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CAYMAN UPDATES

The Companies (Amendment) Law, 2016 – Prohibition on issues of bearer shares

On 13 May 2016 the Companies (Amendment) Law 2016 came into force. The Law removes the power of Cayman Islands exempted companies to issue bearer shares and other forms of negotiable shares. A new section 231A (i) prohibits the issue of any new bearer shares after 13 May 2016, and (ii) voids any existing bearer shares not converted into registered shares before 13 July 2016. You may access a copy of the Law here <http://www.gov.ky/portal/pls/portal/docs/1/12304482.PDF>.

These changes are very much in keeping with the global trend of prohibiting the issues of bearer instruments in a move towards transparency. Practically speaking, such changes have little impact on many entities given that bearer share companies have not been welcomed by financial institutions and incorporation of such companies have been on the decline for a number of years.

Confidential Information Disclosure Bill 2016

On 11 May 2016 a Bill for a Law to repeal the Cayman Island's Confidential Relationships (Preservation) Law (2015 Revision) was issued. It provides for the circumstance under which confidential information may be disclosed.

The Bill, amongst other things, proposes a number of statutory basis upon which information may be disclosed by a person who owes a duty of confidentiality without that person incurring civil liability. You may access the full text of the bill here:

<http://www.gov.ky/portal/pls/portal/docs/1/12304444.PDF>.

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