LIMITED LIABILITY COMPANIES (WINDING UP AND DISSOLUTION) (JERSEY) REGULATIONS 2022

Official Consolidated Version

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LIMITED LIABILITY COMPANIES (WINDING UP AND DISSOLUTION) (JERSEY) REGULATIONS 2022

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Jersey

LIMITED LIABILITY COMPANIES (WINDING UP AND DISSOLUTION) (JERSEY) REGULATIONS 2022

THE STATES make these Regulations under Article 60 of the Limited Liability Companies (Jersey) Law 2018 –

Commencement [see endnotes]

PART 1

INTRODUCTION

1 Interpretation[1]

In these Regulations –

"approval" means a consent or approval given by the members in accordance with the LLC agreement or Article 16 of the Law;

"contributory" means a person liable to contribute to the assets of a limited liability company under Regulation 51;

"Désastre Law" means the Bankruptcy (Désastre) (Jersey) Law 1990;

"Law" means the Limited Liability Companies (Jersey) Law 2018;

"liabilities" includes any amount reasonably necessary to be retained for the purpose of providing for any liability or loss which is either likely to be incurred or certain to be incurred but uncertain as to amount or as to the date on which it will arise;

"manager" includes a member in whom the management of the limited liability company is vested in accordance with Article 21 of the Law;

"special resolution" means a vote (or consent) of members which is passed (or given) by members who together hold a two thirds majority of the total rights to the profits of the limited liability company, but where that results in no members with a right to vote or provide consent, a vote (or consent) by a two thirds majority in number of the members;

"statement of solvency" is to be construed in accordance with Regulation 5.

2 Winding up limited liability companies of limited duration

(1) A limited liability company may be wound up and dissolved on the expiry of a fixed period of time, or on the occurrence of an event, specified in its LLC agreement if, within 21 days after the expiry of that period or the occurrence of that event, the

limited liability company gives notice to the registrar stating that the period has expired or that the event has occurred and the date of that expiry or occurrence.

(2) If notice is not given to the registrar under paragraph (1), any manager, member or creditor of the limited liability company –

(a) may, at any time after the expiration of the period of 21 days, give such a notice to the registrar; and

(b) must, at the same time, give a copy of the notice to the limited liability company.

(3) A limited liability company may be summarily wound up under Part 2 if a statement of solvency –

(a) is made in accordance with Regulation 5(1) within 28 days before notice is given in accordance with paragraph (1) and given to the registrar with the notice; or

(b) is made in accordance with Regulation 5(1) and given to the registrar within 28 days after a notice is given under paragraph (2).

(4) A summary winding up under which assets of the limited liability company are to be distributed commences when the limited liability company complies with paragraph (3).

(5) If a statement of solvency is not given to the registrar under paragraph (3), the limited liability company must be wound up under Part 3.

(6) In this Regulation, "fixed period of time" means a period of time which is ascertainable without reference to any event which is –

(a) contingent; or

(b) otherwise uncertain.

3 Power for Court to wind up on just and equitable grounds

(1) A limited liability company, other than a limited liability company in respect of which a declaration has been made (and not recalled) under the Désastre Law, may be wound up by the Court if the Court is of the opinion that –

(a) it is just and equitable to do so; or

(b) it is in the public interest to do so.

(2) An application to the Court to wind up a limited liability company on the ground specified in paragraph (1)(a) may be made by –

(a) the limited liability company or one of its managers;

(b) the Minister or the Minister for Treasury and Resources following receipt of an Article 9(5) report;

(c) the Commission; or

(d) a supervisory body as defined in the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008).

(3) An application to the Court to wind up a limited liability company on the ground specified in paragraph (1)(b) may be made by –

(a) the Minister or the Minister for Treasury and Resources following receipt of an Article 9(5) report; or

(b) the Commission.

(4) If the Court orders a limited liability company to be wound up under this Regulation it may –

(a) appoint a liquidator;

(b) direct the manner in which the winding up is to be conducted; and

(c) make such orders as it sees fit to ensure that the winding up is conducted in an orderly manner.

(5) The Act of the Court ordering the winding up of a limited liability company under this Regulation must be –

(a) provided to the registrar by the limited liability company within 14 days after it is made; and

(b) recorded by the registrar.

(6) A limited liability company that fails to comply with paragraph (5)(a) commits an offence and is liable to a fine not exceeding level 3 on the standard scale.

(7) In this Regulation, "Article 9(5) report" means a report provided to the Minister for Treasury and Resources under Article 9(5) of the Taxation (Companies – Economic Substance) (Jersey) Law 2019.

PART 2

SUMMARY WINDING UP

4 Application

(1) This Part applies to the winding up of a limited liability company (other than a limited liability company in respect of which a declaration has been made and not recalled under the Désastre Law) that –

(a) has no liabilities; or

(b) has liabilities that it will be able to discharge in full as they fall due.[2]

(2) A winding up under this Part is a summary winding up.

5 Procedure

(1) A statement of solvency must be signed by each manager and state that, having made full enquiry into the limited liability company's affairs, each manager is satisfied that –

(a) the limited liability company has no assets and no liabilities;

(b) the limited liability company has assets and no liabilities;

(c) the limited liability company has liabilities that it will be able to discharge in full as they fall due.[3]

(2) The limited liability company must –

(a) within 28 days after a statement of solvency has been signed by the managers, obtain the approval of the members for the limited liability company to be wound up summarily by special resolution; and

(b) within 21 days of obtaining the approval, give notice of it to the registrar together with the statement of solvency.[4]

(3) A summary winding up under which assets of the limited liability company are to be distributed commences when the limited liability company complies with paragraph (2)(a).

(4) The registrar must register a statement of solvency given under this Regulation.

(5) A manager who signs a statement of solvency given to the registrar without having reasonable grounds for making the statement commits an offence and is liable to a fine and 2 years imprisonment.

6 Effect on status of limited liability company

(1) A limited liability company continues to have capacity after the commencement of the limited liability company's summary winding up until the limited liability company is dissolved.

(2) However, the limited liability company must not exercise its powers other than for the following purposes –

(a) realising its assets;

(b) discharging its liabilities;

(c) distributing its assets in accordance with Regulation 8.[5]

(3) For the purpose of realising and distributing assets as provided by paragraph (2), a limited liability company may, with the approval of its members by special resolution, transfer the whole or any part of its assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body, which must be distributed as assets of the limited liability company in accordance with Regulation 8.[6]

(4) In paragraph (3), "relevant body" means a body corporate, limited liability company or limited liability partnership.[7]

7 Liquidator

(1) A limited liability company may, on or after the commencement of its summary winding up and with the approval of its members, appoint a person as its liquidator for the purposes of the winding up.

(2) Subject to the LLC agreement, on the appointment of a liquidator, the managers cease to be authorised to exercise their powers in respect of the limited liability company and those powers may be exercised by the liquidator.

(3) The liquidator is entitled to receive from the limited liability company, the remuneration –

(a) agreed between the liquidator and the limited liability company before the appointment;

(b) subsequently approved by the members of the limited liability company; or

(c) subsequently determined by the Court.

(4) A limited liability company may, with the approval of its members, revoke the appointment of a liquidator.

(5) An appointment made in contravention of this Regulation is void.

(6) A limited liability company must, within 14 days after the revocation of the appointment of the liquidator, notify the Registrar of the revocation.[8]

(7) A liquidator may, with the approval of the members by special resolution, transfer the whole or any part of the limited liability company's assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body, which must be distributed as assets of the limited liability company in accordance with Regulation 8.[9]

(8) In paragraph (7), "relevant body" means a body corporate, limited liability company or limited liability partnership.[10]

8 Distribution of assets and dissolution

(1) On the registration by the registrar of a statement of solvency stating that the limited liability company has no assets and no liabilities, the limited liability company is dissolved.

(2) If a statement of solvency states that the limited liability company has assets and no liabilities, the limited liability company must distribute its assets between its members in accordance with their rights or the LLC agreement.

(3) If a statement of solvency states that the limited liability company has liabilities, the limited liability company –

(a) must discharge those liabilities as they become due; and

(b) may at any time distribute its assets between its members in accordance with their rights or the LLC agreement, but only if there are no remaining liabilities or the managers reasonably believe that the limited liability company is able to discharge any remaining liabilities as they fall due.[11]

(4) After discharging its liabilities (if any) and distributing its assets, a limited liability company must provide the registrar with a statement, signed by each manager or, if the liquidator discharged the liabilities or distributed the assets, the liquidator –

(a) stating that each manager or the liquidator, having made full enquiry into the limited liability company's affairs, is satisfied that the limited liability company has no remaining assets or liabilities; and

(b) giving an account of their acts and dealings during the conduct of the winding up.[12]

(5) The registrar must register the statement provided under paragraph (4) and, on the registration of that statement, the limited liability company is dissolved.

(6) A manager or liquidator who signs a statement provided to the registrar under paragraph (4) without having reasonable grounds for making the statement commits an offence and is liable to a fine and 2 years imprisonment.

9 Effect of insolvency

(1) This Regulation applies if, after the commencement of a summary winding up of a limited liability company, a liquidator appointed under Regulation 7(1) or, if no liquidator is appointed, a manager of the limited liability company, forms the opinion that the limited liability company has liabilities that it will be unable to discharge as they fall due.[13]

(2) The liquidator or manager must record the opinion –

(a) in the case of a liquidator, in their records of the administration of the affairs of the limited liability company; or

(b) in the case of a manager, in the minutes of a meeting of the managers.

(3) The liquidator or manager must –

(a) give each creditor of the limited liability company notice in writing of a creditors' meeting to be held in Jersey at least 14 days after the service of the notice and not more than 28 days after the opinion was recorded under paragraph (2);

(b) give a copy of the notice to the registrar; and

(c) publish the notice in the Jersey Gazette at least 10 days before the day on which the meeting is to occur.

(4) The notice must contain the name of a person nominated as liquidator of the limited liability company for a creditors' winding up.

(5) At any time before the meeting, the liquidator or manager must furnish any creditor, free of charge, with such information concerning the affairs of the limited liability company as the creditor may reasonably request.

(6) The meeting must be conducted by –

(a) the liquidator;

(b) if no liquidator is appointed, a manager nominated by the managers; or

(c) if the limited liability company has no managers, a member nominated by its members.

(7) At the meeting, the liquidator or a manager must provide a statement, verified by affidavit by the liquidator or the manager, as to the affairs of the limited liability company.

(8) On and from the day of the meeting –

(a) the winding up of the limited liability company is taken to be a creditors' winding up under Part 3; and

(b) for the purpose of Regulation 17, the meeting is taken to be a creditors' meeting held in accordance with Regulation 16.

(9) A liquidator or manager who, without reasonable excuse, fails to comply with any obligation under this Regulation commits an offence and is liable to a fine and 2 years imprisonment.

10 Termination of summary winding up

(1) A limited liability company may approve the termination of its winding up if –

(a) its summary winding up has commenced;

(b) it has not received any contribution from a contributory under Regulation 51;

(c) it has not, for the purposes of the winding up, distributed any of its assets between its members; and

(d) it has discharged its liabilities.

(2) The winding up of a limited liability company is terminated when the limited liability company provides the registrar with a certificate signed by a manager of the limited liability company stating that –

(a) the termination of the winding up has been approved by the members of the limited liability company;

(b) the limited liability company has not received any contribution from a contributory under Regulation 51;

(c) the limited liability company has not, for the purposes of the winding up, distributed its assets between its members; and

(d) the limited liability company has discharged its liabilities.

(3) On the termination of the winding up of a limited liability company –

(a) the appointment of its liquidator is taken to be revoked; and

(b) subject to paragraph (4), the limited liability company and all other persons are taken to be in the same position as they would be if the winding up had not commenced.

(4) The termination of a winding up does not affect the validity of anything duly done by any liquidator, manager or other person, or by operation of law, before its termination.

(5) A manager who signs a certificate provided to the registrar under paragraph (2) without having reasonable grounds for believing that the statements in it are true commits an offence and is liable to a fine and 2 years imprisonment.

11 Declaration under Désastre Law

(1) The winding up of a limited liability company is terminated if –

(a) a summary winding up of the limited liability company has commenced; and

(b) a declaration is made in respect of the limited liability company under the Désastre Law.

(2) On the termination of the winding up of a limited liability company –

(a) the appointment of its liquidator is taken to be revoked; and

(b) subject to paragraph (3), the limited liability company and all other persons are taken to be in the same position as they would be if the winding up had not commenced.

(3) The termination of a winding up does not affect the validity of anything duly done by any liquidator, manager or other person, or by operation of law, before its termination.

PART 3

CREDITORS' WINDING UP

12 Application

(1) This Part applies to the winding up of a limited liability company otherwise than under Parts 1 or 2.[14]

(2) A winding up under this Part is a creditors' winding up.

13 Procedure[15]

A limited liability company, other than a limited liability company in respect of which a declaration has been made (and not recalled) under the Désastre Law, may be wound up under this Part if –

(a) the limited liability company resolves to do so by special resolution; or

(b) the Court makes an order for winding up under Regulation 13C.

13A Application for creditors' winding up by creditor[16]

(1) A creditor may make an application to the Court for an order to commence a creditors' winding up if the creditor has a liquidated claim against the limited liability company for not less than the minimum liquidated sum and –

(a) the limited liability company is unable to pay its debts as they fall due;

(b) the creditor has evidence of the limited liability company's insolvency; or

(c) the creditor has the consent of the limited liability company.[17]

(2) A limited liability company is deemed to be unable to pay its debts as they fall due for the purposes of paragraph (1)(a) if –

(a) the creditor to whom the limited liability company is indebted in a sum exceeding the minimum liquidated sum then due has served on the limited liability company, by way of personal service, a statutory demand in the form set out in Schedule 1 requiring the limited liability company to pay the sum so due; and

(b) the limited liability company has for 21 days after service of the statutory demand failed to pay the sum or otherwise dispute the debt due to the reasonable satisfaction of the creditor.[18]

(3) Except in exceptional circumstances, a creditor who makes an application under paragraph (1) must give the limited liability company at least 48 hours' notice of the application that is being made.

(4) A creditor must not make an application under paragraph (1) –

(a) to the extent that the creditor has agreed not to make an application; or

(b) if the creditor's only claim is for repossession of goods.

(5) An application under paragraph (1) must be made in the form approved by the Court and must be accompanied by an affidavit verifying the content of the form.

(6) In this Regulation, the "minimum liquidated sum" means the minimum liquidated sum prescribed for the time being in the Companies (General Provisions) (Jersey) Order 2002 for the purposes of Article 157A of the Companies (Jersey) Law 1991.

13B Appointment of provisional liquidator[19]

(1) Subject to the provisions of this Regulation, the Court may, at any time after an application for a creditors' winding up is made under Regulation 13A, appoint a liquidator provisionally.

(2) The liquidator appointed provisionally under this Regulation must carry out such functions that the Court may confer on the liquidator.

(3) The powers of a liquidator appointed provisionally under this Regulation may be limited by the order appointing the liquidator.

(3A) The order appointing the liquidator provisionally –

(a) must specify whether all powers of the managers cease on the appointment; and

(b) if they do not, must sanction the continuance of the powers of the managers, or specified powers.[20]

(4) After the appointment of a liquidator provisionally under this Regulation no action or legal proceeding must be taken or proceeded with against the limited liability company except by leave of the Court and subject to such terms as the Court may impose.[21]

(5) A liquidator appointed provisionally under this Regulation must as soon as is reasonably practicable after the appointment –

(a) give notice of the appointment to the registrar, the Viscount and the managers and creditors of the limited liability company (to the extent known to the liquidator); and

(b) send a copy of the relevant act of Court to the registrar.

(6) Nothing in this Regulation prevents a person with security over the whole or part of the assets of the limited liability company (whether such security was taken before or after the commencement of the Companies (Jersey) Amendment Law 2026) from –

(a) enforcing that security;

(b) making or continuing an application under Article 52 of the Security Interests (Jersey) Law 2012; or

(c) commencing or continuing any action or legal proceeding to enforce that security if it is a hypothec over Jersey immovable property.[22]

13C Order of Court commencing creditors' winding up[23]

(1) The Court, after considering an application made, and the affidavit required, under Regulation 13A, may –

(a) make an order that a creditors' winding up must commence in respect of the limited liability company and appoint a person nominated by the applicant or selected by the Court as the liquidator; or

(b) dismiss the application and make such order as it thinks fit.[24]

(2) The Court may –

(a) at any time adjourn the hearing of an application made under Regulation 13A for such time as the Court thinks fit;

(b) require the applicant to furnish such further information as the Court requires; and

(c) order other parties to be convened to the application.

(3) A liquidator appointed under paragraph (1)(a) must, within 14 days after the liquidator's appointment –

(a) give notice of the appointment to the registrar, the Viscount and the managers and creditors of the limited liability company (to the extent known to the liquidator); and

(b) send a copy of the relevant act of Court to the registrar.

(4) A liquidator who fails to comply with paragraph (3) commits an offence and is liable to a fine not exceeding level 3 on the standard scale.

(5) If, as a result of an application made by a creditor, an order for a creditors' winding up is made and the limited liability company was not insolvent at the date that the application was made, the limited liability company has the right of action against the applicant to recover damages for or in respect of any loss sustained by the limited

liability company as a consequence of the order, unless the applicant, in making the application, acted reasonably and in good faith.

(6) Any action brought under paragraph (5) must be commenced within 12 months from the date of the application.

13D Limited liability company's application to terminate creditors' winding up[25]

(1) A limited liability company may, at any time during the course of the creditors' winding up which has been ordered by the Court under Regulation 13C(1)(a), apply to the Court for an order terminating the creditors' winding up.

(2) The Court must refuse an application made under paragraph (1) if the Court is not satisfied that the property of the limited liability company is at the time of the application sufficient to pay in full claims filed with the liquidator or claims which the liquidator has been advised will be filed within the time required for proving a debt.

(3) In considering an application under paragraph (1), the Court must have regard to the interests of –

(a) creditors who have filed a proof of debt;

(b) creditors whose claims the liquidator has been advised will be filed within time required for proving a debt; and

(c) the limited liability company.

(4) If the Court makes an order under this Regulation, the Court may make such further order as it thinks fit.

(5) If the Court makes an order under this Regulation, the creditors' winding up terminates from the date of the order unless the Court orders otherwise.

(6) An order made under this Regulation does not affect the validity of any act of the liquidator (including a liquidator appointed provisionally under Regulation 13B) relating to the limited liability company between the date of the liquidator's appointment and the date of the termination of the creditors' winding up under paragraph (5).[26]

(7) For the purposes of this Regulation, the same rules apply to the time and manner of proving debts as are in force for the time being with respect to persons against whom a declaration has been made under the Désastre Law with the substitution of references to a creditors' winding up for references to the désastre and references to a liquidator for references to the Viscount.

14 Notice of winding up

(1) A limited liability company must, if the members of a limited liability company approve the winding up of the limited liability company under this Part –

(a) publish a notice in the Jersey Gazette; and

(b) provide notice to the registrar.

(2) The notice must be published, and provided to the registrar, within 14 days after the day on which the winding up was approved.

(3) A limited liability company that fails to comply with paragraph (1) or (2) commits an offence and is liable to a fine not exceeding level 3 on the standard scale.

(4) The liquidator must, if the Court orders a creditors' winding up –

(a) publish a notice in the Jersey Gazette; and

(b) provide notice to the registrar.[27]

(5) The notice must be published, and provided to the registrar, within 14 days after the day on which the order was made.[28]

(6) A liquidator that fails to comply with paragraph (4) or (5) commits an offence and is liable to a fine not exceeding level 3 on the standard scale.[29]

15 Commencement and effects of creditors' winding up

(1) A creditors' winding up commences –

(a) when a creditors' winding up is approved by the members of the limited liability company; or

(b) if the Court orders the creditors' winding up under Regulation 13C(1)(a), at the time the order is made.[30]

(2) A limited liability company continues to have capacity after the commencement of the limited liability company's creditors' winding up until the limited liability company is dissolved.

(3) However, the limited liability company must not exercise its powers other than for the purpose of its beneficial winding up.[31]

(4) A transfer of any LLC interests not being a transfer made to or with the sanction of the liquidator, or an alteration in the status of the limited liability company's members, as members, is void if it is made after the commencement of a creditors' winding up of a limited liability company.

(5) Paragraph (4) does not avoid a transfer of LLC interests made pursuant to a power under Part 7 of the Security Interests (Jersey) Law 2012 even if it is not made to or with the sanction of the liquidator.

(6) After the commencement of a creditors' winding up of a limited liability company, no action is to be taken, or legal proceeding commenced, or proceeded with against the limited liability company other than by leave of the Court and subject to such terms as the Court may impose.[32]

(7) Nothing in this Regulation prevents a person with security over the whole or part of the assets of the limited liability company (whether such security was taken before or after the commencement of the Companies (Jersey) Amendment Law 2026) from –

(a) enforcing that security;

(b) making or continuing an application under Article 52 of the Security Interests (Jersey) Law 2012; or

(c) commencing or continuing any action or legal proceeding to enforce that security if it is a hypothec over Jersey immovable property.[33]

16 Meeting of creditors in creditors' winding up other than a Court-ordered creditors' winding up[34]

(A1) This Regulation applies in the case of a creditors' winding up that is not ordered by the Court.[35]

(1) A limited liability company in a creditors' winding up must –

(a) give notice to its creditors of a meeting to be held in Jersey;

(b) nominate a person to be liquidator for the purposes of a creditors' winding up; and

(c) during the period before the meeting, provide, free of charge, any information concerning the affairs of the limited liability company as the creditors may reasonably require.

(2) The notice must be given –

(a) at least 14 days before the day on which the meeting is to be held; and

(b) by advertisement in the Jersey Gazette at least 10 days before the day of the meeting.

(3) If a limited liability company fails, without reasonable excuse, to comply with paragraph (1) or (2), the limited liability company commits an offence and is liable to a fine.

(4) The managers of a limited liability company in a creditors' winding up must –

(a) prepare a statement as to the affairs of the limited liability company, verified by affidavit by one or more of the managers;

(b) lay that statement before the creditors' meeting; and

(c) appoint a manager to preside at that meeting.

(5) If a manager fails, without reasonable excuse, to comply with paragraph (4), the manager commits an offence and is liable to a fine.

(6) The manager appointed under paragraph (4)(c) must attend the meeting and preside over it.

(7) If a manager appointed under paragraph (4)(c) fails, without reasonable excuse, to comply with paragraph (6), the manager commits an offence and is liable to a fine.

(8) The creditors may, at the creditors' meeting, nominate a person to be the liquidator for the purpose of the creditors' winding up.

16A Meeting of creditors following Court-ordered creditors' winding up[36]

(1) If the Court orders a creditors' winding up in respect of a limited liability company under Regulation 13C(1)(a) or appoints a liquidator provisionally under Regulation 13B, the liquidator must –

(a) within 7 days after the date of the appointment of the liquidator, give notice to the creditors of the limited liability company of a meeting to be held in Jersey on the day falling 21 days after the date of the Court order, or if that day is not a working day, the next working day after that day;

(b) during the period before the meeting, provide, free of charge, any information concerning the affairs of the limited liability company as the creditors may reasonably require.

(2) The notice must be given –

(a) at least 14 days before the day on which the meeting is to be held; and

(b) by advertisement in the Jersey Gazette at least 10 days before the day of the meeting.

(3) If a liquidator fails, without reasonable excuse, to comply with paragraph (1) or (2), the liquidator commits an offence and is liable to a fine.

(4) The managers of a limited liability company in a creditors' winding up must –

(a) prepare a statement as to the affairs of the limited liability company, verified by affidavit by one or more of the managers; and

(b) lay that statement before the creditors' meeting.

(5) If a manager fails, without reasonable excuse, to comply with paragraph (4), the manager commits an offence and is liable to a fine.

(6) The liquidator appointed by the Court must preside over the creditors' meeting called under this Regulation.

(7) In paragraph (1), "working day" means a day which is not –

(a) a Saturday, a Sunday, Christmas Day, or Good Friday; or

(b) a day that is a public holiday under the Public Holidays and Bank Holidays (Jersey) Act 2010.

17 Appointment of liquidator

(A1) Paragraphs (1) to (3) apply in the case of a creditors' winding up that is not ordered by the Court.[37]

(1) If a creditors' meeting is called in accordance with Regulation 9(3), the person nominated to be liquidator in the notice calling the meeting is taken, for the purposes of this Regulation, to have been nominated as the liquidator by the limited liability company.

(2) The following person is appointed as the liquidator with effect from the conclusion of the creditors' meeting –

(a) the person nominated to be the liquidator by the creditors at the creditors' meeting; or

(b) if no person is nominated by the creditors at the creditors' meeting, the person nominated by the limited liability company.

(3) If different persons are nominated, a manager, member or creditor of the limited liability company may, within 7 days after the date on which the nomination was made by the creditors, apply to the Court for an order either –

(a) directing that the person nominated as liquidator by the limited liability company be liquidator instead of or jointly with the person nominated by the creditors; or

(b) appointing some other person to be liquidator instead of the person nominated by the creditors.

(3A) Where a liquidator has been appointed by the Court, a creditor of the limited liability company in respect of which the creditors' winding up has been ordered under Regulation 13C(1)(a) may, within 7 days of the creditors' meeting referred to in Regulation 16A, apply to the Court for an order appointing some other person to be the liquidator instead of the person appointed by the Court under Regulation 13C(1)(a).[38]

(4) A liquidator appointed under this Regulation must, within 14 days after the appointment, give notice of the appointment signed by the liquidator to the registrar and to the creditors.

(5) A liquidator who fails to comply with paragraph (4) commits an offence and is liable to a fine not exceeding level 3 on the standard scale.

18 Appointment of liquidation committee

(1) The creditors at a creditors' meeting may appoint a liquidation committee comprising no more than 5 persons to exercise the functions conferred on it by or under these Regulations.

(2) If a liquidation committee is appointed, the limited liability company may, with the approval of its members, appoint no more than 5 persons to act as members of the committee.

(3) The creditors may resolve that all or any of the persons appointed by the limited liability company under paragraph (2) must not act as members of the committee and if the creditors so resolve –

(a) the persons named in the resolution must not, unless the Court otherwise directs, act as members of the liquidation committee; and

(b) on an application to the Court made by the creditors or the members, the Court may appoint other persons to act as members of the liquidation committee in place of the persons named in the resolution.

19 No liquidator appointed

(1) This Regulation applies where a creditors' winding up that is not ordered by the Court has commenced but no liquidator has been appointed.[39]

(2) During the period before the appointment of a liquidator, the powers of the managers must not be exercised except –

(a) with the sanction of the Court;

(b) to secure compliance with Regulation 16; or

(c) to protect the assets of the limited liability company.

(3) If a manager, without reasonable excuse, fails to comply with this Regulation, the manager commits an offence and is liable to a fine and 6 months imprisonment.

https://www.jerseylaw.je/laws/current/l_1_2017**20 Cost of creditors' winding up**[40]

(1) All costs, charges and expenses properly incurred in relation to a creditors' winding up are payable out of the assets of the limited liability company in priority to all other claims.

(2) Without limiting the generality of paragraph (1), such costs, charges and expenses include –

(a) obtaining an order to commence a creditors' winding up under Regulation 13A;

(b) appointing a liquidator, and appointing a liquidator provisionally under Regulation 13B;

(c) the remuneration of a liquidator; and

(d) any expenses of a liquidator incurred in complying with Article 15(5) of the Dormant Bank Accounts (Jersey) Law 2017.

21 Application of the law relating to désastre

(1) Subject to paragraph (2) and Regulation 20, in a creditors' winding up, the same rules prevail with respect to persons against whom a declaration has been made under the Désastre Law with the substitution of references to the liquidator and to the winding up respectively for references to the Viscount and to the *désastre* with regard to the following –

(a) the respective rights of secured and unsecured creditors;

(b) debts provable;

(c) the time and manner of proving any debt;

(d) the admission and rejection of the proof of any debt;

(e) the setting off of any debts;

(f) the order of payment of debts.

(2) Any surplus remaining after payment of the debts proved in the winding up, before being applied for any other purpose, must be applied in paying interest on those debts that bore interest before the commencement of the winding up –

(a) in respect of the period during which they have been outstanding since the commencement of the winding up; and

(b) at the rate of interest that applied in respect of those debts before the commencement of the winding up.

22 Arrangement when binding on creditors

(1) An arrangement entered into between a limited liability company and its creditors immediately before the commencement of, or in the course of, a creditors' winding up, is binding on –

(a) the limited liability company, if approved by the members of the limited liability company; and

(b) the creditors, if resolved by –

(i) at least 75% of the creditors who vote on the resolution (either in person or by proxy), and

(ii) at least 75% of the value of the votes of the creditors who vote on the resolution (either in person or by proxy).

(2) A creditor or contributor may, no later than 3 weeks before the completion of the arrangement, appeal to the Court to amend or vary the arrangement.

(3) On appeal, the Court may, as it thinks just, amend, vary or confirm the arrangement.

23 Meetings of limited liability company and creditors

(1) If a creditors' winding up continues for more than 12 months, the liquidator must –

(a) call a meeting of the members of the limited liability company and a meeting of the creditors to be held within 3 months after each one year anniversary of the commencement of the winding up, or within such longer period approved by the Commission; and

(b) lay before the meetings an account of the liquidator's acts and dealings and of the conduct of the winding up during the preceding year, and deliver a copy of the account for each period to the registrar for registration.[41]

(2) If the liquidator fails to comply with this Regulation, the liquidator commits an offence and is liable to a fine not exceeding level 3 on the standard scale.

24 Final meeting and dissolution

(1) The liquidator must, as soon as practicable after the affairs of a limited liability company in a creditors' winding up are wound up –

(a) prepare an account of the winding up, including details of how it has been conducted and how the limited liability company's property has been disposed of; and

(b) call a meeting of the members of the limited liability company and a meeting of the creditors, giving 21 days' notice of each meeting in writing accompanied by a copy of the account of the winding up, for the purpose of laying the account before the meetings and giving an explanation of it.

(2) The liquidator must, within 7 days after the later meeting, provide a return to the registrar –

(a) stating that the meetings were held, including the dates on which they were held; or

(b) if a quorum was not present at either meeting, stating that the meeting was called and that no quorum was present.

(3) The registrar must, on receiving a return, register the return, and on the registration of that return, the limited liability company is dissolved.

25 Procedure at creditors' meeting

(1) A creditor who has been given notice of a creditors' meeting is entitled to vote at the meeting (either in person or by proxy) and any adjournment of it.

(2) The value of a creditor's vote is to be calculated according to the amount of the creditor's debt at the date of the commencement of the winding up.

(3) A debt for an unliquidated amount or a debt the value of which has not been ascertained does not give a creditor the right to vote at a creditors' meeting, however, the chair of the meeting may assign an estimated minimum value to the debt that entitles the creditor to vote.

(4) For a resolution to pass at a creditors' meeting, it must be supported by creditors the values of whose votes exceed half the value of the votes of the creditors who vote on the resolution (either in person or by proxy).

(5) A creditors' meeting is not competent to act unless there is present (either in person or by proxy) at least one creditor entitled to vote.

26 Powers and duties of liquidator

(1) The liquidator in a creditors' winding up may, with the sanction of the Court or the liquidation committee (or, if there is no such committee, the creditors) –

(a) pay a class of creditors in full; or

(b) compromise any claim by or against the limited liability company.

(1A) The liquidator in a creditors' winding up may, without the sanction of the Court, liquidation committee or creditors, exercise any of the standard powers listed in

Schedule 2, in addition to any other powers vested in the liquidator by the Court or by these Regulations.[42]

(1B) The Court may determine that additional powers may be exercised, or that specified powers listed in Schedule 2 may not be exercised, in relation to a particular creditors' winding up.[43]

(2) The liquidator may, without the sanction of the Court, liquidation committee or creditors, exercise any other power of the limited liability company as may be required for its beneficial winding up.[44]

(3) [45]

(4) [46]

(5) The appointment (other than pursuant to a Court order) or nomination of more than one person as liquidator must declare whether any act to be done is to be done by all or any one or more of them, and in default, any such act may be done by 2 or more of them.[47]

(6) A Court order appointing more than one person as a liquidator may provide whether any act to be done is to be done by all or any one or more of them and in the absence of any such provision, any such act may be done by 2 or more of them.[48]

27 Power to disclaim onerous property

(1) In this Regulation, "onerous property" means any of the following that is unsaleable or not readily saleable or is such that it may give rise to a liability to pay money or perform any other onerous act, and includes an unprofitable contract –

(a) moveable property;

(b) a contract lease;

(c) other immoveable property if it is situated outside Jersey.

(2) The liquidator in a creditors' winding up may, within 6 months after the commencement of the winding up, disclaim on behalf of the limited liability company any onerous property of the limited liability company by the giving of notice, signed by the liquidator and referring to this Regulation and Regulation 29, to each person who is interested in or under any liability in respect of the property disclaimed.

(3) A disclaimer under this Regulation must –

(a) operate in order to determine, as from the date of the disclaimer, the rights, interests and liabilities of the limited liability company in or in respect of the property disclaimed; and

(b) discharge the limited liability company from all liability in respect of the property as of the date of the commencement of the creditors' winding up.

(4) A disclaimer under this Regulation must not, except so far as is necessary for the purpose of releasing the limited liability company from liability, affect the rights or liabilities of any other person.

(5) A person sustaining loss or damage in consequence of the operation of a disclaimer under this Regulation is taken to be a creditor of the limited liability company to the extent of the loss or damage and accordingly may prove for the loss or damage in the winding up.

(6) The effect of an order under Regulation 29 must be taken into account in assessing the extent of loss or damage sustained by a person in consequence of the disclaimer.

28 Disclaimer of contract leases

(1) The disclaimer of a contract lease does not take effect unless a copy of its disclaimer has been served (so far as the liquidator is aware of their addresses) on every person claiming under the limited liability company as a hypothecary creditor or an under-lessee and either –

(a) no application under Regulation 29 is made with respect to the contract lease before the end of the period of 14 days beginning with the day on which the last notice under this paragraph was served; or

(b) where such an application has been made, the Court directs that the disclaimer is to have effect.

(2) Where the Court gives a direction under paragraph (1)(b) it may also, instead of or in addition to any order it makes under Regulation 29, make such orders with respect to fixtures, tenant's improvements and other matters arising out of the lease as it thinks appropriate.

29 Powers of Court in respect of disclaimed property

(1) This Regulation applies where the liquidator of a limited liability company has disclaimed property under Regulation 27.

(2) An application may be made to the Court under this Regulation by –

(a) any person who claims an interest in the disclaimed property (including, in the case of the disclaimer of a contract lease, a person claiming under the limited liability company as a hypothecary creditor or an under-lessee); or

(b) any person who is under any liability in respect of the disclaimed property (including a guarantor), not being a liability discharged by the disclaimer.

(3) The Court may, on an application under this Regulation, make an order on such terms as it thinks appropriate for the vesting of the disclaimed property in, or for its delivery to –

(a) a person entitled to it or a trustee for such a person; or

(b) a person subject to a liability mentioned in paragraph (2)(b) or a trustee for such a person, but only if it appears to the Court that it would be just to do so for the purpose of compensating the person subject to the liability in respect of the disclaimer.

29A Liability in respect of acquisition of LLC interests[49]

(1) This Regulation applies where a limited liability company is being wound up in a creditors' winding up and –

(a) it has made a payment under Article 45 of the Law to acquire, by purchase, redemption or otherwise any LLC interest in the limited liability company –

(i) within 6 months before the commencement of the winding up; or

(ii) if an application is made under Regulation 13A(1), during the period beginning 6 months before the date of the application and ending with the date of commencement of the winding up;

(b) the payment was not made lawfully; and

(c) the aggregate realisable value of the limited liability company's assets and the amount paid by way of contribution to its assets (apart from this Regulation)

is not sufficient for the payment of its liabilities and the expenses of the winding up.[50]

(2) In this Regulation, the amount of a payment that has not been made lawfully for the purpose of the acquisition is referred to as the "relevant payment".

(3) Subject to paragraph (5), the Court on the application of the liquidator may order the following to contribute in accordance with this Regulation to the limited liability company's assets so as to enable the insufficiency to be met –

(a) a person from whom the LLC interests were acquired; or

(b) a manager.

(4) A person from whom any LLC interests were acquired may be ordered to contribute an amount not exceeding so much of the relevant payment as was made in respect of those LLC interests.

(5) The Court may not order a person from whom the LLC interests were acquired to contribute under this Regulation unless the Court is satisfied that, when the person received payment for their LLC interest, the person knew, or ought to have concluded from the facts known to the person, that immediately after the relevant payment was made –

(a) the limited liability company would be unable to discharge its liabilities as they fell due; and

(b) the realisable value of the limited liability company's assets would be less than the aggregate of its liabilities.

(6) Where a person has contributed an amount under this Regulation, the Court may direct any other person who is jointly and severally liable to contribute under this Regulation to pay to that person such amount as the Court thinks just and reasonable.

30 Unenforceability of liens on records

(1) This Regulation does not apply to a lien on a document that gives a title to property and is held as such.

(2) In a creditors' winding up, a lien or other right to retain possession of a record of a limited liability company is unenforceable to the extent that its enforcement would deny possession of the record to the liquidator.

31 Appointment or removal of liquidator by the Court

(1) The Court may appoint a liquidator if for any reason there is no liquidator acting in a creditors' winding up.

(2) The Court may, on reason being given, remove a liquidator in a creditors' winding up and may appoint another.

(3) The appointment or removal of a liquidator under this Regulation may be made on request by the limited liability company, a manager of the limited liability company, a creditor, the Viscount, the Commission, the Minister or any other person.[51]

PART 4

TRANSACTIONS AT AN UNDERVALUE AND PREFERENCES

32 Interpretation

(1) In this Part –

(a) a manager of a limited liability company, any associate of such a manager and any associate of the limited liability company are connected with the limited liability company;

(b) a person is an associate of an individual if the person is the individual's husband, wife or civil partner, or is a relative, or the husband, wife or civil partner of a relative, of the individual or of the individual's husband, wife or civil partner;

(c) a person is an associate of any person with whom the person is in partnership, and of the husband, wife or civil partner or relative of any individual with whom the person is in partnership;

(d) a person is an associate of any employee or employer of the person;

(e) a person who is a trustee of a trust is an associate of another person if –

(i) the beneficiaries of the trust include that other person or an associate of that other person, or

(ii) the terms of the trust confer a power that may be exercised for the benefit of that other person or an associate of that other person;

(f) a limited liability company is an associate of another limited liability company if –

(i) the same person has control of both limited liability companies, or a person has control of one limited liability company and either –

(a) persons who are that person's associates have control of the other limited liability company; or

(b) that person and persons who are that person's associates have control of the other limited liability company, or

(ii) each limited liability company is controlled by a group of 2 or more persons and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a person in either group as replaced by that person's associate;

(g) a limited liability company is an associate of another person if that person has control of the limited liability company or if that person and persons who are that person's associates together have control of the limited liability company; and

(h) a provision that a person is an associate of another person is taken to mean that they are associates of each other.

(2) In this Regulation –

(a) references to a husband, wife or civil partner include a former husband, wife or civil partner and a reputed husband, wife or civil partner;

(b) a person is a relative of an individual if the person is that individual's brother, sister, uncle, aunt, nephew, niece, lineal ancestor or lineal descendant, for which purpose –

(i) a relationship of the half-blood is treated as a relationship of the whole blood, and

(ii) the following are treated as the child of a person –

(A) the person's stepchild,

(B) the person's adopted child,

(C) a child of a person who is the child's father under Schedule A1 (fertility treatment and artificial insemination) to the Children (Jersey) Law 2002,

(D) a child of a person who is the child's second parent under that Schedule,

(E) a child who is the subject of a parental order or a recognition order (having the meanings given to those terms in the Children (Jersey) Law 2002), in which the person is named as the child's parent;

(iii)

(c) a manager or secretary of a limited liability company is taken to be employed by the limited liability company;

(d) a person is taken as having control of a limited liability company if –

(i) the managers of the limited liability company or of another limited liability company that has control of it (or any of them) are accustomed to act in accordance with the person's directions or instructions, or

(ii) the person is entitled to exercise, or to control the exercise of, more than one third of the voting power of the members of the limited liability company or of another limited liability company which has control of it;

(e) if 2 or more persons together satisfy sub-paragraph (d)(i) or (ii), they are taken as having control of the company; and

(f) a reference to a limited liability company includes a limited liability company established outside Jersey.[52]

33 Transactions at an undervalue

(1) If a limited liability company has at a relevant time entered into a transaction with a person at an undervalue the Court may, on the application of the liquidator in a creditors' winding up, make such an order as the Court thinks appropriate for restoring the position to what it would have been if the limited liability company had not entered into the transaction.

(2) The Court must not make an order under paragraph (1) if it is satisfied –

(a) that the limited liability company entered into the transaction in good faith for the purpose of carrying on its business; and

(b) that, at the time it entered into the transaction, there were reasonable grounds for believing that the transaction would be of benefit to the limited liability company.

(3) Without limiting paragraph (1) and subject to paragraph (5), an order made under paragraph (1) may do all or any of the following –

(a) require property transferred as part of the transaction to be vested in the limited liability company;

(b) require property to be so vested if it represents in a person's hands the application either of the proceeds of sale of property so transferred or of money so transferred;

(c) release or discharge (in whole or in part) security given by the limited liability company;

(d) require a person to pay in respect of a benefit received by the person from the limited liability company such sum to the limited liability company as the Court directs;

(e) provide for a surety or guarantor whose obligation to a person was released or discharged (in whole or in part) under the transaction to be under such new or revived obligation to that person as the Court thinks appropriate;

(f) provide –

(i) for security to be provided for the discharge of an obligation imposed by or arising under the order,

(ii) for the obligation to be secured on any property, and

(iii) for the security to have the same priority as the security released or discharged (in whole or in part) under the transaction;

(g) provide for the extent to which a person whose property is vested in the limited liability company by the order or on whom an obligation is imposed by the order, is to be able to prove in the winding up of the limited liability company for debts or other liabilities that arose from, or were released or discharged (in whole or in part) under or by, the transaction.

(4) Subject to paragraph (5), an order made under paragraph (1) may affect the property of or impose an obligation on any person, whether or not that person is the person with whom the limited liability company entered into the transaction.

(5) An order made under paragraph (1) must not –

(a) prejudice an interest in property that was acquired from a person other than the limited liability company and was acquired in good faith and for value, or prejudice any interest deriving from such an interest; or

(b) require a person who in good faith and for value received a benefit from the transaction to pay a sum to the limited liability company, except where the person was a party to the transaction.

(6) In considering whether a person has acted in good faith, the Court may take into consideration –

(a) whether the person was aware that the limited liability company –

(i) had entered into a transaction at an undervalue, and

(ii) was insolvent or would, as a likely result of entering into the transaction, become insolvent; and

(b) whether the person was an associate of, or was connected with, either the limited liability company or the person with whom the limited liability company had entered into the transaction.

(7) For the purpose of this Regulation, a limited liability company enters into a transaction with a person at an undervalue if –

(a) it makes a gift to that person;

(b) it enters into a transaction with that person –

(i) on terms for which there is no *cause*, or

(ii) for a *cause* the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the *cause* provided by the limited liability company.

(8) In this Regulation, "relevant time" means –

(a) the period of 5 years immediately preceding the date of commencement of the winding up or, if an application is made under Regulation 13A(1), during the period beginning 5 years before the date of the application and ending with the date of commencement of the winding up, if –

(i) the limited liability company was insolvent when it entered into the transaction, or

(ii) the limited liability company became insolvent as a result of the transaction; or

(b) if the transaction at an undervalue was entered into with a person connected with the limited liability company or with an associate of the limited liability company, the period of 5 years immediately preceding the date of commencement of the winding up or, if an application is made under Regulation 13A(1), during the period beginning 5 years before the date of the application and ending with the date of commencement of the winding up, unless it is proved that –

(i) the limited liability company was not insolvent when it entered into the transaction, and

(ii) the limited liability company did not become insolvent as a result of the transaction.[53]

34 Giving of preferences

(1) If a limited liability company has at a relevant time given a preference to a person the Court may, on the application of the liquidator in a creditors' winding up, make such an order as the Court thinks appropriate for restoring the position to what it would have been if the preference had not been given.

(2) Without limiting paragraph (1) and subject to paragraph (4), an order made under paragraph (1) may do any of the following –

(a) require property transferred in connection with the giving of the preference to be vested in the limited liability company;

(b) require property to be vested in the limited liability company if it represents in any person's hands the application either of the proceeds of sale of property so transferred or of money so transferred;

(c) release or discharge (in whole or in part) security given by the limited liability company;

(d) require a person to pay in respect of a benefit received by the person from the limited liability company such sum to the limited liability company as the Court directs;

(e) provide for a surety or guarantor whose obligation to a person was released or discharged (in whole or in part) by the giving of the preference to be under such new or revived obligation to that person as the Court thinks appropriate;

(f) provide –

(i) for security to be provided for the discharge of any obligation imposed by or arising under the order,

(ii) for such an obligation to be secured on any property, and

(iii) for the security to have the same priority as the security released or discharged (in whole or in part) by the giving of the preference;

(g) provide for the extent to which a person, whose property is vested by the order in the limited liability company or on whom obligations are imposed by the order, is able to prove in the winding up of the limited liability company for debts or other liabilities that arose from, or were released or discharged (in whole or in part) under or by the giving of the preference.

(3) Subject to paragraph (4), an order made under paragraph (1) may affect the property of, or impose an obligation on, any person whether or not that person is the person to whom the preference was given.

(4) An order made under paragraph (1) must not –

(a) prejudice an interest in property that was acquired from a person other than the limited liability company and was acquired in good faith and for value, or prejudice any interest deriving from such an interest; or

(b) require a person who in good faith and for value received a benefit from the preference to pay a sum to the limited liability company, except where the payment is in respect of a preference given to that person at a time when that person was a creditor of the limited liability company.

(5) In considering whether a person has acted in good faith, the Court may consider –

(a) whether the person had notice –

(i) of the circumstances that amounted to the giving of the preference by the limited liability company, or

(ii) of the fact that the limited liability company was insolvent or would, as a likely result of giving the preference, become insolvent; and

(b) whether the person was an associate of, or was connected with, either the limited liability company or the person to whom the limited liability company gave the preference.

(6) The Court must not make an order under this Regulation in respect of a preference given to a person unless the limited liability company, when giving the preference, was influenced in deciding to give the preference by a desire to put the person into a position which, in the event of the winding up of the limited liability company, would be better than the position in which the person would be if the preference had not been given.

(7) A limited liability company that gave a preference to a person who was, at the time the preference was given, an associate of, or connected with, the limited liability company (other than by reason only of being an employee of the limited liability company) is taken, unless the contrary is shown, to have been influenced in deciding to give the preference by the desire mentioned in paragraph (6).

(8) In this Regulation, "relevant time" means –

(a) the period of 12 months immediately preceding the date of commencement of the winding up or, if an application is made under Regulation 13A(1), during the period beginning 12 months before the date of the application and ending with the date of commencement of the winding up, if –

(i) the limited liability company was insolvent when it gave the preference, or

(ii) the limited liability company became insolvent as a result of giving the preference; or

(b) if the preference was given to a person connected with, or to an associate of, the limited liability company, the period of 12 months immediately preceding the date of commencement of the winding up or, if an application is made under Regulation 13A(1), during the period beginning 12 months before the date of the application and ending with the date of commencement of the winding up, unless it is proved that –

(i) the limited liability company was not insolvent when it gave the preference, and

(ii) the limited liability company did not become insolvent as a result of giving the preference.[54]

(9) For the purpose of this Regulation, a limited liability company gives a preference to a person if –

(a) the person is a creditor of the limited liability company or a surety or guarantor for a debt or other liability of the limited liability company; and

(b) the limited liability company does anything or suffers anything to be done that has the effect of putting the person into a position which, in the event of the winding up of the limited liability company, is better than the position the person would have been in if that thing had not been done.

35 Responsibility for fraudulent or wrongful trading

(1) In this Regulation, "relevant person" means a person who, at a time before the date of commencement of a creditors' winding up of a limited liability company –

(a) was a manager or former manager of the limited liability company; and

(b) knew that there was no reasonable prospect that, or on the facts known to the person was reckless as to whether, the limited liability company would avoid a creditors' winding up or the making of a declaration under the Désastre Law.

(2) The Court may, on the application of the liquidator, order that a relevant person be personally responsible, without any limitation of liability, for all or any of the debts or other liabilities of the limited liability company arising after the time referred to in paragraph (1), unless the relevant person took reasonable steps to minimise the potential loss to the limited liability company's creditors.

(3) If, in the course of a creditors' winding up, it appears that any business of the limited liability company has been carried on with intent to defraud creditors of the limited liability company or creditors of another person, or for a fraudulent purpose, the Court may, on the application of the liquidator, order that persons who were knowingly parties to the carrying on of the business in that manner are to be liable to make such contributions to the limited liability company's assets as the Court thinks appropriate.

(4) On the hearing of an application under this Regulation, the liquidator may give evidence or call witnesses.

(5) The Court may –

(a) give such further directions as it thinks appropriate for giving effect to the order; and

(b) in relation to a person who is a creditor of the limited liability company, direct that the whole or part of a debt owed by the limited liability company to that person (including any accrued interest on the debt) be given priority over all other debts (including accrued interest on those debts) owed by the limited liability company.

(6) This Regulation has effect despite any criminal liability of the relevant person in relation to matters on the grounds of which an order under paragraph (3) is made.

36 Extortionate credit transactions

(1) This Regulation applies in a creditors' winding up where the limited liability company is, or has been, a party to a transaction for, or involving, the provision of credit to the limited liability company.

(2) The Court may, on the application of the liquidator, make an order with respect to the transaction if the transaction –

(a) is extortionate; and

(b) was entered into in the period of 3 years ending with the date of commencement of the creditors' winding up or, if an application is made under Regulation 13A(1), during the period beginning 3 years before the date of the application and ending with the date of commencement of the creditors' winding up.[55]

(3) For the purposes of this Regulation, a transaction is extortionate if, having regard to the risk accepted by the person providing the credit –

(a) the terms of the transaction are or were such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit; or

(b) the transaction otherwise grossly contravened ordinary principles of fair dealing.

(4) Unless otherwise proved, a transaction in relation to which an application is made under this Regulation is taken to be extortionate.

(5) An order under this Regulation with respect to a transaction may contain any of the following provisions –

(a) provision setting aside the whole or part of an obligation created by the transaction;

(b) provision otherwise varying the terms of the transaction or varying the terms on which a security for the purposes of the transaction is held;

(c) provision requiring a person who is or was a party to the transaction to pay to the liquidator sums paid to that person, by virtue of the transaction, by the limited liability company;

(d) provision requiring a person to surrender to the liquidator property held by the person as security for the purposes of the transaction;

(e) provision directing accounts to be taken between any persons.

37 Delivery and seizure of property

(1) Where a person possesses or controls property or records to which a limited liability company appears in a creditors' winding up to be entitled, the Court may direct that

person to, within a period determined by the Court, pay, deliver, convey, surrender or transfer the property or records to the liquidator.

(2) If the liquidator seizes or disposes of property that is not property of the limited liability company and at that time the liquidator believes, and has reasonable grounds for believing, that the liquidator is entitled (whether or not in pursuance of an order of the Court) to seize or dispose of that property, the liquidator –

(a) is not liable to any person in respect of loss or damage resulting from the seizure or disposal except to the extent that the loss or damage is caused by the negligence of the liquidator; and

(b) has a lien on the property, or the proceeds of its sale, for expenses incurred in connection with the seizure or disposal.

38 Approvals given at adjourned meetings

Any approval given at an adjourned meeting of a limited liability company's creditors is to be treated as having been given on the date on which it was in fact given, and not as having been given on any earlier date.

39 Duty to co-operate with liquidator

(1) This Regulation applies to the following persons in relation to a limited liability company being wound up in a creditors' winding up –

(a) a person who is, or has been, a member or manager of or the secretary to the limited liability company;

(b) a person who has taken part in the registration of the limited liability company during the relevant period;

(c) a person who has been employed by the limited liability company during the relevant period and who is, in the liquidator's opinion, capable of giving information required by the liquidator; or

(d) a person who has been an officer of, or employed by, a body corporate (other than a limited liability company registered as a body corporate) or limited liability company that was secretary to the limited liability company during the relevant period.[56]

(2) A person to whom this Regulation applies must –

(a) provide information about the limited liability company (including its promotion, registration, business, dealings, affairs or property) that is reasonably required by the liquidator at any time after the commencement of the winding up;

(b) after receiving reasonable notice in writing, attend on the liquidator at reasonable times; and

(c) notify the liquidator in writing of any change of the person's address, employment or name.[57]

(3) A person who, without reasonable excuse, fails to comply with paragraph (2) commits an offence and is liable to a fine and 6 months imprisonment.

(4) In this Regulation –

"employed" includes employed under a contract for services (*contrat de louage d'ouvrage*);

"relevant period" means –

(a) the period of time occurring within 12 months before the date of the commencement of the winding up of the limited liability company; or

(b) if an application is made under Regulation 13A(1), during the period beginning 12 months before the date of the application and ending with the date of commencement of the creditors' winding up of the limited liability company.[58]

40 Liquidator to report possible misconduct

(1) This Regulation applies if it appears to the liquidator or to the Court in a creditors' winding up that –

(a) the limited liability company being wound up has committed a criminal offence;

(b) a person has committed a criminal offence in relation to the limited liability company being wound up; or

(c) the conduct of a manager of the limited liability company being wound up (whether or not the conduct relates to the limited liability company being wound up) justifies applying for a disqualification order against the manager.

(2) The liquidator must –

(a) report the matter to the Attorney General as soon as practicable; and

(b) give information to the Attorney General with information and give the Attorney General access to, and facilities for inspecting and taking copies of, documents (being information or documents in the possession or under the control of the liquidator and relating to the matter in question), as the Attorney General requires.

(3) If no report has been made by the liquidator to the Attorney General under paragraph (2), the Court may (on the application of a person interested in the winding up or of its own motion) direct the liquidator to make a report.

(4) Where a report is made to the Attorney General, the Attorney General may refer the matter to the Minister or the Commission for further enquiry.

(5) If referred by the Attorney General, the Minister or the Commission –

(a) must investigate the matter; and

(b) for the purpose of the investigation, may exercise any of the powers that are exercisable by an inspector appointed to investigate a company's affairs under Article 128 of the Companies (Jersey) Law 1991.

41 Production of records and evidence to Minister or Commission

(1) For the purpose of an investigation by the Minister or the Commission under Regulation 40, if the Minister or the Commission consider that any person is or may be in possession of information relating to a matter which they believe to be relevant to the investigation, they may require the person –

(a) to produce and make available to them all records in the person's custody or power relating to that matter;

(b) at reasonable times and on reasonable notice, to attend before them; and

(c) otherwise, to give them all assistance in connection with the investigation which the person is reasonably able to give,

and it is that person's duty to comply with the requirement.

(2) The Minister or the Commission may for the purposes of the investigation examine on oath any person mentioned in paragraph (1), and may administer an oath accordingly.

(3) A person commits an offence and is liable to a fine and 2 years imprisonment if the person, being required under paragraph (1) to answer any question which is put to the person by the Minister or the Commission –

(a) knowingly or recklessly makes a statement which is false, misleading or deceptive in a material particular; or

(b) knowingly or recklessly withholds any information the omission of which makes the information which is furnished misleading or deceptive in a material particular.

(4) An answer given by a person to a question put to the person in exercise of the powers conferred by this Regulation may not be used in evidence against the person in any criminal proceedings except –

(a) proceedings in which the person is charged with knowingly or recklessly making a false statement in the course of being examined on oath under paragraph (2);

(b) proceedings under paragraph (3).

(5) If criminal proceedings are instituted by the Attorney General following a report or reference, the following persons (other than the defendant) must give the Attorney General any assistance that the person is reasonably able to give in connection with the proceedings –

(a) the liquidator in the winding up of the limited liability company;

(b) the manager of the limited liability company (including former managers);

(c) any agent of the limited liability company (including former agents), including a banker, advocate or solicitor and any person employed by the limited liability company as auditor.[59]

(6) If a person fails to give assistance as required by paragraph (5), the Court may, on the application of the Attorney General –

(a) direct the person to comply with that paragraph; and

(b) if the application is made with respect to a liquidator, direct that the costs be borne by the liquidator personally unless it appears that the failure to comply was due to the fact that the liquidator did not have sufficient assets of the limited liability company in the liquidator's hands to enable the liquidator to do so.

42 Termination of creditors' winding up

(1) The liquidator of a limited liability company that is in the course of being wound up by a creditors' winding up may apply to the Court for an order terminating the winding up, and the members may approve the making of that application.

(1A) If the winding up is commenced by approval of the members of the limited liability company by special resolution, the liquidator may exercise the power in

paragraph (1) only if the members, by special resolution, authorise the liquidator to do so.[60]

(2) The Court must refuse the application unless it is satisfied that the limited liability company is then able to discharge its liabilities in full as they fall due.

(3) In considering the application the Court must have regard to the interests of the creditors of the limited liability company.

(4) If the application for winding up the limited liability company was made by the Commission under Regulation 3(2) or (3), the Court must also have regard to the views of the Commission.

(5) If the Court makes an order under paragraph (1) –

(a) it may make such order as to costs as it thinks appropriate; and

(b) on the termination of the creditors' winding up, the liquidator ceases to hold office.

(6) The termination of a creditors' winding up under paragraph (1) does not prejudice the validity of any thing duly done by any liquidator, manager or other person, or by operation of law, before its termination.

43 Declaration under Désastre Law

(1) A winding up terminates if –

(a) a creditors' winding up of a limited liability company has commenced; and

(b) a declaration is made in respect of the limited liability company under the Désastre Law.

(2) On the termination of the winding up under paragraph (1) –

(a) any liquidator appointed for the purpose of the winding up ceases to hold office; and

(b) the limited liability company and all other persons must be in the same position, subject to paragraph (3), as if the winding up had not commenced.

(3) The termination of a winding up under paragraph (1) does not affect the validity of any thing duly done by any liquidator, manager or other person, or by operation of law, before the termination.

44 Distribution of limited liability company's property

(1) A limited liability company's property must, on a winding up, be applied in satisfaction of the limited liability company's liabilities *pari passu* subject to any enactment as to the order of payment of debts.

(2) Unless otherwise provided by the LLC agreement, any remaining property of the limited liability company must be distributed among the members according to their rights and interests in the limited liability company.

(3) Despite paragraphs (1) and (2) and Regulation 21, the liquidator, or, with the sanction of the Court under Regulation 19(2), the manager of a limited liability company may distribute the assets of the limited liability company to its members, proportional to their rights and interests or as otherwise provided by the LLC agreement, if –

(a) the liquidator or manager is satisfied that the assets will be sufficient to ensure that –

(i) the costs, charges and expenses properly incurred in the winding up may be paid, and

(ii) the claims of all creditors (including any interest owing on a debt) may be satisfied in full; and

(b) the distributed assets will not be required to pay or satisfy those costs, charges, expenses and claims.[61]

PART 5

LIQUIDATORS

45 Qualifications of liquidator

(1) A person must not act as a liquidator of a limited liability company that is being wound up under Regulation 3 (power for Court to wind up on just and equitable grounds) or Part 2 (summary winding up) unless the person –

(a) is an individual; and

(b) is qualified to act as a liquidator in accordance with paragraph (3) or (4).[62]

(1A) Subject to paragraph (4), a person must not act as a liquidator of a limited liability company that is being wound up under Part 3 (creditors' winding up) unless the person is registered as an approved liquidator and entered on the Register of Approved Liquidators under paragraph (3C).[63]

(2) A person who fails to comply with paragraph (1) or (1A) commits an offence and is liable to a fine and 2 years imprisonment.[64]

(3) A person is qualified to act as a liquidator of a limited liability company that is being wound up under Regulation 3 or Part 2 if the person is a member of –

(a) the Institute of Chartered Accountants in England and Wales;

(b) the Institute of Chartered Accountants of Scotland;

(c) the Association of Chartered Certified Accountants; or

(d) the Institute of Chartered Accountants in Ireland.[65]

(3A) A person is not qualified to be registered as an approved liquidator and entered on the Register of Approved Liquidators under paragraph (3C) unless the person –

(a) is ordinarily resident in Jersey;

(b) is an individual who has the level of experience determined by the Viscount in writing and –

(i) is licensed in the United Kingdom to act as insolvency practitioner by one of the recognised professional bodies as defined under section 391(8) of the Insolvency Act 1986 of the United Kingdom, or

(ii) is a member of –

(A) the Association of Chartered Certified Accountants,

(B) the Chartered Accountants of Ireland,

(C) the Institute of Chartered Accountants in England and Wales, or

(D) the Institute of Chartered Accountants in Scotland; and

(c) has in place –

(i) a general bond of an amount for the time being specified in Article 7(3)(c) of the Companies (General Provisions) (Jersey) Order 2002, and

(ii) a specific bond of between the minimum and maximum amounts for the time being specified in that provision for each appointment.[66]

(3B) An individual who is not ordinarily resident in Jersey but is otherwise qualified in accordance with paragraph (3A)(b) and (c) may, together with an individual who is registered as an approved liquidator and entered in the Register of Approved Liquidators under paragraph (3C), be appointed as a liquidator of a limited liability company, and the Viscount may, in accordance with this Regulation, register the individual as a non-Jersey liquidator in the Register of Approved Liquidators.[67]

(3C) An individual who is qualified under paragraph (3A) to be registered as an approved liquidator or as a non-Jersey liquidator under paragraph (3B) may apply to the Viscount, in the form approved by the Viscount, to be registered or re-registered as an approved liquidator or a non-Jersey liquidator, as the case may be, and entered in the Register of Approved Liquidators.[68]

(3D) The Viscount must keep and maintain a Register of Approved Liquidators and may upon –

(a) application under paragraph (3C) by an individual who is qualified to be registered as an approved liquidator under paragraph (3A) or as a non-Jersey liquidator under paragraph (3B); and

(b) payment to the Viscount by the individual of the registration or re-registration fee of an amount for the time being specified in Article 7(8)(c) of the Companies (General Provisions) (Jersey) Order 2002,

register the individual as an approved liquidator or non-Jersey liquidator and enter the name of the individual in the Register of Approved Liquidators.[69]

(3E) The registration of an individual as an approved liquidator or a non-Jersey liquidator under this Regulation expires after one year and an individual may apply to the Viscount under paragraph (3C) to re-register.[70]

(3F) A person registered as an approved liquidator or a non-Jersey liquidator under this Regulation must within 21 days of any change of circumstances which disqualifies the person from meeting the requirements under paragraph (3A) notify the Viscount of the change and the Viscount must cancel the person's registration as an approved liquidator or non-Jersey liquidator and remove the name of the person from the Register of Approved Liquidators.[71]

(3G) The Viscount must publish online the Register of Approved Liquidators kept and maintained under paragraph (3D) and make the register available for inspection to the public.[72]

(4) The Viscount is by virtue of the Viscount's office qualified to act as a liquidator.

(5) A person is not qualified to act as a liquidator of a limited liability company if the person is –

(a) a secretary, manager or member of the limited liability company, or a partner or employee of such a person; or

(b) a person who is disqualified from appointment as a liquidator under any other enactment.

(6) If an individual acting as a liquidator of a limited liability company ceases to be qualified to act as a liquidator, the individual must –

(a) as soon as practicable notify the limited liability company; and

(b) immediately cease acting as a liquidator.

45A Investigation into conduct of liquidators[73]

(1) The Viscount may investigate the conduct of a liquidator where –

(a) the Viscount receives representations (including, but not limited to, complaints) about the exercise of powers, or a failure to exercise powers, by a liquidator and the Viscount is of the opinion that the matter relating to the representations has not been satisfactorily dealt with by the liquidator or within a reasonable timeframe; or

(b) it otherwise appears to the Viscount that there are circumstances justifying investigation including circumstances which –

(i) give rise to concerns on the part of the Viscount about the conduct of the liquidator (including, but not limited to, the level of fees charged or proposed to be charged by a liquidator),

(ii) suggest that a liquidator has failed to comply with an order made or directions given by the Court, or

(iii) otherwise constitute good reason, in the view of the Viscount, to seek further information about a liquidator's discharge of their functions.

(2) The Viscount may by notice in writing –

(a) except where the Viscount finds that there is good reason not to do so, inform the liquidator of the representations made under paragraph (1), if any; and

(b) require the liquidator to provide such information (including accounts) or documents as may be specified, or as are of such description as may be specified, and such reports as the Viscount may require, from the liquidator as to the exercise of the liquidator's functions, and in either case, may require the liquidator to do so in such a manner and before the end of such reasonable period and at such place as may be specified.

(3) Where any information or document is provided to the Viscount under paragraph (2)(a), the Viscount may further require such information to be verified, or such document to be authenticated, in such reasonable manner as the Viscount may see fit.

(4) Nothing in these Regulations requires the Viscount to investigate, consider or determine any complaint if, in the Viscount's opinion –

(a) the subject matter of the complaint is trivial; or

(b) the complaint is frivolous or vexatious or is not made in good faith.

(5) A person required under paragraph (2)(b) to submit a report may make an application to the Viscount to request more time for doing so.

(6) An application under paragraph (5) must –

(a) state the grounds for requesting more time; and

(b) contain, or be accompanied by, such information as the Viscount may reasonably require to determine the application.

(7) The Viscount may, in response to an application under paragraph (5), grant such extension of time as the Viscount may consider reasonable.

(8) The Viscount may, at all reasonable times, examine and take copies of any record kept in relation to the liquidator's functions by persons or bodies carrying on the business of providing financial services within the meaning given to that expression by Article 1(1) of the Financial Services Commission (Jersey) Law 1998.

(9) For the purposes of an investigation into a complaint received by the Viscount, the Viscount may consult such persons, who have expertise in the matter in respect of which the complaint is made, as the Viscount may see fit.

(10) Where, following an investigation under this Regulation the Viscount considers it necessary or appropriate to do so, the Viscount may make an application to the Court requesting the exercise, in relation to a liquidator of any of the Court's powers under the Law.

(11) In considering whether it is necessary or appropriate to make an application under paragraph (10), the Viscount must have regard to –

(a) the terms of the appointment of the liquidator; and

(b) orders or directions given by the Court.

(12) A liquidator may require the Viscount to reconsider any decision made by the Viscount under this Regulation in relation to that liquidator.

(13) The right conferred by paragraph (12) is exercisable by the liquidator giving notice in writing to the Viscount within the period of 21 days beginning with the date on which notice of the decision was given to the liquidator.

(14) Notice given in accordance with paragraph (13) must –

(a) state the grounds for the request for reconsideration; and

(b) contain, or be accompanied by, any relevant information or documents.

(15) At any time after receiving the notice and before reconsidering the decision to which it relates, the Viscount may require the liquidator to provide such further information, or to produce such documents, as the Viscount reasonably considers necessary to enable reconsideration of the decision.

(16) Following reconsideration, the Viscount must give to the liquidator –

(a) notice in writing of the decision on reconsideration; and

(b) if the previous decision is upheld, a statement in writing of the reasons for upholding it.

(17) The Viscount, or any member of the Viscount's Department is not liable in damages for anything done or omitted in the discharge of or purported discharge of any function under these Regulations.

(18) Paragraph (17) does not apply –

(a) if it is shown that the act was done, or the omission made, in bad faith; or

(b) so as to prevent an award of damages made in respect of an act on the ground that the act was unlawful as a result of Article 7(1) of the Human Rights (Jersey) Law 2000.

46 Corrupt inducement affecting appointment of liquidator

A person who gives, or agrees or offers to give, a member or creditor of a limited liability company any valuable benefit with a view to securing the person's own appointment or nomination, or to securing or preventing the appointment or nomination of another person,

as the limited liability company's liquidator, commits an offence and is liable to a fine and 2 years imprisonment.

47 Remuneration, and vacancy in office, of liquidator

(1) A liquidator in a creditors' winding up (other than a liquidator appointed by the Court) is entitled to receive such remuneration as is agreed between the liquidator and the liquidation committee or, if there is no liquidation committee, between the liquidator and the creditors or, failing any such agreement, as is fixed by the Court.[74]

(1A) A liquidator appointed by a Court in a creditors' winding up ordered by the Court is entitled to receive such remuneration as is fixed by the Court.[75]

(2) The creditors, in the case of a creditors' winding up that is not ordered by the Court under Regulation 13C(1)(a) or the Court, in the case of a creditors' winding up ordered by the Court under Regulation 13C(1)(a), may at any time remove a liquidator.[76]

(3) A liquidator who resigns, is removed or for any other reason vacates office must, within 14 days after the resignation, removal or vacation of office, give notice, signed by the liquidator, to the registrar; and –

(a) in the case of a creditors' winding up (except where the removal is under paragraph (2)), to the creditors;

(b) in the case of a creditors' winding up ordered by the Court, to the Court and the Viscount.[77]

(4) A liquidator who fails to comply with paragraph (3) commits an offence and is liable to a fine.

(5) A person may be appointed to fill a vacancy that occurs, by the death, resignation, removal or otherwise, of the former liquidator –

(a) in the case of a creditors' winding up that is not ordered by the Court –

(i) by the Court on the application of a manager or member, but only if the former liquidator was appointed by the Court, or

(ii) in any other case, by the creditors;

(b) in the case of a creditors' winding up that is ordered by the Court under Regulation 13C(1)(a), by the Court.[78]

(6) On the appointment of a liquidator in a creditors' winding up, all the powers of the managers cease, except –

(a) in the case of a creditors' winding up that is not ordered by the Court, so far as the liquidation committee (or, if there is no committee, the creditors) sanction their continuance; or

(b) in the case of a creditors' winding up that is ordered by the Court under Regulation 13C(1)(a), so far as the Court or liquidator sanction their continuance.[79]

PART 6

MISCELLANEOUS

48 References to the Court

(1) In a summary winding up, the limited liability company may apply to the Court for the determination of a question arising in the winding up or for the Court to exercise any of its powers in relation to the winding up.[80]

(1A) In a creditors' winding up, the liquidator or a contributory or creditor of the limited liability company may apply to the Court for the determination of a question arising in the winding up or for the Court to exercise any of its powers in relation to the winding up.[81]

(1B) In a creditors' winding up, a manager with any continuing powers sanctioned under Regulation 13B or 47(6) may apply to the Court for the determination of a question relating to those continuing powers arising in the winding up or for the court to exercise any of its powers relating to those continuing powers in relation to the winding up.[82]

(1C) In paragraphs (1A) and (1B), "winding up" includes the appointment of a liquidator provisionally under Regulation 13B.[83]

(2) The Court, if satisfied that it is just and beneficial to do so, may grant an application made under this Regulation wholly or partially on such terms and conditions as it thinks appropriate, or make such other order on the application as it thinks just.[84]

(3) The Court may exercise all or any of the powers that would have been exercisable by it or by the Viscount if a declaration had been made in relation to the limited liability company under the Désastre Law and may make an order terminating the winding up.

49 Enforcement of manager or liquidator's duty to make returns etc.

(1) This Regulation applies if, in a winding up, a manager or a liquidator –

(a) fails to comply with a requirement under this or any other enactment to deliver a document or give a notice; and

(b) fails to comply with the requirement within 14 days after receiving notice in writing to comply with the requirement.

(2) On an application made by a creditor or contributory of the limited liability company, or by the registrar, the Court may make an order directing the manager or the liquidator to comply with the requirement within the time specified in the order.

(3) The Court's order may provide that costs of, and incidental to, the application be borne, in whole or in part, by the manager or the liquidator personally.

(4) Nothing in this Regulation prejudices the operation of any other enactment imposing penalties on a manager or a liquidator in respect of noncompliance with a requirement.

50 Notification that limited liability company is being wound up[85]

(1) When a limited liability company is being wound up, every invoice, order for goods or services or business letter issued by or on behalf of the limited liability company,

or a liquidator of the limited liability company, being a document on or in which the name of the limited liability company appears, must contain a statement that the limited liability company is in a summary winding up, a creditor's winding up or a just and equitable winding up, as the case may be.[86]

(2) In the event of failure to comply with this Regulation, the limited liability company and every manager of it who is in default commits an offence and is liable to a fine.

51 Liabilities as contributories of present and past members

(1) Except as provided by this Regulation, if a limited liability company is wound up, each present and past member of the limited liability company is liable to contribute to its assets to an amount sufficient for payment of its liabilities, the expenses of the winding up, and for the adjustment of the rights of the contributories among themselves.

(2) A past member of a particular class is not, as a member of that class, liable to contribute –

(a) unless it appears to the Court that the present members of that class are unable to satisfy the contributions required to be made by them as such members;

(b) if the past member ceased to be a member of that class for 6 months or more before the commencement of the winding up or, if an application is made under Regulation 13A(1), for 6 months or more before the date of the application; or

(c) in respect of a liability of the limited liability company contracted after the past member ceased to be a member of that class.[87]

(3) A past or present member in the member's capacity as the holder of an LLC interest carrying an unlimited liability is not liable to contribute unless it appears to the Court that the past and present members in their capacities as the holders of LLC interests that do not carry an unlimited liability to make contributions are unable to satisfy the contributions required to be made by them as such members.

(4) A past member in the member's capacity as the holder of an LLC interest is not liable to contribute under Article 30 of the Law if the LLC agreement stated at the time the member ceased to be a member, or states at the time of commencement of the winding up, that a member ceases to have a liability to make contributions under Article 30 upon ceasing to be a member.

(5) A contribution is not required from a past or present member, as such a member, exceeding –

(a) any amount unpaid on any LLC interests in respect of which that member is liable; or

(b) the amount undertaken to be contributed by that member to the assets of the limited liability company if it should be wound up.

(6) A sum due to a member of the limited liability company, in the person's capacity as a member, by way of distributions or otherwise is not in a case of competition between the person and any other creditor who is not a member of the limited liability company, a liability of the limited liability company payable to that member, but any such sum may be taken into account for the purpose of the final adjustment of the rights of the contributors among themselves.

52 Bar against other proceedings in bankruptcy[88]

The winding up of a limited liability company under these Regulation bars the right to take any other proceedings in bankruptcy except, where the winding up is not one ordered by the court under Regulation 13C(1)(a), the right of a creditor or the limited liability company to apply for a declaration under the Désastre Law.

52A Disposal of records[89]

(1) When a limited liability company has been wound up and is about to be dissolved, its records and those of a liquidator may be disposed of as follows –

(a) in the case of a summary winding up, in the way that the limited liability company by special resolution directs;

(b) in the case of a creditors' winding up that is not ordered by the Court, in the way that the liquidation committee (or, if there is no committee, the creditors) may direct; and

(c) in the case of a creditors' winding up that is ordered by the Court under Regulation 13C(1)(a), in the way that the Court or liquidator may direct.

(2) After 10 years from the date of the limited liability company's dissolution no responsibility rests on the limited liability company, a liquidator, or a person to whom the custody of the records has been committed, to provide or produce any record to a person claiming to be interested in it.

(3) The Commission may direct that for such period as it thinks proper (but not exceeding 10 years from the date of the limited liability company's dissolution), the records of a limited liability company which has been wound up must not be destroyed.

(4) A person who acts in contravention of a direction made by the Court or the Commission for the purposes of this Regulation commits an offence and is liable to a fine not exceeding level 3 on the standard scale.

PART 7

CONSEQUENTIAL AMENDMENTS

53 [90]

54 [91]

55 Citation and commencement

These Regulations may be cited as the Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022 and come into force on the commencement of Article 60 of the Law.

SCHEDULE 1[92]

(Regulation 13A(2)(a))

STATUTORY DEMAND

STATUTORY DEMAND **Under Regulation 13A of the Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022**	
Warning	
● This is an important document. This demand must be dealt with within 21 days after its service upon the Limited Liability Company or a winding-up order could be made in respect of the Limited Liability Company	● Please read the demand and notes carefully.

Section 1 – DEMAND

To [*Insert details of Debtor Limited Liability Company*]

Name: (The Limited Liability Company)
[*insert its registered name*]
Registered No.:
Address:
[*insert its registered office*]

This demand is made under Regulation 13A of the Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022 and is served on you by the Creditor *[insert details of Creditor below]*

Name:
[*If a registered company or limited liability company, insert its registered name; if unregistered, its name; if an individual, their full name*]
Registered No. (if any):
[*If an entity registered in Jersey with the Jersey Financial Services Commission, insert its registered number*]
Address:
[*If registered, insert the registered address; if unregistered, the postal address of any principal residence or principal place of business;*]
The creditor claims that the Limited Liability Company owes the sum of £[ ], full details of which are set out in section 2 of this Demand.

Notes for Creditor on Section 1

- The person making this demand must complete the whole of sections 1, 2 (including Part B if applicable) and 3 and the authentication (including the date) at the end.
- The Details of Debt (Section 2) must include all the relevant matters listed in the margin notes at Section 2. These should be set out in the order given unless the person completing the demand considers that a different order would be more convenient for the recipient.

- The creditor must give details of an individual with whom the Limited Liability Company can communicate about the Demand in Section 3.
- If the signatory of the demand is an Advocate/Solicitor or other agent of the creditor the name of their firm should be given.

Section 2
Part A: Details of Debt

Notes for Creditor on Section 2 Part A
These details must include the following information:

- The amount of the debt as at the date of this demand.
- How the debt arose – such as any cause or consideration given for the debt; the date on which the debt arose should also be included.
- If the demand is based on a judgment or order of a court, details of the judgment or order.
- If the creditor is entitled to the debt by way of assignment, a statement to that effect and that the details of the relevant assignment(s) are given in Part B below (which must then also be filled in).
- If the sums demanded include:

a. Any charge by way of interest not previously notified to the company as included in its liability and/or

b. Any other charge accruing due from time to time,

each such charge must be separately identified (if claimed) with the amount or rate of the charge and the grounds upon which payment is claimed and the amount claimed for such charges must be limited to that which has accrued due at the date of the demand.

Part B: [for completion if the creditor is entitled to the debt by way of assignment]

	Name	**Date(s) of Assignment**
Original Creditor		
Assignees		

Section 3

The Limited Liability Company must pay the above debt within 21 days of service of this demand on the Limited Liability Company after which the creditor may make an application to the Royal Court of Jersey to wind up the Limited Liability Company unless the Limited Liability Company offers security for the debt and the creditor agrees to accept security or the Limited Liability Company compounds the debt with the creditor's agreement.
The individual(s) acting for the Creditor to whom any communication regarding this demand may be addressed is/are:

Name	
Address	
Electronic address	
Telephone number	
Reference	

How to comply with a statutory demand

If the Limited Liability Company wishes to avoid an application for winding up being made against it, it must pay the debt shown in Section 1 above, details of which are set out in Section 2 of this notice, within the period of 21 days after its service upon the Limited Liability Company. Alternatively, the Limited Liability Company can attempt to come to a settlement with the creditor. To do this an officer or representative of the Limited Liability Company should:

- Inform the individual(s) named in Part A above immediately that it is willing and able to offer security for the debt to the creditor's satisfaction; or
- Inform the individual(s) named in Part A immediately that it is willing and able to compound for the debt to the creditor's satisfaction.

If the Limited Liability Company disputes the demand in whole or in part, it should contact the individual(s) named in Part A immediately.

REMEMBER **The Limited Liability Company only has 21 days after the date of service on it of this document before the creditor may apply to the Royal Court of Jersey to wind up the Limited Liability Company.**

NOTE: **The Limited Liability Company has the right to make an application to the Royal Court of Jersey for an injunction restraining the creditor from presenting an application to wind it up.**

Authentication:

Signature of Individual:
Name (block letters):
Date:
Address:

Telephone No:
Ref: .....

[I, the above-signed, not being the creditor herein, state as follows:
I am authorised to make this demand on the creditor's behalf.
My position in/relationship to the creditor is [insert]
[[If the creditor is a body corporate of which the signatory is the sole member] I am the sole member of the creditor.]

Note: The demand must be dated, and authenticated either by the creditor, or a person authorised to make the demand on the creditor's behalf. A demand which is authenticated by a person other than by the creditor must state that the person is authorised to make this demand on the creditor's behalf and state the person's relationship to the creditor.

SCHEDULE 2[93]

(Regulation 26(1A))

STANDARD POWERS OF LIQUIDATOR IN A WINDING UP

1. Power to –
   (a) settle a list of contributories (and the list of contributories is *prima facie* evidence of the persons named in it to be contributories);
   (b) make calls; and
   (c) summon general meetings of the limited liability company for the purpose of obtaining its sanction by special resolution or for any other purpose the liquidator may think fit.
2. Power to pay the limited liability company's debts and adjust the rights of the contributories among themselves.
3. Power to take any security for the discharge of any call, debt, liability or claim by or against the limited liability company and to give a complete discharge in respect of it.
4. Power to bring or defend any action or other legal proceeding in the name and on behalf of the limited liability company.
5. Power to carry on the business of the limited liability company so far as may be necessary for its beneficial winding up, and to employ and pay persons for that purpose.
6. Power to sell any of the limited liability company's property by public auction or private contract with power to transfer the whole of it to any person or to sell the same in parcels.
7. Power to do all acts and execute, in the name and on behalf of the limited liability company, all deeds, receipts and other documents.
8. Power to prove, rank and claim in the bankruptcy, insolvency or sequestration of any contributory for any balance against the contributory's estate, and to receive dividends in the bankruptcy, insolvency or sequestration in respect of that balance, as a separate debt due from the bankrupt or insolvent, and rateably with the other separate creditors.
9. Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the limited liability company, with the same effect with respect to the limited liability company's liability as if the bill or note had been drawn, accepted, made or endorsed by or on behalf of the limited liability company in the course of its business.
10. Power to raise on the security of the assets of the limited liability company any money requisite.
11. (1) Power to take out in the liquidator's official name letters of administration to any deceased contributory, and to do in the liquidator's official name any other act necessary for obtaining payment of any money due from a contributory or the estate of a contributory that cannot conveniently be done in the name of the limited liability company.

(2) In all such cases the money due is deemed, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, to be due to the liquidator.

12.

(1) Power to transfer the whole or any part of a limited liability company's assets to a relevant body in return (wholly or in part) for shares, debt instruments, securities or other similar interests in the relevant body to be distributed as assets of the limited liability company in accordance with Regulation 8.

(2) In sub-paragraph (1), "relevant body" means a body corporate, limited liability company or limited liability partnership.

13. Power to appoint an agent to do any business that the liquidator is unable to do in person.

14. Power to do all other things that may be necessary for winding up the limited liability company's affairs and distributing its assets.

15. Power to do all things incidental to the exercise of the powers in this Schedule.

ENDNOTES

Table of Legislation History

Legislation	Year and No	Commencement	◦Projet No (where applicable)
Limited Liability Companies (Winding Up and Dissolution) (Jersey) Regulations 2022	R&O.36/2022	1 September 2022 (L.32/2018)	P.23/2022
Limited Liability Companies (Amendment) (Jersey) Regulations 2023	R&O.12/2023	14 February 2023	P.118/2022
Limited Liability Companies (Winding Up and Dissolution) (Amendment) (Jersey) Regulations 2023	R&O.13/2023	14 February 2023	P.119/2022
Children and Civil Status (Consequential Amendments) (Jersey) Amendment Regulations 2025	R&O.5/2025	24 November 2025	P.89/2024
Civil Status (Abolition of Legitimacy Etc.) (Jersey) Law 2025	L.16/2025	24 November 2025	P.44/2025
Companies (Jersey) Amendment Law 2026	L.8/2026	1 June 2026	P.106/2025
Companies (Jersey) Amendment No. 2 Law 2026	L.33/2026	19 June 2026	P.49/2026

◦Projets available at statesassembly.gov.je

Table of Endnote References

[1] *Regulation 1* — *amended by R&O.13/2023*
[2] *Regulation 4(1)* — *amended by L.8/2026*
[3] *Regulation 5(1)* — *amended by L.8/2026*
[4] *Regulation 5(2)* — *amended by L.8/2026*
[5] *Regulation 6(2)* — *editorial change, "companymust" replaced with "company must"*
[6] *Regulation 6(3)* — *inserted by L.8/2026*
[7] *Regulation 6(4)* — *inserted by L.8/2026*
[8] *Regulation 7(6)* — *editorial change, "Alimited" replaced with "A limited"*
[9] *Regulation 7(7)* — *inserted by L.8/2026*
[10] *Regulation 7(8)* — *inserted by L.8/2026*
[11] *Regulation 8(3)* — *amended by L.8/2026*
[12] *Regulation 8(4)* — *amended by L.8/2026*
[13] *Regulation 9(1)* — *editorial change, "afterthat" replaced with "after that", amended by L.8/2026*
[14] *Regulation 12(1)* — *amended by R&O.13/2023*
[15] *Regulation 13* — *substituted by R&O.13/2023*

[16] *Regulation 13A* *inserted by R&O.13/2023*
[17] *Regulation 13A(1)* *amended by L.8/2026*
[18] *Regulation 13A(2)* *amended by L.8/2026*
[19] *Regulation 13B* *inserted by R&O.13/2023*
[20] *Regulation 13B(3A)* *inserted by L.8/2026*
[21] *Regulation 13B(4)* *amended by L.8/2026*
[22] *Regulation 13B(6)* *inserted by L.8/2026*
[23] *Regulation 13C* *inserted by R&O.13/2023*
[24] *Regulation 13C(1)* *amended by L.8/2026*
[25] *Regulation 13D* *inserted by R&O.13/2023*
[26] *Regulation 13D(6)* *substituted by L.8/2026*
[27] *Regulation 14(4)* *inserted by R&O.13/2023*
[28] *Regulation 14(5)* *inserted by R&O.13/2023*
[29] *Regulation 14(6)* *inserted by R&O.13/2023*
[30] *Regulation 15(1)* *substituted by R&O.13/2023, amended by L.8/2026*
[31] *Regulation 15(3)* *amended by R&O.13/2023*
[32] *Regulation 15(6)* *amended by L.8/2026*
[33] *Regulation 15(7)* *inserted by L.8/2026*
[34] *Regulation 16* *heading amended by R&O.13/2023*
[35] *Regulation 16(A1)* *inserted by R&O.13/2023*
[36] *Regulation 16A* *inserted by R&O.13/2023*
[37] *Regulation 17(A1)* *inserted by L.8/2026*
[38] *Regulation 17(3A)* *inserted by R&O.13/2023*
[39] *Regulation 19(1)* *amended by L.8/2026*
[40] *Regulation 20* *substituted by L.8/2026*
[41] *Regulation 23(1)* *amended by L.8/2026*
[42] *Regulation 26(1A)* *inserted by L.8/2026*
[43] *Regulation 26(1B)* *inserted by L.8/2026*
[44] *Regulation 26(2)* *amended by L.8/2026*
[45] *Regulation 26(3)* *deleted by L.8/2026*
[46] *Regulation 26(4)* *deleted by L.8/2026*
[47] *Regulation 26(5)* *amended by R&O.13/2023*
[48] *Regulation 26(6)* *inserted by R&O.13/2023*
[49] *Regulation 29A* *inserted by R&O.13/2023*
[50] *Regulation 29A(1)* *amended by L.8/2026*
[51] *Regulation 31(3)* *inserted by R&O.13/2023*
[52] *Regulation 32(2)* *amended by R&O.5/2025, L.16/2025*
[53] *Regulation 33(8)* *amended by L.8/2026*
[54] *Regulation 34(8)* *amended by L.8/2026*
[55] *Regulation 36(2)* *amended by L.8/2026*
[56] *Regulation 39(1)* *amended by R&O.12/2023*
[57] *Regulation 39(2)* *amended by R&O.12/2023*
[58] *Regulation 39(4)* *amended by L.8/2026*
[59] *Regulation 41(5)* *editorial change, "aditor" replaced with "auditor"*
[60] *Regulation 42(1A)* *inserted by L.8/2026*
[61] *Regulation 44(3)* *editorial change, "paragrahs" replaced with "paragraphs"*
[62] *Regulation 45(1)* *substituted by R&O.13/2023*
[63] *Regulation 45(1A)* *inserted by R&O.13/2023*
[64] *Regulation 45(2)* *amended by R&O.13/2023*
[65] *Regulation 45(3)* *amended by R&O.13/2023*
[66] *Regulation 45(3A)* *inserted by R&O.13/2023, amended by L.33/2026*
[67] *Regulation 45(3B)* *inserted by R&O.13/2023*

[68] *Regulation 45(3C)*	*inserted by R&O.13/2023*
[69] *Regulation 45(3D)*	*inserted by R&O.13/2023, amended by L.33/2026*
[70] *Regulation 45(3E)*	*inserted by R&O.13/2023*
[71] *Regulation 45(3F)*	*inserted by R&O.13/2023*
[72] *Regulation 45(3G)*	*inserted by R&O.13/2023*
[73] *Regulation 45A*	*inserted by R&O.13/2023*
[74] *Regulation 47(1)*	*amended by R&O.13/2023*
[75] *Regulation 47(1A)*	*inserted by R&O.13/2023*
[76] *Regulation 47(2)*	*substituted by R&O.13/2023*
[77] *Regulation 47(3)*	*amended by R&O.13/2023*
[78] *Regulation 47(5)*	*amended by R&O.13/2023*
[79] *Regulation 47(6)*	*substituted by R&O.13/2023*
[80] *Regulation 48(1)*	*substituted by L.8/2026*
[81] *Regulation 48(1A)*	*inserted by L.8/2026*
[82] *Regulation 48(1B)*	*inserted by L.8/2026*
[83] *Regulation 48(1C)*	*inserted by L.8/2026*
[84] *Regulation 48(2)*	*amended by L.8/2026*
[85] *Regulation 50*	*heading amended by L.8/2026*
[86] *Regulation 50(1)*	*amended by L.8/2026*
[87] *Regulation 51(2)*	*amended by L.8/2026*
[88] *Regulation 52*	*amended by R&O.13/2023*
[89] *Regulation 52A*	*inserted by R&O.13/2023*
[90] *Regulation 53*	*spent, omitted*
[91] *Regulation 54*	*spent, omitted*
[92] *Schedule 1*	*inserted as the Schedule by R&O.13/2023, renumbered by L.8/2026*
[93] *Schedule 2*	*inserted by L.8/2026*