership (or a proposed Limited Partnership):</p> <p>(a) the name must use letters of the English alphabet, numerals or other characters acceptable to the Registrar of Companies;</p> <p>(b) the name must end with the words ‘Limited Partnership’;</p> <p>(c) the name must not, in the opinion of the Registrar, be, or be reasonably likely to become, misleading, deceptive, conflicting with another name (including an existing name of another partnership);</p> <p>(d) the name must not contain words that may suggest a relationship with the AIFCA, the AFSA or any other governmental authority in the AIFC, Astana or the Republic of Kazakhstan, unless the relevant authority has consented in Writing to the use of the name; (e) the name must not contain any of the following words unless the AFSA has consented in Writing to their use:</p> <p>(i) the word ‘bank’, ‘insurance’ or ‘trust’;</p> <p>(ii) words that suggest that the partnership is engaged in banking, insurance or trust activities;</p> <p>(iii) words that suggest in some other way that it is authorised to conduct Financial Services in or from the AIFC;</p> <p>(f) the name must not contain words that may suggest a connection with, or the patronage of, any Person or organisation, unless the Person or organisation consents in Writing;</p> <p>(g) the name must not be, in the opinion of the Registrar, otherwise undesirable.</p> | <p>2.2.3 The following provisions apply to the name of a Limited Partnership or the reservation of a name for a Limited Partnership (or a proposed Limited Partnership):</p> <p>(a) the name must use letters of the English alphabet, numerals or other characters acceptable to the Registrar of Companies;</p> <p>(b) the name must end with the words ‘Limited Partnership’;</p> <p>(c) the name must not, in the opinion of the Registrar, be, or be reasonably likely to become, misleading, deceptive, conflicting with another name (including an existing name of another partnership);</p> <p>(d) the name must not contain words that may suggest a relationship with the AIFCA, the AFSA or any other governmental authority in the AIFC, Astana, Nur-Sultan or the Republic of Kazakhstan, unless the relevant authority has consented in Writing to the use of the name; (e) the name must not contain any of the following words unless the AFSA has consented in Writing to their use:</p> <p>(i) the word ‘bank’, ‘insurance’ or ‘trust’;</p> <p>(ii) words that suggest that the partnership is engaged in banking, insurance or trust activities;</p> <p>(iii) words that suggest in some other way that it is authorised to conduct Financial Services in or from the AIFC;</p> <p>(f) the name must not contain words that may suggest a connection with, or the patronage of, any Person or organisation, unless the Person or organisation consents in Writing;</p> <p>(g) the name must not be, in the opinion of the Registrar, otherwise undesirable.</p> | Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| 4. AIFC Limited Liability Partnership Rules | | | |
| 2.7 | 2.7. Notification of change in certain registered details of Limited Liability Partnership | 2.7. Notification of change in certain registered details of Limited Liability Partnership | Category 7) of amendments set out in “Key elements of |

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| | <p>2.7.1. If any of the relevant registered details of a Limited Liability Partnership change, the partnership must notify the Registrar of Companies in Writing within 14 days after the day the change happens.</p> <p>2.7.2. Contravention of this rule is punishable by a fine.</p> <p>2.7.3. The maximum fine that may be imposed on a Person for a Contravention of this rule is US\$1,000.</p> <p>2.7.4. In this rule: relevant registered details, in relation to a Limited Liability Partnership, means information about the partnership required to be included in the register kept under section 51(1) (Public registers of limited liability partnerships) of the AIFC Limited Liability Partnership Regulations, other than any information in relation to which section 26 (Notification of membership changes) of those Regulations applies.</p> | <p>2.7.1. If any of the relevant registered details of a Limited Liability Partnership change, the partnership must notify the Registrar of Companies in Writing within 14 days after the day the change happens.</p> <p>2.7.2. Contravention of this rule is punishable by a fine.</p> <p>2.7.3. The maximum fine that may be imposed on a Person for a Contravention of this rule is US\$1,000.</p> <p>2.7.4. In this rule: relevant registered details, in relation to a Limited Liability Partnership, means information about the partnership required to be included in the register kept under section 51(1) (Public registers of limited liability partnerships) of the AIFC Limited Liability Partnership Regulations, other than any information in relation to which section 26 (Notification of membership changes) of those Regulations applies.</p> <p>2.7.5 The change in registered details notice must be accompanied by the fee prescribed by the Rules from time to time.</p> | <p>proposed amendments” of the Consultation Paper</p> |
| 5. AIFC NPIO RULES | | | |
| 2.1 | <p>PART 2: INCORPORATED ORGANISATIONS</p> <p>2.1. Charter of Organisation</p> <p>2.1.1 For section 13(4) of the AIFC Non-profit Incorporated Organisations Regulations, the provisions of Schedule 1 (Standard Charter) are the model provisions to be known as the Standard Charter.</p> <p>2.1.2 If the proposed Charter of Organisation accompanying an application for the incorporation of an Incorporated Organisation does not adopt the whole of the Standard Charter, the application must set out details of the parts of the Standard Charter that have not been adopted.</p> <p>2.1.3 The proposed Charter of Organisation accompanying an application for the incorporation of an</p> | <p>PART 2: INCORPORATED ORGANISATIONS</p> <p>2.1. Charter of Organisation</p> <p>2.1.1 For section 13(4) of the AIFC Non-profit Incorporated Organisations Regulations, the provisions of Schedule 1 (Standard Charter) are the model provisions to be known as the Standard Charter.</p> <p>2.1.2 If the proposed Charter of Organisation accompanying an application for the incorporation of an Incorporated Organisation does not adopt the whole of the Standard Charter, the application must set out details of the parts of the Standard Charter that have not been adopted. If the Unless Standard Charter is adopted by the Incorporated Organisation in its entirety, the Charter, signed by or on behalf of each member, must be filed with the application.</p> | <p>Category 2) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>Incorporated Organisation must include provision for the following matters:</p> <p>(a) the Authorised Activities to be conducted by the Incorporated Organisation;</p> <p>(b) the calling of meetings of the Founding Members by Founding Members;</p> <p>(c) the proceedings of meetings of the Founding Members, including voting;</p> <p>(d) information to be provided to Founding Members before a meeting of the Founding Members;</p> <p>(e) the maximum number of Founding Members;</p> <p>(f) the appointment and removal of Founding Members;</p> <p>(g) the Functions of Founding Members;</p> <p>(h) appointment of the secretary, if applicable;</p> <p>(i) the keeping of minutes.</p> <p>2.1.4 An application for the incorporation of an Incorporated Organisation must state that the proposed Charter of the Incorporated Organisation accompanying the application has been adopted by the applicants.</p> | <p>2.1.3 The proposed Charter of Organisation accompanying an application for the incorporation of an Incorporated Organisation must include provision for the following matters:</p> <p>(a) the Authorised Activities to be conducted by the Incorporated Organisation;</p> <p>(b) the calling of meetings of the Founding Members by Founding Members;</p> <p>(c) the proceedings of meetings of the Founding Members, including voting;</p> <p>(d) information to be provided to Founding Members before a meeting of the Founding Members;</p> <p>(e) the maximum number of Founding Members;</p> <p>(f) the appointment and removal of Founding Members;</p> <p>(g) the Functions of Founding Members;</p> <p>(h) appointment of the secretary, if applicable;</p> <p>(i) the keeping of minutes.</p> <p>2.1.4 An application for the incorporation of an Incorporated Organisation must state that the proposed Charter of the Incorporated Organisation accompanying the application has been adopted by the applicants.</p> | |
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6. AIFC Fees Rules

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| Content | 2.3. Filing fee for annual return | 2.3. Filing fee for annual return confirmation of accuracy of information on register | Category 1) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| 2.3 | 2.3. Filing fee for annual return | 2.3. Filing fee for annual return confirmation of accuracy of information on register | Category 1) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper |
| 2.3 | 2.3.1. Fee payable to the Registrar of Companies in respect of filing an annual return. When an annual return is filed under the Companies Regulations, it must be accompanied by the filing fee prescribed by the Registrar from time to time. | 2.3.1. Fee payable to the Registrar of Companies in respect of filing an annual return confirmation of accuracy of information on register. When an annual return confirmation of accuracy of information on register is filed under the Companies Regulations, it must | Category 1) of amendments set out in “Key elements of proposed amendments” of the |

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| | <p>Guidance Section 26(2) of the Companies Regulations specifies that a company’s annual return must be accompanied by the filing fee prescribed by the Registrar of Companies from time to time.</p> | <p>be accompanied by the filing fee prescribed by the Registrar from time to time.</p> <p>Guidance Section 26(2) of the Companies Regulations specifies that a company’s annual return confirmation of accuracy of information on register must be accompanied by the filing fee prescribed by the Registrar of Companies from time to time.</p> | <p>Consultation Paper</p> |
| | <p>4. FEES FOR EXTRACTS OF INFORMATION</p> <p>4.1. Fee for extracts from information held by the Registrar of Companies</p> <p>4.1.1. General requirement</p> <p>Persons seeking extracts of information or other documentation held by the Registrar of Companies in relation to a Centre Participant or Approved Individual may be required, upon application, to pay a prescribed fee for each specific information request.</p> | <p>4. FEES FOR EXTRACTS OF INFORMATION</p> <p>4.1. Fee for extracts from information held by the Registrar of Companies</p> <p>4.1.1. General requirement</p> <p>Persons seeking extracts of information or other documentation held by the Registrar of Companies in relation to a Centre Participant or Approved Individual may be required, upon application, to pay a prescribed fee specified in Schedule 5-1 for each specific information request</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |
| New section | | <p><u>2.4 FEES FOR POST-REGISTRATION PROCEDURES</u></p> <p><u>2.4.1. Fee for Post- Registration Procedures</u></p> <p>Person seeking to proceed with Post-Registration Procedure in relation to a Centre Participant may be required to pay a prescribed fee specified in Schedule 5-1 for each specific procedure.</p> <p><u>Guidance</u> Section (17) and (148) of the Companies Regulations specifies that the Registrar of Companies may charge a fee for the procedure of change in Registered Details or other Post-Registration Procedures under the Companies Regulations, Rules or any other Legislation administered by the Registrar.</p> | <p>Category 7) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |
| 7. AIFC Special Purpose Company Rules | | | |
| 8.1 | <p>PART 8: ANNUAL RETURNS</p> <p>8.1 Annual returns Section 26 (Annual returns) of the AIFC Companies Regulations does not apply to a Special Purpose Company.</p> | <p>PART 8: ANNUAL RETURNS <u>ANNUAL CONFIRMATION OF ACCURACY OF INFORMATION ON REGISTER</u></p> <p>8.1 Annual returns Section 25-1 26 (Annual returns Annual confirmation of accuracy of information on register) of the AIFC Companies Regulations does not apply to a Special Purpose Company</p> | <p>Category 1) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| <p>3.2</p> | <p>3.2 Articles of Association</p> <p>3.2.1 The Registrar of Companies may, from time to time, adopt, and publish, model Articles of Association for Special Purpose Companies (model articles).</p> <p>3.2.2 If model articles are in force under subrule 3.2.1 at the time that an application for incorporation of a Special Purpose Company is filed with the Registrar, the company must adopt those model articles as its initial Articles of Association, notwithstanding anything in section 14 (Articles of Association) of the AIFC Companies Regulations.</p> <p>3.2.3 However, the Incorporators may choose to modify the model articles. The Registrar of Companies may object to any modification of the model articles if the Registrar considers that the modification is inappropriate having regard to the nature of a Special Purpose Company and the activities that it is permitted to conduct.</p> <p>3.2.4 If an amendment of the Articles of Association of a Special Purpose Company is submitted to the Registrar of Companies under section 19(2) of the AIFC Companies Regulations, the Registrar may object to the amendment if the Registrar considers that the amendment is inappropriate having regard to the nature of a Special Purpose Company and the activities that it is permitted to conduct.</p> | <p>3.2 Articles of Association</p> <p>3.2.1 The Registrar of Companies may, from time to time, adopt, and publish, <u>Standard</u> Articles of Association for Special Purpose Companies (model articles).</p> <p>3.2.2 If model articles are in force under subrule 3.2.1 at the time that an application for incorporation of a Special Purpose Company is filed with the Registrar, the company must adopt those model articles as its initial Articles of Association, notwithstanding anything in section 14 (Articles of Association) of the AIFC Companies Regulations. <u>Unless the Standard Articles of Association for Special Purpose Company are adopted by a Special Purpose Company in their entirety the proposed Articles of Association, signed by or on behalf of each incorporator, must be filed with the application.</u></p> <p>3.2.3 However, the Incorporators may choose to modify the model articles. The Registrar of Companies may object to any modification of the model articles if the Registrar considers that the modification is inappropriate having regard to the nature of a Special Purpose Company and the activities that it is permitted to conduct.</p> <p>3.2.4 If an amendment of the Articles of Association of a Special Purpose Company is submitted to the Registrar of Companies under section 19(2) of the AIFC Companies Regulations, the Registrar may object to the amendment if the Registrar considers that the amendment is inappropriate having regard to the nature of a Special Purpose Company and the activities that it is permitted to conduct.</p> | <p>Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |
| <p>3.3</p> | <p>3.3 Incorporation of Special Purpose Companies</p> <p>3.3.1 Notwithstanding section 15(1) (Decision on incorporation application etc.) of the AIFC Companies Regulations, if an application is made under the AIFC Companies Regulations for the incorporation of a Special Purpose Company, the Registrar of Companies must incorporate it as a Special Purpose Company if satisfied that it is eligible to be incorporated as a Special Purpose Company.</p> | <p>3.3 Incorporation of Special Purpose Companies</p> <p>3.3.1 Notwithstanding section 15(1) (Decision on incorporation application etc.) of the AIFC Companies Regulations, if an application is made under the AIFC Companies Regulations for the incorporation of a Special Purpose Company, the Registrar of Companies must incorporate it as a Special Purpose Company if satisfied that it is eligible to be incorporated as a Special Purpose Company.</p> | <p>Category 4) of amendments set out in “Key elements of proposed amendments” of the Consultation Paper</p> |

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| | <p>3.3.2 The certificate of incorporation issued under section 16(1)(a) (Effect of incorporation) of the AIFC Companies Regulations for a Special Purpose Company must state that the company is incorporated as a Special Purpose Company.</p> <p>3.3.3 On the incorporation of a Special Purpose Company and registration of its Articles of Association, the Registrar of Companies must, in addition to entering the name of the company in the Register of Companies under section 16(1)(c) of the AIFC Companies Regulations, enter the name of the company in the Special Purpose Companies Register.</p> <p>3.3.4 For section 204(1) (Public registers) of the AIFC Companies Regulations, the Registrar of Companies must keep and publish a separate register of current and past registrations of Special Purpose Companies (the Special Purpose Companies Register).</p> | <p>3.3.2 The certificate of incorporation issued under section 16(1)(a) (Effect of incorporation) of the AIFC Companies Regulations for a Special Purpose Company must state that the company is incorporated as a Special Purpose Company.</p> <p>3.3.3 On the incorporation of a Special Purpose Company and registration of its Articles of Association, the Registrar of Companies must, in addition to entering the name of the company in the Register of Companies under section 16(1)(c) of the AIFC Companies Regulations, enter the name of the company in the Special Purpose Companies Register.</p> <p>3.3.4 For section 204(1) (Public registers) of the AIFC Companies Regulations, the Registrar of Companies must keep and publish a separate register of current and past registrations of Special Purpose Companies (the Special Purpose Companies Register).</p> | |
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Proposed amendments to the Schedule 1 of the AIFC Companies Rules

The underlining indicates a new text and the striking through indicates deleted text in the proposed amendments

SCHEDULE 1: STANDARD ARTICLES ~~STANDARD ARTICLES~~ OF ASSOCIATION FOR PRIVATE COMPANIES

Standard Articles for *[insert name]*

(the “Company”)

A Private Company

1. INTERPRETATION

1.1. In these Articles, unless the contrary intention appears:

Board – means the board of Directors of the Company.

Companies Regulations means the AIFC Companies Regulations and includes the AIFC Companies Rules.

Directors means the Directors for the time being of the Company or, as the case may be, those Directors assembled as a board or as a committee of the board.

Incorporator – means a person who agrees to subscribe for Shares in the Company and to whom Shares are allotted and issued upon incorporation of the Company. ~~or, as the case may be, those directors assembled as a Board or as a committee of the Board.~~

Ordinary Resolution means a resolution passed by a simple majority of the votes of the Shareholders (or the Shareholders of the relevant class of Shares) who (being entitled to do so) vote in person or, if proxies are allowed, by proxy, at a General Meeting ~~for which notice specifying the intention to propose the resolution has been duly given, and, if the Company is a Private Company, includes an Ordinary Resolution in writing passed under section 100 (Resolution in writing of Private Companies) of the Companies Regulations.~~

Register of Directors means the Register of Directors of the Company under the Companies Regulations.

Register of Shareholders means the Register of Shareholders of the Company under the Companies Regulations.

Shareholder means a Person entered in the Register of Shareholders as the holder of a Share in the Company.

Special Resolution means a resolution passed by at least 75% of the votes of the Shareholders (or the Shareholders of the relevant class of Shares) who (being entitled to do so) vote in person or, if proxies are allowed, by proxy, at a General Meeting provided that notice specifying the intention to propose the resolution as a Special Resolution has been duly given, ~~and, if the Company is a Private Company, includes a Special Resolution in writing passed under section 100 (Resolutions in writing of Private Companies) of~~

~~the Companies Regulations.~~

Secretary – means the secretary of the Company, if any, or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.

Shares – means shares in the Company.

'the holder'- in relation to Shares means the Shareholder whose name is entered in the Register of Shareholders as the holder of Shares.

'Transmittee'- a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law.

these Articles means these Articles of Association.

- 1.2. Terms used in these Articles have the same meanings as they have, from time to time, in the Companies Regulations, or the relevant provisions of the Companies Regulations, unless the contrary intention appears, but excluding any statutory modification thereof not in force when these Articles become binding on the Company.
- 1.3. In these Articles, words in the singular include the plural and words in the plural include the singular, unless the contrary intention appears.
- 1.4. In these Articles, words indicating gender include every other gender, unless the contrary intention appears.
- 1.5. In these Articles, the word *may*, or a similar term, used in relation to a Function indicates that the Function may be Exercised or not Exercised, at discretion.
- 1.6. In these Articles, the word *must*, or a similar term, used in relation to a Function indicates that the Function is required to be Exercised.
- 1.7. References in these Articles to "writing", in relation to any document, instrument, certificate, notice, register or communication means a legible form of the information that is capable of being reproduced in tangible form, in any medium (including electronic means). For the avoidance of doubt, the Company may, with the consent of a Shareholder, communicate with that Shareholder by electronic means.
- 1.8. In these Articles, a reference to Regulations or Rules is a reference to Regulations or Rules of the Astana International Financial Centre and, unless the contrary intention appears, a reference to particular Regulations or Rules includes a reference to those Regulations or Rules as amended from time to time.
- 1.9. In these Articles, a reference to an amount of money is a reference to the amount in the currency of the United States of America.
- 1.10. For these Articles, if an Ordinary Resolution is expressed to be required for any purpose, then, subject to the Companies Regulations, a Special Resolution is also effective for that purpose.

~~2.~~ **COMPANY NAME AND TYPE**

2.1. The Company's name is *[insert Company name]* [insert "Limited" or "Ltd"].

~~2.2. — The Company is *[insert type of Company e.g. a Public Company/Private Company]*.~~

3. COMPANY REGISTERED OFFICE

The address of the registered office of the Company will be situated in the Astana International Financial Centre, Nur-Sultan, Republic of Kazakhstan, at the address provided in the public register. *[insert address in the Astana International Financial Centre]*.

4. NATURE OF COMPANY'S BUSINESS

The Company's principal business activities are: ~~is to conduct:~~

- A. *[insert description of the nature of the business to be conducted by the Company]*; carry on business in pursuit of the activities described under the certificate issued to the Company under the Companies Regulations and Rules; and
- B. any other lawful activity for which companies may be incorporated under the AIFC Companies

Regulations.

5. LIABILITY OF SHAREHOLDERS

The liability of Shareholders is limited to the amount, if any, unpaid on the Shares held by them in the Company.

6. SHARE CAPITAL

6.1. The authorised share capital of the Company is *[Insert the total authorised share capital that the company may issue] Dollars (US\$ _____ .00)* divided into *[insert total number of Shares the company may issue] [Insert class of share eg Ordinary] Share(s) of [[insert nominal value of each share] Dollars (US\$ _____ .00)] each.*

6.2. No Share shall be issued for less than its nominal value.

6.3. The initial share capital of the Company is *[Insert amount of share capital to be issued to Incorporators in United States Dollars]* represented by *[Insert number of Shares to be issued to the Incorporators][Insert class of share eg Ordinary] Shares, with a nominal value of [Insert nominal value of each share amount in United States Dollars] each.*

~~6.4. The initial shareholding of the Incorporators is as follows: *[Insert details of the initial shareholdings of the Incorporators]:*~~

~~*[Insert (in paragraphs numbered consecutively) the information required for each Incorporator by the Companies Regulations (see section 13(4)(g))]*~~

~~6.5. *[Insert (in paragraphs numbered consecutively) the details required by the Companies Regulations (see section 13(4)(h)) of the individuals who are to serve as the Directors and the Secretary]*~~

~~6.6. The capital of the Company must be divided into Shares with no par value.~~

7. COMPANY'S SHARES

7.1. Subject to the provisions of the Companies Regulations and without affecting any rights, entitlements or restrictions attached to existing Shares, a Share may be issued with the rights, entitlements or restrictions that the Company may decide by Ordinary Resolution.

7.2. Subject to the Companies Regulations, the Company may issue, or convert existing non-redeemable Shares, whether allotted or not, into redeemable Shares at the discretion of the board of Directors.

7.3. The Company must not recognise a Person as holding a Share on trust and, except as otherwise provided by these Articles or the Companies Regulations, the Company is not bound by, and must not recognise, any interest in a Share except an absolute right of ownership.

8. CLASSES OF SHARES

8.1. If the share capital of the Company is divided into different classes of Shares, the rights attached to any class may, be varied through a Special Resolutions passed by the holders of the Shares of that class, or any other class of Shares affected by the change.

8.2. The rights attached to any class of Shares issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking equally with the first-mentioned Shares.

9. SHARE CERTIFICATES

9.1. Unless the conditions of the allotment of Shares provide otherwise, on becoming the Shareholder of any Shares, a Person is entitled, free of charge:

(a) to 1 share certificate for all the Shares of each class held by the Person; and

(b) to 1 share certificate for any additional Shares of any class transferred to the Person; and

~~(c) on transferring a part of the Person's Shares of any class, to a certificate for the balance of the holding.~~

~~9.2. A Shareholder is entitled to additional certificates, each for 1 or more of the Shareholder's Shares, on payment for every certificate after the first, of the reasonable amount (if any) decided by the~~

~~Directors of the Company:~~

- 9.3. Every share certificate must specify the number, class and distinguishing numbers (if any) of the Shares to which it relates, and the amount or respective amounts Paid-up on them, and the nominal value of the Shares.
- 9.4. The Company is not required to issue more than 1 certificate for Shares held jointly by 2 or more Persons, and delivery of a certificate to a joint holder is sufficient delivery to all of them.
- 9.5. If a share certificate is damaged, defaced lost or destroyed, that Shareholder is entitled to be issued with a replacement share certificate in respect of the same Shares, and:
- (i) may request a single share certificate or separate share certificates to be issued;
 - (ii) shall return the damaged or defaced share certificates (if any) to the Company; and
 - (iii) shall comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors may determine.
- ~~9.6. If a share certificate is lost, stolen or destroyed, the Company may replace it if the Company receives the evidence of the shareholding right that it requires, the indemnity (if any) that it requires, and is paid the reasonable amount (if any) decided by the Directors for the expenses incurred by the Company in investigating the evidence and providing the replacement certificate.~~
- ~~9.7. If a share certificate has become damaged or worn, the Company may replace it if the Company is given the certificate and is paid the reasonable amount (if any) decided by the Directors for the expenses incurred by the Company in providing the replacement certificate.~~

10. LIEN OVER PARTLY PAID SHARES

- 10.1 The Company has a lien over every Share that is not fully paid for all amounts payable to the Company (whether presently payable or not) in respect of that Share.
- 10.2 The Directors may at any time declare any Share to be wholly or partly exempt from the Company's lien.
- 10.3 The Company's lien on a Share:
- (i) takes priority over any third party's interest in that Share; and
 - (ii) extends to any amounts payable in respect of it.
- 10.4 The Company may sell any Share it has a lien over, if a sum is payable on the Share and is not paid within fourteen (14) days' from the date on which notice was given to the Shareholder of the Share or to the person entitled to it by reason of the Shareholder's death, bankruptcy or otherwise, demanding payment and stating that if the notice is not complied with the Shares may be sold.
- 10.5 The Directors may authorise a person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser. The purchaser's (or its nominee's) title to the Shares shall not be affected by any irregularity or invalidity in relation to the sale.
- 10.6 The net proceeds of any such sale, shall be applied in payment of the amounts payable to the Company under the lien at the date of enforcement, and any remainder shall (subject to a like lien for any moneys not presently payable on the Shares before the sale) be paid to the Shareholder entitled to the Shares immediately prior to the sale.

11. CALLS ON SHARES AND FORFEITURE

- 11.1 Subject to the terms of allotment, the Directors may make calls upon the Shareholders in respect of any moneys unpaid on their Shares and each Shareholder shall (subject to receiving at least fourteen (14) clear days' notice specifying when and where payment is to be made) pay to the Company, as required by the notice, the amount called on the Shares. A call may be required to be paid by instalments.
- 11.2 The Directors may, in whole or in part, revoke or postpone a call.
- 11.3 Shareholders shall remain liable for calls made upon them notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

- 11.4 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 11.5 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Share.
- 11.6 If a call remains unpaid after it has become due and payable, the Shareholder is liable to pay interest on the amount unpaid from the day it became due and payable until it is paid, at the rate:
(i) fixed by the terms of allotment of the Share;
(ii) specified in the notice of the call; or
(iii) the Directors may determine (which shall not exceed 10% per annum),
but the Directors may waive payment of the interest wholly or in part.
- 11.7 An amount payable in respect of a Share on allotment or at any fixed date, or as an instalment of a call, shall be deemed to be a call and if it is not paid, the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
- 11.8 The Directors may, on the issue of Shares, differentiate between the Shareholders as to the amount of calls to be paid and the times of payment.
- 11.9 The Directors may, if they think fit, receive from a Shareholder the whole or a part of the amount remaining unpaid on Shares held by the Shareholder, although no part of that amount has been called up. The Directors may authorise the Company to pay interest on the amount so received, until the amount becomes payable at a rate agreed between the Directors and the Shareholder, which shall not exceed ten per cent (10%) per annum, unless the Company at a general meeting directs otherwise.

12. TRANSFER OF SHARES

- 12.1. Subject to the Companies Regulations, the instrument of transfer of a Share in the Company may be in any form approved by the Directors of the Company. The instrument of transfer must be executed by or on behalf of the transferor.
- 12.2. The Company may refuse to register the transfer of a Share in the Company only if the instrument of transfer, the share certificate, and any other evidence that the Directors may reasonably require, are not fully paid or are not duly filed at the registered office of the Company or the office of the agent that maintains the Company's Register of Shareholders.
- 12.3. If the Directors refuse to register a transfer of a Share, they shall within fourteen (14) days notify the transferee and transferor accordingly.
- 12.4. The Directors of the Company may suspend the registration of transfers of Shares in the Company at the times and for the periods (not exceeding 30 days in any year), as decided by them, acting reasonably.
- 12.5. ~~The Company may charge a reasonable fee for the registration of any instrument of transfer.~~ No fee shall be charged for the registration of any instrument of transfer.
- 12.6. The transferor remains the holder of a Share until the transferee's name is entered in the Register of Shareholders as the holder of the Share.
- 12.7. The Company must keep any instrument of transfer that is registered.

13. TRANSMISSION OF SHARES

- 13.1. If title to a Share passes to a Transmittor, the Company may only recognise the Transmittor as having any title to that Share.
- 13.2. A Transmittor who produces such evidence of entitlement to Shares as the Directors may properly require may, subject to these Articles, choose to either:
(i) become the holder of those Shares, in which case the Transmittor shall notify the Company in writing of that wish and once the Transmittor becomes the holder of the Shares has the same rights as the Shareholder had; or

- (ii) have them transferred to another person, in which case the Transmittee must execute an instrument of transfer in respect of it in accordance with article 12.
- 13.3. The Transmittee shall only have the right to attend and vote at a general meeting or agree to a written resolution when the Transmittee becomes the holder of the Shares.
- 13.4. Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the Transmittee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.
- 13.5. If a notice is given to a Shareholder in respect of Shares and a Transmittee is entitled to those Shares, the Transmittee is bound by the notice if it was given to the Shareholder before the Transmittee's name was entered in the Register of Shareholders.
- ~~13.6. If a Shareholder dies, the Shareholder's Personal Representative, or, if the Shareholder was a joint holder, the survivor or survivors, are the only Persons who may be recognised by the Company as having title to the Shareholder's Shares.~~
- ~~13.7. If a Person becomes entitled to a Share as a result of the death or bankruptcy of a Shareholder and gives notice to the Company of the entitlement, the Person must be registered as a Shareholder in relation to the Share. On registration, the Person has the same rights as other Shareholders of the same class of Shares.~~

14. ALTERATION OF SHARE CAPITAL

- 14.1. The Company may, by Special Resolution:
 - (a) increase its share capital by creating new Shares of an existing class with the same nominal value, or a new class of Shares of the nominal value it considers appropriate; or
 - (b) consolidate and divide its share capital (whether allotted or not) into Shares representing a larger nominal value than their existing nominal value; or
 - (c) subdivide its Shares, or any of them, into Shares representing a smaller nominal value than their existing nominal value, ~~if the proportion between the amount paid and the amount unpaid (if any) on each subdivided Share is the same as it was for the Share from which the sub-divided Share was derived.~~
 - (d) cancel Shares which, at the date of the passing of the Special Resolution, have not been taken or agreed to be taken by any person and diminish the amount of the Company's share capital by the amount of the Shares so cancelled.
- 14.2. Any fractions of Shares resulting from a consolidation of Shares may be sold by the Directors of the Company on behalf of the Shareholders and the net proceeds distributed proportionately among the Shareholders.
- 14.3. The Company may, in accordance with the Companies Regulations, reduce its share capital in any way and the terms that it may decide.

15. PURCHASE OF OWN SHARES

- 13. Subject to the provisions of the Companies Regulations, the Company may purchase its own Shares.

16. GENERAL MEETINGS

- 16.1 The Directors of the Company may call, General Meetings.
- 16.2 On a Shareholders' request under section 95 of the Companies Regulations, the Directors
- 16.3 or, if appointed, the Secretary, of a Company must promptly call a General Meeting or a meeting of holders of any class of Shares. The meeting must be held as soon as practicable, but not later than 2 months after the day the request is made.

17. REQUISITION AND NOTICE OF GENERAL MEETINGS

- 17.1. Subject to the Companies Regulations, ~~if the Company is a Public Company,~~ a General Meeting of the Company ~~(other than an Annual General Meeting or adjourned Annual General Meeting)~~ must be called by at least 14 days ~~written~~ notice to all the Shareholders, the Directors and the auditor.

~~17.2. If the Company is a Public Company, an Annual General Meeting, or adjourned Annual General Meeting, of the Company must be called by at least 21 days Written notice to all the Shareholders, the Directors and the auditor.~~

17.3. Subject to the Companies Regulations, a notice of a General Meeting must specify the time and place of the meeting, ~~the general nature of any matters to be considered, and any proposed Resolutions of which notice has been duly given.~~ A notice of an Annual General Meeting must state that the meeting is an Annual General Meeting to the Company ~~or to be proposed by the Company and whether any of them is to be proposed as a Special Resolution.~~

17.4. The proceedings of a General Meeting are not invalid solely because of the inadvertent failure to give notice of the meeting to, or the failure to receive notice of the meeting by, any Person entitled to receive the notice.

18. PROCEEDINGS AT GENERAL MEETINGS

18.1. ~~No General Meeting of the Company may take place unless there is a quorum. Two (2) Shareholders entitled to vote, personally present or represented by proxy are a quorum. Except in the case of the Company having a single Shareholder, in which case resolutions will be adopted in writing by the single Shareholder, no meeting shall take place unless a quorum is present. Two (2) persons entitled to vote shall constitute a quorum.~~

18.2. If a quorum is not present at a General Meeting within half an hour after the time specified in the notice calling the meeting (the *meeting start time*), the meeting must be adjourned to a place and time decided by the Directors of the Company. If during the meeting a quorum ceases to be present, the meeting must be adjourned to a place and time decided by the Directors.

18.3. The Chair of the board of Directors of the Company chairs the meeting. However, if the Chair of the board of Directors is not present or willing to act within 15 minutes after the meeting start time, in the absence of a nominee, another Director elected by the Directors present must chair the meeting. If no Directors are present or willing to chair the meeting, the Shareholders present must elect (1) Shareholder present to chair the meeting.

18.4. Every Director of the Company is entitled to attend and speak at any General Meeting and at any separate meeting of the Shareholders of any class of Shares in the Company, whether or not the Director is a Shareholder or a Shareholder of that class of Shares.

18.5. The Person chairing the meeting (the *meeting chair*) may adjourn the meeting with the consent of the majority of the votes at the meeting. A matter must not be considered at the adjourned meeting if the matter could not have been considered at the meeting had the adjournment not taken place. It is not necessary for notice to be given of the adjourned meeting unless the meeting was adjourned for 14 days or longer. If the meeting was adjourned for 14 days or longer, at least 7 days notice of the meeting must be given. The notice must specify the time and place of the adjourned meeting, the general nature of any matters to be considered, and any proposed Resolutions of which notice has been duly given.

18.6. Unless a poll is demanded, a resolution put to the vote must be decided on a show of hands. A poll may be demanded, before or on the declaration of the result of a vote by show of hands:

- (a) by the meeting chair; or
- (b) by at least 2 Shareholders having the right to vote at the meeting; or
- (c) by a Shareholder representing not less than 5% of the total voting rights of all the Shareholders having the right to vote at the meeting.

18.7. Unless a poll is demanded, the meeting chair may declare that a resolution has been carried or lost by a particular majority. The entry in the minutes of the meeting of that declaration is conclusive evidence of the result of the resolution.

18.8. The meeting chair may consent to the withdrawal of a demand for a poll.

18.9. A poll must be taken in the way the meeting chair directs and the result is the resolution of the meeting at which the poll was demanded.

18.10. A poll demanded on the election of the Person who is to chair the meeting or on an adjournment

must be taken immediately. A poll demanded on any other question must be taken as the meeting chair directs, but not more than 30 days after the day the poll is demanded. The demand for a poll does not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll is demanded.

18.11. If a poll demanded at a meeting is not taken at the meeting, at least 7 days Written notice must be given of the time and place at which the poll is to be taken, unless the time and place is announced at the meeting.

18.12. Resolution in writing may be passed in accordance with the Companies Regulations.

19. VOTES OF SHAREHOLDERS

19.1. On a show of hands, every Shareholder present, including the representative of a Body Corporate Shareholder, has 1 vote. On a poll, every Shareholder has 1 vote for every Share held. This Article is subject to any rights or restrictions attached to any Shares.

19.2. Joint Shareholders may only exercise 1 vote or 1 vote per Share, as the case may be. If more than 1 vote is cast by joint Shareholders, only the vote of the joint Shareholder whose name appears first on the Company's Register of Shareholders may be taken into account.

19.3. If a Shareholder of the Company has a personal representative appointed because of a physical or mental disability or other, the personal representative may exercise the voting rights of the Shareholder if the personal representative has given notice to the Directors in the form of proxy used by the Company and within the time limit for filing proxies before any meeting being held or vote being taken.

19.4. An objection may only be raised at a General Meeting to the right of any Person to vote at the meeting or on a poll arising from the meeting. The meeting chair must rule on the objection unless the objection relates to the meeting chair. The decision of the meeting chair is final.

19.5. A Shareholder may vote on a poll by proxy.

19.6. An instrument appointing a proxy to vote at a General Meeting, or on a poll arising from a General Meeting, must be in Writing in a form approved by the Company and distributed with the notice of a meeting or poll. The form must include a section allowing the Shareholder to direct the proxy on how the proxy must act.

19.7. An instrument appointing a proxy must be deposited at the registered office of the Company at least 48 hours before the General Meeting at which the proxy is to be exercised. For a poll that is not being taken immediately but sometime after it is demanded, an instrument appointing a proxy may be deposited at the poll with the meeting chair, the Secretary or any Director present or at any time before the poll at the registered office of the Company.

19.8. A vote given or poll demanded by proxy is valid despite the revocation of the proxy by the Shareholder who appointed the proxy unless the Company receives notice from the Shareholder before the vote is taken or the poll is demanded.

20. NUMBER OF DIRECTORS

The Company must have at least 1 Director.

21. ALTERNATE DIRECTORS

21.1. The Chair of the board of Directors or another Director of the Company (the *appointor*) may appoint any other Director, or any other Person approved by the Directors, as the appointor's alternate (the *appointee*), and may revoke the appointment at any time. The appointee may Exercise all the Functions of the appointor as a Director and, if the appointor is the Chair of the board of Directors, as the Chair, but is not entitled to remuneration.

21.2. The appointor and appointee must both be given notice of all Directors meetings of which the appointor is entitled to receive notice.

21.3. The appointee is entitled to attend and vote at Directors meetings, and counts towards the quorum, if the appointor is absent.

21.4. The appointee is not the agent of the appointor and the appointor is not responsible for anything

done or omitted to be done by the appointee.

- 21.5. The appointee holds office for as long as the appointor holds office as a Director unless the appointee's appointment is revoked by the appointor.
- 21.6. The appointor must give notice of the appointment of the appointee, and any revocation of the appointment, to the Company.

22. POWERS OF DIRECTORS

- 22.1. Subject to the Companies Regulations and these Articles, the business of the Company must be managed by the Directors. No amendment of these Articles invalidates any act of a Director or the Directors.
- 22.2. The Directors of the Company may appoint a Person to be the agent of the Company.

23. SHAREHOLDERS RESERVE POWER

- 23.1 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action. No such Special Resolution shall invalidate anything that the Directors have done before the passing of the resolution

24. DELEGATION OF DIRECTORS' POWERS

- 24.1. The ~~b~~Board of Directors of the Company may delegate any of its powers to a managing Director, executive Director or a committee of Directors, by such means, to such extent, in relations to such matters or territories ad on such terms and conditions as they think fit.
- 24.2. If the Board so specifies, any such delegation may authorise further delegation of the Directors' powers by any person or committee to whom they are delegated.
- 24.3. The Board may revoke any delegation in whole or in part, or alter its terms and conditions.

25. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 25.1. Any person who is willing to act as a director, and is permitted by Companies Regulations to do so, may be appointed to be a director—
- (a) by ordinary resolution, or
 - (b) by a decision of the directors.
- ~~25.2. At the first Annual General Meeting of the Company, all Directors must retire from office. At every subsequent Annual General Meeting at least one third, or number nearest to one third, of the Directors who are subject to retirement by rotation must retire.~~
- ~~25.3. The Directors subject to retirement by rotation are those that have been longest in office since their last appointment. For Directors appointed on the same day, the Director or Directors to retire must be decided by whose name appears first on the Company's Register of Directors.~~
- ~~25.4. However, a Director remains in office if the Director is willing to remain in office and the Company, at the meeting at which the Director retires by rotation, resolves not to fill the vacancy.~~
- (2) In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.
- ~~25.5. A Person (other than a Director retiring by rotation) must not be appointed a Director of the Company at a General Meeting unless the Person has been recommended by the Directors or a Shareholder and the Person's details have been included in the notice of meeting at which the appointment is considered. The details must include at least the information that would be included in the Company's Register of Directors if the Person were to be appointed.~~
- 25.6. Additional Directors may be appointed by the Company ~~by resolution~~ if the total number of

Directors does not exceed any maximum number of Directors prescribed by the Companies Regulations or these Articles.

~~25.7. A Director appointed under subarticle 25.6 holds office only until the next Annual General Meeting. The Director must retire at that meeting, but may be reappointed in accordance with these Articles.~~

26. DISQUALIFICATION AND REMOVAL OF DIRECTORS

A Director's office is automatically vacated if the Director:

- (a) is prohibited by the Companies Regulations from being a Director; or
- (b) ~~becomes bankrupt~~ a bankruptcy order is made against that person; or
- (c) is, because of any mental or physical disability, incapable (otherwise than on a temporary basis) of performing the duties of a Director; or
- (d) is absent from 3 consecutive meetings of the board of Directors, except on leave of absence given by the board of Directors; or
- (e) resigns by Written notice given to the Company; or
- (f) is removed by an Ordinary Resolution or a Special Resolution of the Company.

27. REMUNERATION AND EXPENSES OF DIRECTORS

A Director is entitled to be paid the remuneration that the Company determines by Resolution and is entitled to be reimbursed all expenses reasonably incurred in association with carrying out of the duties of a Director.

27.1. Directors may undertake any services for the company that the directors decide.

27.2. Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

27.3. Subject to the articles, a director's remuneration may—

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

27.4. The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company,
- or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

~~**28. DIRECTORS' APPOINTMENTS**~~

~~Subject to the Companies Regulations, the Directors of the Company may appoint 1 or more Directors to the office of managing Director or to any other executive office under the Company. An appointment may be made on the terms that the Directors determine. Any appointment of a Director to an executive office ends if the Director ceases to be a Director. A managing Director and a Director holding any other executive office are not subject to retirement by rotation.~~

28. BENEFITS FOR DIRECTORS ETC. (DIRECTORS' GRATUITIES AND PENSIONS)

The Directors of the Company may provide benefits, including gratuities and pensions, of any kind for any present or past Director, any Shareholder or the family of any present or past Director or any Shareholders.

29. PROCEEDINGS OF DIRECTORS

- 29.1. Subject to these Articles, the Directors of the Company may conduct their proceedings (including their meetings) as they consider appropriate.
- 29.2. The board of Directors is to meet at the times and places that it decides.
- 29.3. However, a Director may, and the Secretary at the request of a Director must, call a meeting of the board of Directors.
- 29.4. A question arising at a meeting of the Board of Directors is to be decided by a majority of Directors present, in person or by alternate, and voting. However, the Person chairing the meeting (the *meeting chair*) also has a second or a casting vote if the votes on any question are equal.
- 29.5. Business may be conducted at a meeting of the board of Directors only if a quorum is present. ~~A quorum is 2 or, if the Directors have fixed another number, that number.~~ The quorum for board of Directors may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
If a Director is required not to vote on a resolution because of a conflict of interest, the Director must not be counted in working out whether there is a quorum in relation to the resolution.
- 29.6. If the number of Directors of the Company is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a General Meeting.
- 29.7. The Directors of the Company ~~must~~ may appoint (1) Director to be the Chair of the board of Directors and may at any time ~~remove~~ terminate the Chair from that office.
- 29.8. ~~The Chair of the board of Directors must chair all meetings of the board of Directors at which the Chair is present.~~ If there is no Director holding office as Chair, or if the Chair is unwilling to chair a meeting or is not present, in person or by alternate, within ~~5~~ (15) minutes after the time appointed for the meeting, the Directors present may appoint a Director present to chair of the meeting.
- ~~29.9. Subject to any decision of the board of Directors, a resolution in Writing signed by all the Directors of the Company (or their alternates) is as valid and effective as if it had been passed at a meeting of the board of Directors of the Company. The resolution may consist of several Documents in the like form each signed by 1 or more Directors (or their alternates).~~
- 29.10. A decision of the Directors is taken in accordance with this article when eligible Directors indicate to each other by any means that they share a common view on the matter. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or which each eligible Director has otherwise indicated agreement in writing. References in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Director's meeting and the eligible Directors would have formed a quorum at such a meeting
- 29.11. Any Director may validly participate in a Directors meeting through any means approved by the Board, provided that all the Directors participating in the meeting are able to hear and speak to each other during such a meeting. A Director participating (other than in person) shall be deemed to be present in person at the meeting, shall be counted in the quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of participants is assembled, failing which the meeting is deemed to take place where the chairman is physically located.
- 29.12. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote
- 29.13. If in the opinion of the chairman a matter required to be determined by the Directors is sufficiently urgent, the matter may be submitted to the Directors for consideration and provided that Directors constituting a quorum of a duly convened meeting either agree:
- (i) with the proposed resolution of the matter; or
- (ii) that the matter may be resolved in accordance with the decision of the majority of the Directors constituting a quorum, in the event of disagreement amongst the Directors, and the matter shall be resolved in accordance with those communications (however made).
- Any decision made pursuant to this article will be notified to any Director who did not participate in the decision within two (2) days.

29.14. Without limiting the duties of a Director under the Companies Regulations, a Director must not vote at a meeting of Directors on any resolution concerning a matter in which the Director has a direct or indirect conflict of interest. For this subarticle, an interest of a Director includes an interest of any Person who is connected to the Director.

29.15. For the purpose of this article:

(i) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice, in any transaction or arrangement in which the Company is interested, shall be deemed to be sufficient disclosure; and

(ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect the Director to have knowledge shall not be treated as an interest of the Director.

29.16. Subject to the Companies Regulations, the Company may, by an Ordinary Resolution or a Special Resolution, suspend or relax any provision of these Articles prohibiting a Director from voting at a meeting of Directors.

29.17. An objection may only be raised at a meeting of the Directors to the right of any Person to vote at the meeting. The chair of the meeting must rule on the objection unless the objection relates to the meeting chair. The decision of the meeting chair is final and conclusive.

30. SECRETARY

~~The Secretary (or each joint Secretary) of the Company is to be appointed and removed by the Directors. A Secretary holds office on the terms and conditions of appointment decided by the Directors.~~

Subject to the Companies Regulations, a Secretary may be appointed and removed by the Directors who shall decide on the terms, remuneration and conditions of appointment.

31. MINUTES

The Directors of the Company must ensure that minutes are kept for recording:

- (a) all appointments of officers made by the Directors; and
- (b) all proceedings at General Meetings, meetings of Shareholders of any class of Shares of the Company, meetings of the Directors and committees of Directors.

The minutes of a meeting must include the names of the Directors present at the meeting.

32. DIVIDENDS

32.1. Subject to the Companies Regulations, the Company may, by Ordinary Resolution, declare dividends in accordance with the respective rights of the Shareholders, but no dividend may exceed the amount recommended by the Directors of the Company.

32.2. Subject to the Companies Regulations, the Directors of the Company may pay interim dividends if it appears to them that they are justified by the profits of the Company available for Distribution. If the share capital is divided into different classes, no interim dividend may be paid on Shares with deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. If the Directors act in good faith, the Directors do not incur any Liability to Shareholders of Shares with preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares with deferred or non-preferred rights.

32.3. The Directors of the Company may recommend, and a General Meeting may declare, that a dividend may be satisfied completely or partly by the Distribution of assets. If any difficulty arises in relation to the Distribution, the Directors may determine the method of settlement.

32.4. ~~Any dividend or other amount payable by the Company to a Person (or 2 or more Persons) in relation to a Share of the Company may be paid by cheque.~~ Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient

at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or

(d) any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the directors decide.

~~32.5. If the amount is payable to a single Person (the *relevant Person*), the cheque must be sent by post to the registered address of the relevant Person or to the Person and to the address that the relevant Person may direct in Writing. If 2 or more Persons (the *relevant Persons*) are joint holders of the Share or are jointly entitled to it, the cheque must be sent by post to the registered address of whichever of those Persons whose name appears first in the Company's Register of Shareholders or to the Person and to the address that the relevant Persons may direct in Writing.~~

~~32.6. The cheque must be made payable to the order of the relevant Person or relevant Persons or to the other Person that the relevant Person or relevant Persons may direct in Writing.~~

~~32.7. Payment of the cheque is a good discharge to the Company.~~

~~32.8. Any joint holder or other Person jointly entitled to a Share of the Company may give a receipt for any dividend or other amount payable in relation to the Share.~~

32.9. No dividend or other amount payable in relation a Share of the Company bears interest unless otherwise provided by the rights attached to the share.

32.10. If any dividend or other amount payable in relation to a Share of the Company has remained unclaimed for 12 years from the day it became due for payment, the Directors of the Company may resolve that the amount is forfeited. If the Directors resolve that any dividend or other amount is forfeited, the dividend ceases to be owing by the Company.

33. INSPECTION OF ACCOUNTING RECORDS ETC.

33.1. A Shareholder of the Company does not have a right to inspect any Accounting Records, other books or other Documents of the Company except so far as the right is provided to the Shareholder by the ~~law (Companies Regulations)~~ or the inspection is authorised by the Directors or the Company or the Ordinary Resolution of the Company.

~~33.2. The Company shall appoint auditors to examine the accounts and report on them in accordance with the Law.~~

34. CAPITALISATION OF PROFITS

14. The Directors may, if they are so authorised by an Ordinary Resolution ~~with the authority of a Resolution of the Company:~~

(a) subject to this article, resolve to capitalise any ~~undistributed~~ undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any amount standing to the credit of the Company's share premium account or capital redemption reserve; and

(b) appropriate the amount resolved to be capitalised to the Shareholders who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply the amount on their behalf in allotting any Shares or Debt Securities not issued as fully Paid-up Shares or ~~debentures~~ Debt Securities of the Company of a nominal amount equal to that amount or in payment of any amount unpaid on a share or ~~debentures~~ Debt Security, or (with the consent of the holder of the Shares or ~~debentures~~ Debt Security concerned) partly paid Shares or ~~debentures~~ Debt Securities. The Share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in allotting Shares issued to Shareholders as fully paid; and

(c) make by payment in cash or otherwise as the Directors decide for Shares or debentures becoming distributable under this article in fractions; and

(d) authorise any Person to enter into a binding agreement with the Company on behalf of all the

Shareholders concerned providing for the Allotment to them respectively, credited as fully Paid-up, of any Shares or debentures to which they are entitled on the capitalisation.

~~15. — For paragraph (b), the share premium account, the capital redemption reserve, and any profits that are not available for Distribution may, for the purposes of this article, only be applied in allotting Shares not issued to Shareholders as fully Paid-up.~~

35. NOTICES

35.1. Any notice under these Articles must be given in ~~w~~Writing.

35.2. The Company may give any notice to a Shareholder of the Company

(i) personally; or

(ii) by sending it by post in a prepaid envelope addressed to the Shareholder at the Shareholder's registered address or by leaving it at that address; or

(iii) in electronic form to an address nominated by the Shareholder and is treated as being delivered at the time it was sent; or

(iv) by any other means agreed between the Shareholder and the Company.

~~either personally, by sending it by post in a prepaid envelope addressed to the Shareholder at the Shareholder's registered address or by leaving it at that address or electronic form to an address nominated by the Shareholder and is treated as being delivered at the time it was sent. This article does not affect any provision in any law or these Articles requiring notices or documents to be delivered in a particular way.~~

35.3. For the joint holders of a Share, all notices must be given to the joint holder whose name appears first in the Company's Register of Shareholders in relation to the joint holding and notice so given is sufficient notice to all the joint holders.

35.4. A Person present, either in person or by proxy, at any meeting is taken to have received notice of the meeting.

35.5. Every Person who becomes entitled to a Share of the Company is bound by any notice in relation to the Share.

35.6. Proof that an envelope containing a notice was properly addressed, prepaid and posted is conclusive evidence that the notice was given 48 hours after it was posted. A notice is taken to be given at the end of 48 hours after the envelope containing it was posted.

35.7. Proof that an electronic transmission was sent is evidence that the notice was delivered at the time it was sent.

35.8. A notice may be given by the Company to the Persons entitled (or claiming to be entitled) to a Share as a result of the death or bankruptcy of a Shareholder by sending it by post to, or leaving it at, the address provided by them to the Company. Until an address has been provided to the Company, a notice may be given by the Company in relation to the Share in any way in which it might have been given if the death or bankruptcy had not happened.

36. INDEMNITY

The Company must indemnify every Person who is or has been Director, other officer or auditor of the Company in relation to any liability incurred by the Person in defending any proceeding in relation to the Company to the extent allowed by the Companies Regulations.

37. AMENDMENT OF THESE ARTICLES

These Articles may only be amended by Special Resolution.

Signed by or on behalf of the Incorporators