

# **The Nevis Business Corporation Ordinance, 1984**

**(as Amended, 2011)**

An Ordinance to provide for the establishment of business corporations in the island of Nevis and to provide for matters incidental or consequential thereto.

BE IT ENACTED by the Queen's Most Excellent Majesty by and with the advice and consent of the Nevis Island Assembly and by the Authority of the same as follows

## **PART I - General Provisions**

1. This Ordinance shall be known as the "Nevis Business Corporation Ordinance 1984."

2. In this Ordinance, unless the context otherwise requires, the term:

"Articles of incorporation" includes

- (i) the original articles of incorporation or any other instrument filed or issued under any law to form a domestic or foreign corporation, amended, supplemented, corrected or restated by articles of amendment, merger or consolidation, or other instruments filed or issued under any law; or
- (ii) a special law or charter creating a domestic or foreign corporation, as amended, supplemented or restated.

"Board" means board of directors.

"Corporation" or "domestic corporation" means a corporation for profit formed under this Ordinance, or existing on its effective date and theretofore formed under any other ordinance of the Nevis Island Assembly.

"Deputy Registrar" means the person or persons appointed by the Minister to assist the Registrar of Companies in performing his duties under this Ordinance.

"High Court" means High Court having jurisdiction in St. Kitts and Nevis.

"Insolvent" means being unable to pay debts as they become due in the usual course of the debtor's business.

"Minister of Finance" means the Minister for the time being charged with the

responsibility of Finance in the Nevis Island Administration.

“Registrar of Companies” means the person appointed by the Minister to perform the duties of Registrar under this Ordinance.

“Treasury shares” means shares which have been issued, have been subsequently acquired, and are retained uncanceled by the corporation.

**3.(1)** Any corporation or company created prior to the effective date of this Ordinance may at any time subject itself to the provisions of this Ordinance by amending its articles of incorporation in accordance with the manner prescribed by Part IX. Any corporation formed or subject to this Ordinance which does business in Nevis shall be subject to and comply with all requirements of the Companies Act (Chapter 335) in the same manner as a company formed thereunder.

**(2)** A corporation to which the Banking Law or Insurance Law is applicable shall also be subject to this Ordinance, but the Banking Law or Insurance Law, as the case may be, shall prevail over any conflicting provisions of this Ordinance.

**4.(1)** Whenever any provision of this Ordinance requires any instrument to be filed with the Registrar of Companies, such instrument shall comply with the provisions of this Part unless otherwise expressly provided by a law.

**(2)** Every instrument referenced herein, filed or required to be filed, shall be in the English language, except that the corporate name may be in another language if written in English letters or characters.

**(3)** All instruments shall be signed by all directors; or, by the president, vice president or managing director, and by the secretary or an assistant secretary.

**(4)** Whenever any provision of this Ordinance requires an instrument to be acknowledged, such requirement means in the case of execution of an instrument within Nevis that:

*(i)* The person signing the instrument shall acknowledge that it is his act and deed or that it is the act and deed of the corporation, as the case may be; and

*(ii)* The instrument shall be acknowledged before a notary public, commissioner for oaths or other person authorized to take acknowledgments, who shall attest that he knows the person making the acknowledgment to be the person who executed the instrument.

**(5)** In the case of the execution of an instrument outside of Nevis, an acknowledgment shall

mean:

- (i) The person signing the instrument shall acknowledge that it is his act and deed or that it is the act and deed of the corporation, as the case may be; and
- (ii) The instrument shall be acknowledged before a notary public or any other person authorized to take acknowledgments according to the laws of the place of execution, or a consul or vice-consul of St. Kitts and Nevis or other governmental official of St. Kitts or Nevis authorized to take acknowledgments or, in their absence, a consular official of another government having diplomatic relations with St. Kitts and Nevis, and such notary, person, consul or vice-consul shall attest that he knows the person making the acknowledgment to be the person who executed the instrument; and
- (iii) When the acknowledgment shall be taken by a notary public or any other person authorized to take acknowledgments, except a governmental official of St. Kitts or Nevis or foreign consular official, the signature of such person who has authority shall be attested to by a consul or vice-consul of the Nation of St. Kitts and Nevis or, in his absence, by a consular official of another government having diplomatic relations with St. Kitts and Nevis, or a government official of the place of execution who is authorized to make such attestation, or an Apostille according to the Convention de la Haye de 5 Octobre 1961.

**(6)** Whenever any provision of this Ordinance requires any instrument to be filed with the Registrar of Companies, such requirement means that:

- (i) An appropriate receipt evidencing payment of all appropriate fees shall be delivered to the office of the Registrar of Companies and, within ten days of the date of the receipt, the original instrument together with a duplicate instrument, both signed and acknowledged;
- (ii) Upon delivery of the original signed and acknowledged instrument with the required receipt and an exact signed and acknowledged copy, the Registrar of Companies shall certify that the instrument has been filed in his office by endorsing the word "Filed" and the date of the required receipt upon the original instrument. Said date shall be the filing date;
- (iii) The Registrar of Companies shall compare the duplicate signed and acknowledged copy with the original signed and acknowledged instrument, and if he finds that the text is identical, shall affix on the duplicate copy the same endorsement of filing as he affixed on the original. The said original, as endorsed, shall be returned to the corporation. The endorsement constitutes the certificate of the Registrar of

Companies that the document is a true copy of the instrument filed in his office and that it was filed as of the date stated in the endorsement; and

- (iv) Any instrument filed in accordance with subsection (ii) shall be effective as of the filing date stated thereon.

(7) Any instrument relating to a domestic or foreign Corporation and filed with the Registrar of Companies under this Ordinance may be corrected with respect to any error apparent on the face or defect in the execution thereof by filing with the Registrar of Companies a certificate of correction, executed and acknowledged in the manner required for the original instrument. The certificate of correction shall specify the error or defect to be corrected and shall set forth the portion of the instrument in correct form. The corrected instrument when filed shall be effective as of the date the original instrument was filed.

5. All certificates issued by the Registrar of Companies in accordance with the provisions of this Ordinance and all copies of documents filed in his office in accordance with the provisions of this Ordinance shall, when certified by him, be taken and received in all courts, public offices and official bodies as prima facie evidence of the facts therein stated and of the execution of such instruments.

6.(1) The Minister of Finance is hereby empowered to promulgate and shall so promulgate a schedule of fees for the filing and issuance of documents under this Ordinance. Fees payable in respect of this Ordinance shall be payable in Eastern Caribbean dollars, or, upon the authorization of the Minister of Finance, in a currency other than that of the Nation of St. Kitts and Nevis.

(2) On filing with the Registrar of Companies an amendment of articles of incorporation increasing the authorized number of shares or articles of merger or consolidation of two or more domestic corporations, a fee shall be paid computed in accordance with the schedule promulgated pursuant to section (1) on the basis of the number of shares provided for in the articles of amendment or articles of merger or consolidation, except that all fees paid by the corporation with respect to the shares authorized prior to such amendment or merger or consolidation shall be deducted from the amount to be paid.

(3) On filing with the Registrar of Companies an amendment of articles of incorporation other than an amendment increasing the authorized number of shares, or articles of dissolution, or articles of merger or consolidation into a foreign corporation or any other document for which a certificate is issued under this Ordinance, a fee shall be paid in accordance with the schedule promulgated pursuant to section (1).

(4) Fees for certifying copies of documents and for filing, recording or indexing papers shall be fixed by the Minister of Finance.

7. Every corporation shall pay to the Minister of Finance an annual fee as prescribed in the schedule required to be promulgated by the Minister of Finance under this Ordinance.

8. Whenever any notice is required to be given to any shareholder or director or bondholder of a corporation or to any other person under the provisions of this Ordinance or under the provisions of the articles of incorporation or bylaws of the corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed to be equivalent to the giving of such notice.

9. Any notice or information required to be given to shareholders of bearer shares shall be provided in the manner designated in the corporation's articles of incorporation or bylaws or, if the notice can no longer be provided as stated therein, the notice shall be published in a publication of general circulation in Nevis or in a place where the corporation has a place of business. Any notice requiring a shareholder to take action in order to secure a right or privilege shall be published or given in time to allow a reasonable opportunity for such action to be taken.

10. In construing this Ordinance, or any part hereof, the Courts or any other person shall refer to the common law or to the construction of the same or similar acts in other jurisdictions.

## **PART II - Corporate Purposes And Powers**

11. Corporations may be organized under this Ordinance for any lawful business purpose or purposes.

12. Subject to any limitations provided in this Ordinance or any other law of Nevis or its articles of incorporation, every corporation shall have power in furtherance of its corporate purposes irrespective of corporate benefit and whether or not enumerated in its articles:

- (1) To have perpetual succession.
- (2) To sue and be sued in all courts of competent jurisdiction.
- (3) To have a corporate seal, and to alter such seal at pleasure, and to use it by

causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

- (4) To purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated.
- (5) To sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, or create a security interest in, all or any of its real or personal property, or any interest therein.
- (6) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, and pledge, bonds and other obligations, shares, or other securities or interests issued by others, whether engaged in similar or different business, governmental, or other activities.
- (7) To make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property or any interest therein, wherever situated, in any currency.
- (8) To lend money, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested, in any currency.
- (9) To do business, carry on its operations, and have offices and exercise the powers granted by this Part in any jurisdiction within or without Nevis.
- (10) To elect or appoint officers, managing directors, employees and other agents of the corporation, define their duties, fix their compensation, and the compensation of directors, and to indemnify corporate personnel.
- (11) To adopt, amend or repeal bylaws relating to the business of the corporation, the conduct of its affairs, its rights or powers or the rights or powers of its shareholders, directors or officers.
- (12) To make donations for the public welfare or for charitable, educational, scientific, civic or similar purposes.
- (13) To pay pensions and establish pension plans, pension trusts, profit sharing plans, stock bonus plans, stock option plans and other incentive plans for any or all of its directors, officers, and employees.

- (14) To purchase, receive, take, or otherwise acquire, own, hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own shares.
- (15) To be a promoter, incorporator, partner, member, associate, or manager of any partnership, corporation, joint venture, trust or other enterprise.
- (16) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed.
- (17) To be recognized and to be domiciled or domesticated within or without Nevis, and to change the situs of said domicile or domestication from time to time.
- (18) To protect the assets of the corporation for the benefit of the corporation, its creditors and its members, and at the discretion of the directors, for any person having a direct or in direct interest in the company.

**13.** A guarantee may be given by a corporation not in furtherance of its corporate purposes, when authorized at a meeting of shareholders by vote of the holders of a majority of all outstanding shares entitled to vote thereon. If authorized by a like vote, such guarantee may be secured by a mortgage or pledge of, or the creation of a security interest in, all or any part of the corporate property, or any interest therein, wherever situated.

**14.** No act of a corporation and no transfer of real or personal property to or by a corporation, otherwise lawful, shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such transfer, but such lack of capacity or power may be asserted:

- (i) In an action by a shareholder against the corporation to enjoin the doing of any act or the transfer of real or personal property by or to the corporation. If the unauthorized act or transfer sought to be enjoined is being, or is to be, performed or made under any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the action and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, such compensation as may be equitable for the loss or damage sustained by any of them from the action of the court in setting aside and enjoining the performance of such contract; provided that anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained;

- (ii) In an action by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a derivative suit against the incumbent or former officers or directors of the corporation for loss or damage due to their unauthorized act; and
- (iii) In a proceeding by the High Court to dissolve the corporation, or to enjoin it from the doing of unauthorized business.

**15.** A corporation shall be a legal entity considered in law a fictional person with separate rights and liabilities, distinct from its shareholders or members. The corporation shall be a proper plaintiff in a suit to assert a legal right of the corporation and a proper defendant in a suit to assert a legal right against the corporation; and the naming of a shareholder, member, director, officer or employee of the corporation as a party to a suit in Nevis or elsewhere to represent the corporation is subject to a motion to dismiss if such party is the sole party to sue or defend, or subject to a motion for misjoinder if such party is joined with another party who is a proper party and has been joined only to represent the corporation.

**16.** Unless otherwise provided by law, the directors, officers, employees and shareholders of a corporation shall not be liable for corporate debts and obligations.

### **PART III - Service Of Process; Registered Agent**

**17.(1)** A corporation subject to this Ordinance shall at all times have a registered agent in St. Christopher and Nevis. A corporation which fails to maintain a registered agent in St. Christopher and Nevis shall be in contravention of this Ordinance.

**(2)** Service of process on a registered agent may be made by registered mail addressed to the registered agent or in any other manner provided by law for the service of summons as if the registered agent were a defendant.

**(3)** Any registered agent of a corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the Registrar of Companies, who shall cause a copy thereof to be sent by registered mail to the corporation at the address of the office of the corporation or, if none, at the last known address of a person at whose request the corporation was formed. No designation of a new registered agent shall be accepted for filing unless all charges owing to the former agent shall have been paid.

**(4)** A designation of a registered agent under this section may be made, revoked, or changed by filing an appropriate notification with the Registrar of Companies.

**(5)** The designation of a registered agent shall terminate upon the expiration of thirty days

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written notice of resignation directed to the corporation and the filing of a copy of said notice of resignation with the Registrar of Companies; or sooner if a successor agent is designated.

**(6)** A registered agent, when served with process, notice or demand for the corporation which he represents, shall transmit the same to the corporation by personal notification or in the following manner: Upon receipt of the process, notice or demand, the registered agent shall cause a copy of such paper to be mailed to the corporation named therein at its last known address. Such mailing shall be by registered mail. As soon thereafter as possible if process was issued in Nevis, the registered agent may file with the clerk of the court issuing the process either the receipt of such registered mailing or an affidavit stating that such mailing has been made, signed by the registered agent, or if the agent is a corporation, by an officer of the same, properly notarized. Compliance with the provisions of this section shall relieve the registered agent from any further obligation to the corporation for service of the process, notice or demand, but the agent's failure to comply with the provisions of this section shall in no way affect the validity of the service of the process, notice or demand.

**(7)** Only a barrister or solicitor admitted to practice in St. Christopher and Nevis or a corporation having a paid-in capital of at least \$500,000.00 may act as registered agent.

**(8)** No barrister or solicitor or corporation shall act as registered agent unless first licensed by the Minister. The original application for licensing shall be in the prescribed form and accompanied by the prescribed fee and there shall be an annual fee payable in January of each year.

**(9)** The Minister shall prescribe fees for the licensing of registered agents under this Ordinance.

**18.(1)** Whenever a corporation subject to this Ordinance fails to maintain an authorized agent in Nevis, or whenever said registered agent cannot with reasonable diligence be found at his business address, then the Registrar of Companies or his appointee shall be an agent of such corporation upon whom any process or notice or demand required or permitted by law to be served may be served.

**(2)** Service on the Registrar of Companies or his appointee as agent of a corporation shall be made by personally delivering to and leaving with him or his deputy or with any person authorized by the Registrar of Companies to receive such service, at the office of the Registrar of Companies, duplicate copies of such process together with the statutory fee. The Registrar of Companies or his appointee shall promptly send one of such copies by registered mail, return receipt requested, to such corporation at the business address of its registered agent, or if there is no such office, then the Registrar of Companies or his appointee shall mail such copy in care of any director named in the articles of incorporation at his address stated therein or at the address of the corporation without Nevis, or if none, at the last known address of a person at whose request the corporation was formed or in any other manner permitted by Law.

**19.** The Registrar of Companies shall keep a record of each process served upon the Registrar of Companies or his appointee under this Part, including the date of service. It shall, upon request made within five years of such service, issue a certificate under its seal certifying as to the receipt of the process by an authorized person, the date and place of such service, and the receipt of the statutory fee.

**20.** Nothing contained in this Part shall affect the validity of service of process on a corporation effected in any other manner permitted by law.

#### **PART IV - Formation Of Corporations; Corporate Names**

**21.** Any person, partnership, association or corporation, singly or jointly with others, and without regard to his or their residence, domicile, or jurisdiction of incorporation, may incorporate or organize a corporation under this Ordinance.

**22.(1)** Except as otherwise provided in subsection (2) of this section, the name of a corporation:

- (i)* Shall contain the word “corporation”, “incorporated”, “company”, or “limited” or other words or an abbreviation of one of such or other words as will clearly indicate that it is a corporation as distinguished from a natural person or partnership; and
- (ii)* Shall not be the same as the name of a corporation of any type or kind, as such name appears on the index of names of existing corporations or companies or on the reserved name list maintained by the Registrar of Companies or a name so similar to any such name as to tend to confuse or deceive.

**(2)** The provisions of subsection (1) of this section shall not:

- (i)* Require any corporation, existing or authorized to do business on the effective date of this ordinance, to add to, modify or otherwise change its corporate name; and
- (ii)* Prevent a corporation with which another corporation, domestic or foreign, is merged, or which is formed by the reorganization or consolidation of one or more domestic or foreign corporations, or upon a

sale, lease or other disposition to or exchange with, a domestic corporation of all or substantially all the assets of another domestic corporation, including its name, from having the same name as any of such corporations if at the time such other corporation was existing under the laws of Nevis or was authorized to do business in Nevis.

**23.** The Registrar of Companies shall keep an alphabetical index of all reserved names and those of all corporations subject to this Ordinance together with those other names required to be kept by the Registrar of Companies by law.

**24.(1)** Any person, natural or corporate, or any agent thereof may reserve a name with the Registrar of Companies provided said reservation is made in accordance with this Part and is made in good faith for subsequent use in formation of a corporation under this Ordinance or for use in changing the name of a corporation already subject to this Ordinance. A name may be reserved under Parts XII or XIII by a non-Nevisian corporation which has filed for a transfer of domicile thereunder. Such name reservation shall not be subject to the time limitation and fee requirements of section 24.(4) of this chapter.

**(2)** An application to reserve a name shall be delivered to the Registrar of Companies together with the required fee. Said application shall set forth:

- (i)* the name to be reserved;
- (ii)* the name and address of the applicant;
- (iii)* a statement of the reasons for the application in accordance with section (1) above; and
- (iv)* the name in which the Certificate of Name Reservation is to be issued.

**(3)** Provided the name to be reserved is available for use, the Registrar of Companies shall enter the name upon the reserved name list and issue a Certificate of Name Reservation in the name of the applicant or in the name designated by the applicant. The Certificate of Name Reservation shall set forth:

- (i)* the information contained in the application therefor; and
- (ii)* the date the name was entered upon the reserved name list; which date shall be the date of reservation.

**(4)** Beginning upon the date of reservation, the name reserved will be maintained upon the reserved name list by the Registrar of Companies and shall not be used except by the person, natural or corporate, in whose name the Certificate of Name Reservation has been issued. Said

reservation shall terminate upon the expiration of one hundred twenty days next following the date of reservation unless sooner renewed. Upon payment of the required fees, the reservation shall be renewed with the Registrar of Companies for no more than two like periods. An appropriate receipt for the required fees shall be taken along with the Certificate of Name Reservation to be proof of the extension of the reservation.

(5) The Certificate of Name Reservation and any renewals thereof shall be evidenced to the Registrar of Companies at the time the name reserved is utilized by the person, natural or corporate, in whose name said Certificate of Name Reservation has been issued.

25. The articles of incorporation shall set forth:

- (1) The name of the corporation;
- (2) A statement that the corporation is formed under this Ordinance;
- (3) The succession of the corporation if other than perpetual;
- (4) The purpose or purposes for which the corporation is organized. It shall be sufficient to state, either alone or with other businesses or purposes, that the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under this Ordinance, and by such statement all lawful acts and activities shall be within the purposes of the corporation, except for express limitations, if any.
- (5) The address of the corporation in Nevis which shall be the address of its registered agent.
- (6) The aggregate number of shares which the corporation shall have authority to issue; if such shares are to consist of one class only, the par value of each of such shares, or a statement that all of such shares are without par value; or if such shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each class or that such shares are to be without par value.
- (7) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, limitations, and relative rights in respect of the shares of each class.
- (8) The number of shares to be issued as registered shares and as bearer shares and whether registered shares may be exchanged for bearer shares and bearer shares for registered shares.
- (9) If bearer shares are authorized to be issued,

- (i) appropriate procedural provisions respecting the rights and obligations of bearer shareholders including those relating to
    - (1) notice of meetings or other action,
    - (2) payment of dividends and,
    - (3) qualification for voting; or,
  - (ii) a statement that the provisions required by (i) above shall be set forth in the bylaws.
- (10) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.
- (11) If the initial directors are to be named in the articles of incorporation, the names and addresses of the persons who are to serve as directors until the first annual meeting of the shareholders or until their successors shall be elected and qualify.
- (12) The name and address of each incorporator.
- (13) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the affairs of the corporation, including the designation of initial directors, subscription of stock by the incorporators, and any provision restricting the transfer of shares or providing for greater quorum or voting requirements with respect to shareholders or directors than are otherwise prescribed in this Ordinance, and any provision which under this Ordinance is required or permitted to be set forth in the bylaws.

It shall not be necessary to enumerate in the articles of incorporation the general corporate powers stated in section 12 of Part II

**26.** The articles of incorporation may confer upon the holders of any bonds, debentures, or other obligations issued rights of or to be issued by the corporation, whether secured by mortgage or otherwise or unsecured, any one or more of the following powers and rights:

- (i) The power to vote on the election of directors, or other matters specified in the articles;

- (ii) The right of inspection of books of account, minutes, and other corporate records;
- (iii) Any other rights to information concerning the financial condition of the corporation which its shareholders have or may have.

**27.** Articles of incorporation shall be signed and acknowledged by each incorporator and filed with the Registrar of Companies in conformity with the provisions of Part I of this Ordinance.

**28.** The corporate existence shall, upon filing the articles of incorporation, be effective as of the filing date stated thereon. The endorsement by the Registrar of Companies, as required by section 4 of Part I, shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this Ordinance.

**28 (A)(1)** A person who has paid the prescribed fee is entitled during normal business hours, to examine, and to make copies of or extracts from all documents filed with the Registrar.

**(2)** The Registrar shall upon request and payment of the prescribed fee, furnish any person with a copy or certified copy of any document received by the Registrar under this Ordinance.

**(3)** If the records maintained by the Registrar are prepared and maintained in other than a written form then upon payment of the prescribed fee, the Registrar shall furnish any copy required to be furnished under this Ordinance in an intelligible written form.

**(4)** A report reproduced from those records, if it is certified by the Registrar, is admissible in evidence to the same extent as the original written records would be.

**29.(1)** Within a reasonable time after the filing of the articles of incorporation, an organization meeting shall be held either within or without Nevis. The said organization meeting shall be held, in person or by proxy, by the initial directors named in the articles of incorporation or by the incorporator or incorporators or their transferees pursuant to subsection (2) hereof. The purpose of the meeting shall be to adopt bylaws, transact such business as may come before the meeting, do such acts to perfect the organization of the corporation as are deemed appropriate and, if the initial directors are not named in the articles of incorporation, elect directors to serve or hold office until the first annual meeting of shareholders or until their successors are elected and qualify.

(2) If the articles of incorporation state that the incorporators have subscribed for stock, such subscriptions may be transferred prior to the organization meeting of directors and such transferees may hold the organization meeting of incorporators.

(3) Any action permitted to be taken at the organization meeting may be taken without a meeting if each incorporator, transferee or director signs an instrument setting forth the action so taken.

**30.(1)** Every corporation formed under this Ordinance shall have bylaws.

(2) The initial bylaws of a corporation may be adopted by its board of directors. Except as otherwise provided in the articles of incorporation, bylaws may be amended, repealed or adopted by vote of the shareholders. If so provided in the articles of incorporation or a bylaw adopted by the shareholders, bylaws may also be amended, repealed or adopted by the board of directors, but any bylaw adopted by the directors may be amended or repealed by shareholders entitled to vote thereon.

(3) The bylaws shall contain appropriate procedural provisions respecting the rights and obligations of bearer shareholders as set forth in section 25 of this Part IV in the event the articles of incorporation do not contain such provisions.

(4) The bylaws may contain any provision relating to the business of the corporation, the conduct of its affairs, its rights or powers or the rights or powers of its shareholders, directors or officers, not inconsistent with this Ordinance or any other Law of Nevis or the articles of incorporation.

## **PART V - Corporate Finance**

**31.(1)** Every corporation shall have power to issue the number of shares stated in its articles of incorporation. Such shares may be of one or more classes or one or more series within any class thereof, any or all of which classes may be of shares with par value or shares without par value, and may be registered or bearer shares, with such voting powers, full or limited, or without voting powers and in such series and with such designations, preferences and relative, participating, optional or special rights and qualifications, limitations or restrictions thereon as shall be stated in the articles of incorporation or in the resolution providing for the issue of such shares adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation.

(2) The articles of incorporation or the resolution providing for the issue of shares adopted by the board of directors may provide that shares of any class of shares or of any series of shares within any class thereof shall be convertible into the shares of one or more other classes of shares or series except into shares of a class or series having rights or preferences as to dividends or

distribution of assets upon liquidation which are prior or superior in rank to those of the shares being converted.

**(3)** A corporation may provide in its articles of incorporation for one or more classes or series of shares which are redeemable, in whole or in part, at the option of the corporation at such price or prices, within such period and under such conditions as are stated in the articles of incorporation or in the resolution providing for the issue of such shares adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation.

**(4)** A corporation may issue fractional shares.

**(5)** Before any corporation shall issue any shares of any class or of any series of any class of which the voting powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations, or restrictions thereof, if any, have not been set forth in the articles of incorporation, but are provided for in a resolution adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation, a statement setting forth a copy of such resolution and the number of shares of the class or series to be issued shall be executed, acknowledged, and filed in accordance with section 4 of Part I of this Ordinance. Upon the filing of such statement, the resolution establishing and designating the class or series and fixing the relative rights and preferences thereof shall become effective and shall constitute an amendment of the articles of incorporation.

**32.(1)** A restriction on the transfer of shares of a corporation may be imposed either by the articles of incorporation or by the bylaws or by an agreement among any number of shareholders or among such shareholders and the corporation. No restriction so imposed shall be binding with respect to shares issued prior to the adoption of the restriction unless the holders of such shares are parties to an agreement or voted in favor of the restriction. Any restriction which absolutely prohibits the transfer of shares shall be null and void.

**(2)** Restrictions on the transfer of shares include those which:

- (i)* Obligate the holder of the restricted shares to offer to the corporation or to any other holders of securities of the corporation or to any person or to any combination of the foregoing, a prior opportunity, to be exercised within a reasonable time, to acquire the restricted shares; or
- (ii)* Obligate the corporation or any holder of shares of the corporation or any other person or any combination of the foregoing, to purchase at a specified price the shares which are the subject of an agreement respecting the purchase and sale of the restricted securities.

**(3)** Any transfer restriction adopted under this section shall be noted on the face or the back of the stock certificate.

(4) Any person becoming entitled by operation of law or otherwise to a share or shares in consequence of the death, insanity or bankruptcy of any shareholder of a corporation incorporated under this Ordinance may be registered as a shareholder upon such evidence being produced as may reasonably be required by the directors. An application by any such person to be registered as a shareholder shall for all purposes be deemed a transfer of shares of the deceased, insane or bankrupt shareholder and the directors shall treat it as such.

**33.(1)** A subscription for shares of a corporation to be organized shall be irrevocable for a period of six months from its date unless otherwise provided by the terms of the subscription agreement or unless all of the subscribers consent to the revocation of such subscription.

(2) A subscription, whether made before or after the formation of a corporation, shall not be enforceable unless in writing and signed by the subscriber.

(3) Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the class or as to all shares of the same series, as the case may be.

(4) In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The bylaws may prescribe a penalty for failure to pay installments or calls that may become due, but no penalty working a forfeiture of a subscription, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of thirty days after written demand has been made therefor. If mailed, such written demand shall be deemed to be made when sent by registered mail addressed to the subscriber at his last post office address known to the corporation. In the event of the sale of any shares by reason of any forfeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative. If no prospective purchaser offers a cash price sufficient to pay the full balance owed by the delinquent subscriber plus the expenses incidental to such sale, the shares subscribed for shall be cancelled and restored to the status of authorized but unissued shares and all previous payments thereon shall be forfeited to the corporation and transferred to surplus.

(5) Subscriptions for shares of stock are transferable unless otherwise provided in a subscription agreement.

**34.(1)** Consideration for the issue of shares shall consist of money or other property, tangible or intangible, or labor or for shares, services actually received by or performed for the corporation or for its benefit or in its formation or reorganization, or a combination thereof. In the absence of fraud in the transaction, the judgment of the board of directors or shareholders, as the case may

be, as to the value of the consideration received for shares shall be conclusive.

(2) Shares with par value may be issued for such consideration, not less than the par value thereof, as is fixed from time to time by the board

(3) Shares without par value may be issued for such consideration as is fixed from time to time by the board unless the articles of incorporation reserve to the shareholders the right to fix the consideration. If such right is reserved as to any shares, a vote of the shareholders shall either fix the consideration to be received for the shares or authorize the board to fix such consideration.

(4) Treasury shares may be disposed of by a corporation on such terms and conditions as are fixed from time to time by the board.

(5) That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for the issuance of such shares.

**35.(1)** Neither obligations of the subscriber for future payments nor future service shall constitute payment or part payment for shares of a corporation.

(2) Certificates for shares may not be issued until the full amount of consideration therefor has been paid.

(3) When the consideration for shares has been paid in full, the subscriber shall be entitled to all rights and privileges of a holder of such shares and to a certificate representing his shares, and such shares shall be deemed fully paid and non-assessable.

**36.** The reasonable charges and expenses of formation or reorganization of a corporation, and the reasonable expenses of and compensation for the sale or underwriting of its shares may be paid or allowed by the corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not fully paid or assessable.

**37.(1)** Upon issue by a corporation of shares with a par value not in excess of the authorized shares, the consideration received therefor shall constitute stated capital to the extent of the par value of such shares, and the excess, if any, of such consideration shall constitute surplus.

(2) Upon issue by a corporation of shares without par value not in excess of the authorized shares, the entire consideration received therefor shall constitute stated capital unless the board within a period of sixty days after issue allocates to surplus a portion, but not all, of the consideration received for such shares. No such allocation shall be made of any portion of the

consideration received for shares without par value having a preference in the assets of the corporation upon involuntary liquidation except all or part of the amount, if any, of such consideration in excess of such preference, nor shall such allocation be made of any portion of the consideration for the issue of shares without par value which is fixed by the shareholders pursuant to a right reserved in the articles of incorporation unless such allocation is authorized by vote of the shareholders.

**(3)** The stated capital of a corporation may be increased from time to time by resolution of the board of directors transferring all or part of surplus of the corporation to stated capital.

**38.(1)** The shares of a corporation shall be represented by certificates signed by the president, vice president, or managing director and the secretary or an assistant secretary or the treasurer or an assistant treasurer or director of the corporation, and may be sealed with the seal of the corporation, if any, or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the corporation itself or its employees. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of issue.

**(2)** Shares may be issued either in registered form or in bearer form provided that the articles of incorporation or bylaws prescribe the manner in which any required notice is to be given to shareholders of bearer shares in conformity with section 25 of Part IV. The transfer of bearer shares shall be by delivery of the certificates. The articles of incorporation may provide that on request of a shareholder his bearer shares shall be exchanged for registered shares or his registered shares exchanged for bearer shares.

**(3)** Each certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full statement of the designation, relative rights, preferences and limitations of the shares of each class authorized to be issued and, if the corporation is authorized to issue any class of preferred shares in series, the designation, relative rights, preferences and limitations of each such series so far as the same have been fixed and the authority of the board to designate and fix the relative rights, preferences and limitations of other series.

**(4)** Each certificate representing shares shall when issued state upon the face thereof:

- (i)* That the corporation is formed under the laws of Nevis;
- (ii)* The name of the person or persons to whom issued if a registered share;
- (iii)* The number and class of shares, and the designation of the series, if any, which such certificate represents;

- (iv) The par value of each share represented by such certificate, or a statement that the shares are without par value; and
- (v) If the share does not entitle the holder to vote, that it is nonvoting, or if the right to vote exists only under certain circumstances, that the right to vote is limited.

**39.(1)** A corporation may declare and pay dividends in cash, stock or other property on its outstanding shares, except when currently the corporation is insolvent or would thereby be made insolvent or when the declaration or payment would be contrary to any restrictions contained in the articles of incorporation. Dividends may be declared and paid out of surplus only; but in case there is no surplus, dividends may be declared or paid out of the net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year.

**(2)** A corporation engaged in the exploitation of natural resources or other wasting assets, including patents, or formed primarily for the liquidation of specific assets, may declare and pay dividends regardless of any surplus from the net profits derived from the liquidation or exploitation of such assets without making any deduction for the depletion of such assets resulting from lapse of time, consumption, liquidation or exploitation of such assets if the net assets remaining after such dividends are sufficient to cover the liquidation preferences of shares having such preferences in involuntary liquidation.

**40.(1)** A corporation may make pro rata distribution of its authorized but unissued shares to holders of any class or series of its outstanding shares subject to the following conditions:

- (i) If a distribution of shares having a par value is made, such shares shall be issued at not less than the par value thereof and there shall be transferred to stated capital at the time of such distribution an amount of surplus equal to the aggregate par value of such shares; and
- (ii) If a distribution of shares without par value is made, the amount of stated capital to be represented by each such share shall be fixed by the board, unless the articles of incorporation reserved to the shareholders the right to fix the consideration for the issue of such shares; and there shall be transferred to stated capital at the time of such distribution an amount of surplus equal to the aggregate stated capital represented by such shares.

**(2)** Unrealized appreciation of assets, if any, shall not be included in the computation of surplus available for a share dividend.

**(3)** Upon the payment of a dividend payable in shares, notice shall be given to the shareholders of the amount per share transferred from surplus.

(4) No dividend payable in shares of any class shall be paid unless the share dividend is specifically authorized by the vote of two-thirds of the shares of each class that might be adversely affected by such a share dividend.

(5) A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the corporation shall not be construed to be a share dividend within the meaning of this section.

**41.(1)** A corporation, subject to any restrictions contained in its articles of incorporation, may purchase its own shares or redeem its redeemable shares out of surplus except when currently the corporation is insolvent or would thereby be made insolvent.

(2) A corporation may purchase its own shares out of stated capital except when currently the corporation is insolvent or would thereby be made insolvent, if the purchase is made for the purpose of:

- (i) Eliminating fractions of shares;
- (ii) Collecting or compromising indebtedness to the corporation; or
- (iii) Paying dissenting shareholders entitled to receive payment for their shares under Parts IX or X.

(3) A corporation, subject to any restrictions contained in its articles of incorporation, may redeem or purchase its redeemable shares out of stated capital except when currently the corporation is insolvent or would thereby be made insolvent and except when such redemption or purchase would reduce net assets below the stated capital remaining after giving effect to the cancellation of such redeemable shares.

(4) When its redeemable shares are purchased by a corporation within the period of redeemability, the purchase price thereof shall not exceed the applicable redemption price stated in the articles of incorporation. Upon a call for redemption, the amount payable by the corporation for shares having a cumulative preference on dividends may include the stated redemption price plus accrued dividends to the next dividend date following the date of redemption of such shares.

**42.(1)** Shares that have been issued and have been purchased, redeemed or otherwise reacquired by a corporation shall be cancelled if they are reacquired out of stated capital, or if they are converted shares, or if the articles of incorporation require that such shares be cancelled upon reacquisition.

(2) Any shares reacquired by the corporation and not required to be cancelled may be either retained as treasury shares or cancelled by the board at the time of reacquisition or at any time

thereafter.

(3) Neither the retention of reacquired shares as treasury shares, nor their subsequent distribution to shareholders or disposition for a consideration shall change the stated capital. Treasury shares may be disposed of for such consideration as the directors may fix. When treasury shares are disposed of for a consideration, the surplus shall be increased by the full amount of the consideration received.

(4) When reacquired shares other than converted shares are cancelled, the stated capital of the corporation shall be reduced by the amount of stated capital then represented by the shares so cancelled. The amount by which stated capital has been reduced by cancellation of reacquired shares during a stated period of time shall be disclosed in the next financial statement covering such period that is furnished by the corporation to all its shareholders, or if practicable, in the first notice of dividend or share distribution that is furnished to the holders of each class or series of its shares between the end of the period and the next such financial statement, and in any event to all its shareholders within six months of the date of the reduction of capital.

(5) Shares cancelled under this section shall be restored to the status of authorized but unissued shares, except that if the articles of incorporation prohibit the reissue of any shares required or permitted to be cancelled under this section, the board shall approve and deliver to the Registrar of Companies articles of amendment under Part IX eliminating such shares from the number of authorized shares.

**43.(1)** Except as otherwise provided in the articles of incorporation, the board may at any time reduce the stated capital of a corporation by eliminating from stated capital amounts previously transferred by the board from surplus to stated capital and not allocated to any designated class or series of shares, or by eliminating any amount of stated capital represented by issued shares having a par value to the extent that the stated capital exceeds the aggregate par value of such shares, or by reducing the amount of stated capital represented by issued shares without par value. If, however, the consideration for the issue of shares without par value was fixed by the shareholders under this Part V, the board shall not reduce the stated capital represented by such shares except to the extent, if any, that the board was authorized by the shareholders to allocate any portion of such consideration to surplus.

(2) No reduction of stated capital shall be made under this section unless after such reduction the stated capital exceeds the aggregate preferential amounts payable upon involuntary liquidation upon all issued shares having preferential rights in the assets plus the par value of all other issued shares with par value.

(3) When a reduction of stated capital has been effected under this section, the amount of such reduction shall be disclosed in the next financial statement covering the period in which such reduction is made that is furnished by the corporation to all its shareholders, or, if practicable, in the first notice of dividend or share distribution that is furnished to the holder of each class or series of its shares between the date of such reduction and the next such financial

statement, and in any event to all its shareholders within six months of the date of such reduction.

## **PART VI - Directors And Management**

**44.(1)** Subject to limitations of the articles of incorporation and of this Ordinance as to action which shall be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of every corporation shall be managed by, a board of directors.

**(2)** The directors may cause the corporation to transfer any of its assets in trust to one or more trustees, to any company, association, partnership, foundation or similar entity, and with respect to the transfer, the directors may provide that the company, its creditors, its members or any person having direct or indirect interest in the corporation, or any of them, may be the beneficiaries, creditors, members, certificate holders, partners or holders of any other similar interest.

**(3)** The rights or interest of any existing or subsequent creditor of the corporation in any assets of the corporation are not affected by any transfer under sub-section (2), and those rights or interests may be pleaded against any transferee in any such transfer.

**45.** The articles of incorporation may prescribe special qualifications for directors. Unless otherwise provided in the articles of incorporation, directors may be natural persons, or corporations, of any nationality and need not be residents of Nevis or shareholders of the corporation. Alternate or substitute directors may be appointed provided that the terms and conditions under which such appointments shall be made are set forth in the articles of incorporation or bylaws.

**46.(1)** The number of directors constituting the entire board shall not be less than three, except that where all the shares of a corporation are held by fewer than three shareholders, the number of directors may be fewer than three but not fewer than the number of shareholders. Subject to such limitations, such number may be fixed by the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw. If not otherwise fixed under this section, the number shall be three.

**(2)** The number of directors may be increased or decreased by amendment of the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw, subject to the following limitations:

- (i) If the board is authorized by the bylaws to change the number of directors, whether by amending the bylaws or by taking action under the specific provisions of a bylaw, such amendment or action shall require the vote of a majority of the entire board; and
- (ii) No decrease shall shorten the term of any incumbent director.

**47.(1)** At each annual meeting of shareholders, directors shall be elected to hold office until the next annual meeting except as otherwise provided in this Ordinance or in the articles of incorporation. The articles of incorporation may provide for the election of one or more directors by the holders of the shares of any class or series.

**(2)** Each director shall hold office until the expiration of the term for which he is elected, and until his successor has been elected and qualified.

**48.(1)** The articles of incorporation or the specific provisions of a bylaw adopted by the shareholders may provide that the directors be divided into either two, three or four classes. All classes shall be as nearly equal in number as possible, and no class shall include fewer than three directors. The terms of office of the directors initially classified shall be as follows: that of the first class shall expire at the next annual meeting of shareholders, the second class at the second succeeding annual meeting, the third class, if any, at the third succeeding annual meeting, and the fourth class, if any, at the fourth succeeding annual meeting.

**(2)** At each annual meeting after such initial classification, directors to replace those whose terms expire at such annual meeting shall be elected to hold office until the second succeeding annual meeting if there are two classes, the third succeeding annual meeting if there are three classes, or the fourth succeeding annual meeting if there are four classes.

**(3)** If directors are classified and the number of directors is thereafter changed:

- (i) Any newly created directorships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as possible; and
- (ii) When the number of directors is increased by the board and any newly created directorships are filled by the board, there shall be no classification of the additional directors until the next annual meeting of shareholders.

**49.(1)** Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board for any reason except the removal of directors without cause may be filled by vote of a majority of the directors then in office, although less than a quorum

exists, unless the articles of incorporation or the bylaws provide that such newly created directorships or vacancies shall be filled by vote of the shareholders.

**(2)** Unless the articles of incorporation or the specific provisions of a bylaw adopted by the shareholders provide that the board shall fill vacancies occurring in the board by reason of the removal of directors without cause, such vacancies may be filled only by vote of the shareholders.

**(3)** A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his predecessor.

**50.(1)** Any or all of the directors may be removed for cause by vote of the shareholders. The articles of incorporation or the specific provisions of a bylaw may provide for such removal by action of the board, except in the case of any director elected by cumulative voting, or by the holders of the shares of any class or series when so entitled, or by provisions of the articles of incorporation.

**(2)** If the articles of incorporation or the bylaws so provide, any or all of the directors may be removed without cause by vote of the shareholders.

**(3)** The removal of directors, with or without cause, as provided in subsections (1) and (2) is subject to the following:

- (i)* In the case of a corporation having cumulative voting, no director may be removed when the votes cast against his removal would be sufficient to elect him if voted cumulatively at an election at which the same total number of votes were cast and the entire board, or the entire class of directors of which he is a member, were then being elected; and
- (ii)* When by the provisions of the articles of incorporation the holders of the shares of any class or series, or holders of bonds, voting as a class, are entitled to elect one or more directors, any director so elected may be removed only by the applicable vote of the holders of the shares of that class or series, or the holders of such bonds, voting as a class.

**51.(1)** Unless a greater proportion is required by the articles of incorporation, a majority of the entire board present, in person or by proxy, at a meeting duly assembled, shall constitute a quorum for the transaction of business or of any specified item of business, except that the articles of incorporation or the bylaws shall not require unanimity and may fix the quorum at less than a majority of the entire board but not less than one-third thereof.

**(2)** The vote of the majority of the directors present in person or by proxy at a meeting at

which a quorum is present shall be the act of the board unless the articles of incorporation require the vote of a greater number.

(3) A proxy shall be given in an instrument in writing including a telegram, cable, telex or similar teletransmission.

(4) Unless otherwise restricted by the articles of incorporation or bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of the proceedings of the board or committee.

(5) Unless restricted by the articles of incorporation or bylaws, members of the board or any committee thereof may participate in a meeting of such board or committee by means of conference telephone, video, or similar communication equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

(6) The articles of incorporation may contain provisions specifying either or both of the following:

- (i) That the proportion of directors that shall constitute a quorum for the transaction of business or of any specified item of business shall be greater than the proportion prescribed by subsection (1) in the absence of such provision but less than the total number of directors; and
- (ii) That the proportion of votes of directors that shall be necessary for the transaction of business or of any specified item of business shall be greater than the proportion prescribed by subsection (2) in the absence of such provision but less than the total number of directors.

(7) An amendment of the articles of incorporation which adds a provision permitted by subsection (6) or which changes or strikes out such a provision, shall be authorized at a meeting of shareholders by vote of the holders of two-thirds of all outstanding shares entitled to vote thereon, or of such greater proportion of shares, or class or series of shares, as may be provided specifically in the articles of incorporation for adding, changing, or striking out a provision permitted by subsection (6).

**52.(1)** Meetings of the board, regular or special, may be held at any place within or without Nevis, unless otherwise provided by the articles of incorporation or by the bylaws. The time and place for holding meetings of the board may be fixed by or under the bylaws, or if not so fixed, by the board.

(2) Unless otherwise provided by the bylaws, regular meetings of the board may be held

without notice if the time and place of such meetings are fixed by the bylaws or the board. Special meetings of the board may be called in the manner provided in the bylaws and shall be held upon notice to the directors. The bylaws may prescribe what shall constitute notice of meeting of the board. A notice or waiver of notice need not specify the purpose of any regular or special meeting of the board, unless required by the bylaws.

**(3)** Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting the lack of notice.

**53.(1)** If the articles of incorporation or the bylaws so provide, the board, by resolution adopted by a majority vote of the entire board, may designate from among its members an executive committee and other committees, each of which to the extent provided in the resolution or in the articles of incorporation or bylaws of the corporation, shall have and may exercise all the authority of the board of directors, but no such committee shall have the authority as to the following matters:

- (i)* The submission to shareholders of any action that requires shareholders' authorization under this Ordinance;
- (ii)* The filling of vacancies in the board of directors or in a committee;
- (iii)* The fixing of compensation of the directors for serving on the board or on any committee;
- (iv)* The amendment or repeal of the bylaws, or the adoption of new bylaws; and
- (v)* The amendment or repeal of any resolution of the board which by its terms shall not be so amendable or repealable.

**(2)** Each such committee shall serve at the pleasure of the board. The designation of any such committee and the delegation thereto of authority shall not alone relieve any director of his duty to the corporation under this Part VI.

**54.(1)** No contract or other transaction between a corporation and one or more of its directors, or between a corporation and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers who have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such director or directors are present at the meeting of the board, or of a committee thereof, which approves such contract or transaction, or that his or their votes are counted for such purpose:

- (i)* If the material facts as to such director's interest in such contract or

transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the board or committee, and the board or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote of such interested director or, if the votes of the disinterested directors are insufficient to constitute an act of the board as defined in this Part VI, by unanimous vote of the disinterested directors; or

(ii) If the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the shareholders entitled to vote thereon, and such contract or transaction is approved by vote of such shareholders.

(2) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board or of a committee which approves such contract or transaction.

(3) The articles of incorporation may contain additional restrictions on contracts or transactions between a corporation and its directors and may provide that contracts or transactions in violation of such restrictions shall be void or voidable by the corporation.

(4) Unless otherwise provided in the articles of incorporation or the bylaws, the board shall have authority to fix the compensation of directors for service in any capacity.

**55.** A loan shall not be made by a corporation to any director unless it is authorized by vote of the shareholders. For this purpose, the shares of the director to whom the loan is to be made shall not be shares entitled to vote. A loan made in violation of this section shall be a violation of the duty to the corporation of the directors approving it, but the obligation of the borrower with respect to the loan shall not be affected thereby.

**56.(1)** A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest, or its equivalent, shall not, of itself, create a

presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(2) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or the enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

(3) To the extent that a director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (1) or (2), or in the defense of a claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(4) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this action.

(5) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director or officer against any liability asserted against him and incurred by him in such capacity whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

**57.** Directors and officers shall discharge the duties of their respective positions in good faith and with that degree of diligence, care and skill which ordinarily prudent men officers would exercise under similar circumstances in like positions. In discharging their duties, directors and officers, when acting in good faith, may rely upon financial statements of the corporation represented to them to be correct by the president, managing director or the officer of the corporation having charge of its books or accounts, or stated in a written report by an independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of such corporation.

**58.(1)** Every corporation shall have

- (i) a president and treasurer, or a managing director, and
- (ii) a secretary, who shall each be appointed by the board or in the manner directed by the articles of incorporation or the bylaws. Such other officers shall be appointed as are required by the articles or the bylaws or as the board may determine are desirable or necessary to carry on the business of the corporation. All officers shall be natural persons except the secretary which may be a corporation.

**(2)** The articles of incorporation may provide that all officers or that specified officers shall be elected by the shareholders instead of by the board.

**(3)** Unless otherwise provided in the articles of incorporation bylaws, all officers shall be elected or appointed to hold office until the meeting of the board following the next annual meeting of shareholders, or in the case of officers elected by the shareholders, until the next annual meeting of the shareholders.

**(4)** Each officer shall hold office for the term for which he is elected or appointed, and until his successor has been elected or appointed and qualified.

**(5)** Any two or more offices may be held by the same person unless the articles of incorporation or bylaws otherwise provide.

**(6)** The board may require any officer to give security for the faithful performance of his duties.

**(7)** All officers as between themselves and the corporation shall have such authority and perform such duties with respect to the management of the corporation as may be provided in the bylaws or, to the extent not so provided, by the board.

**(8)** Officers may be of any nationality and need not be residents of Nevis.

**59.(1)** Any officer elected or appointed by the board may be removed by the board with or without cause except as otherwise provided in the articles of incorporation or the bylaws. An officer elected by the shareholders may be removed, with or without cause, only by vote of the shareholders, but his authority to act as an officer may be suspended by the board for cause.

**(2)** The removal of an officer without cause shall be without prejudice to his contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

## PART VII - SHAREHOLDERS

**60.(1)** Meetings of shareholders may be held at such place, either within or without Nevis, as may be designated in the bylaws.

**(2)** An annual meeting of shareholders shall be held for the election of directors on a date and at a time designated by or in the manner provided in the bylaws. Any other proper business may be transacted at the annual meeting.

**(3)** A failure to hold the annual meeting at the designated time or to elect a sufficient number of directors to conduct the business of the corporation shall not affect otherwise valid corporate acts or cause a dissolution of the corporation except as may be otherwise specifically provided in this Ordinance. If the annual meeting for election of directors is not held on the date designated therefor, the directors shall cause the meeting to be held as soon thereafter as convenient. If there is a failure to hold the annual meeting for a period of ninety days after the date designated therefor, or if no date has been designated for a period of thirteen months after the organization of the corporation or after its last annual meeting, holders of not less than ten percent of the shares entitled to vote in an election of directors may, in writing, demand the call of a special meeting specifying the time thereof, which shall not be less than two nor more than three months from the date of such call. The secretary of the corporation upon receiving the written demand shall promptly give notice of such meeting, or if he fails to do so within five business days thereafter, any shareholder signing such demand may give such notice.

**(4)** Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws.

**(5)** The articles of incorporation or the bylaws may provide that elections of directors shall be by written ballot.

**61.(1)** Whenever under the provisions of this Ordinance shareholders are required or permitted to take any action at a meeting, written notice to them shall state the place, date and hour of the meeting and, unless it is the annual meeting, indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of special meeting shall also state the purpose for which the meeting is called.

**(2)** A copy of the notice of any meeting shall be given personally or sent by mail, telegraph, cablegram, telex or teleprinter or other written teletransmission not less than fifteen nor more than sixty days before the date of the meeting, to each registered shareholder entitled to vote at such meeting. If mailed, such notice is given when deposited in the mail directed to the shareholder at his address as it appears on the record of shareholders, or, if he shall have filed with the secretary of the corporation a written request that notices to him be mailed to some other address, then directed to him at such address.

**(3)** Notice of any meeting shall be given to shareholders of bearer shares in accordance with the provisions of the articles of incorporation, or the bylaws, or this Ordinance. The notice shall include a statement of the conditions under which shareholders may attend the meeting and exercise the right to vote.

**(4)** When a meeting is adjourned to another time or place, it shall not be necessary, unless the meeting was adjourned for lack of a quorum or unless the bylaws require otherwise, to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the adjourned meeting, any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment the board fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder on the new record date entitled to notice under subsection (1) of this section 61.

**62.** Notice of a meeting need not be given to any shareholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protest, the lack of notice of such meeting prior to the conclusion of the meeting shall constitute a waiver of notice by him.

**63.** Any action required by this Ordinance to be taken at a meeting of shareholders of a corporation, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of shareholders, and may be stated as such in any articles or documents filed with the Registrar of Companies under this Ordinance.

**64.** For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the bylaws may provide for fixing, or in the absence of such provision, the board may fix, in advance a date as the record date for any such determination of shareholders. Such date shall not be more than sixty nor less than fifteen days before the date of such meeting, nor more than sixty days prior to any other action.

**65.(1)** Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize another person to act for him by proxy.

(2) Every proxy must be signed by the shareholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided in this section.

(3) The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the shareholder who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the corporate officer responsible for maintaining the list of shareholders.

(4) Except when other provisions shall have been made by written agreement between the parties, the record holder of shares which are held by a pledgee as security or which belong to another, upon demand therefor and payment of necessary expenses thereof, shall issue to the pledgee or to such owner of such shares a proxy to vote or take other action thereon.

(5) A shareholder shall not sell his vote, or issue a proxy to vote to any person for any sum of money or anything of value, except as authorized in this subsection and [section 71] hereof

(6) A proxy which is entitled “irrevocable proxy” and which states that it is irrevocable, is irrevocable if and as long as it is coupled with an interest sufficient to support an irrevocable power, including when it is held by any of the following or a nominee of any of the following:

(i) A pledgee;

(ii) A person who has purchased or agreed to purchase the shares;

(iii) A creditor of the corporation who extends or continues credit to the corporation in consideration of the proxy if the proxy states that it was given in consideration of such extension or continuation of credit, the amount thereof, and the name of the person extending or continuing credit; and

(iv) A person who has contracted to perform service as an officer of the corporation, if a proxy is required by the contract of employment, if the proxy states that it was given in consideration of such contract of employment, the name of the employee and the period of employment contracted for.

(7) Notwithstanding a provision in a proxy stating that it is irrevocable, the proxy becomes revocable after the pledge is redeemed, or the debt of the corporation is paid, or the period of employment provided for in the contract of employment has terminated, and becomes revocable, in a case provided for in subsections (iii) and (iv) of paragraph (6) of this section, at the end of the period, if any, specified therein as the period during which it is irrevocable, or three years after the date of the proxy, whichever period is less, unless the period of irrevocability is renewed from time to time by the execution of a new irrevocable proxy as provided in this section. This paragraph does not affect the duration of a proxy under subsection (2) hereof

**(8)** A proxy may be revoked, notwithstanding a provision making it irrevocable, by a purchaser of shares without knowledge of the existence of the provision unless the existence of the proxy and its irrevocability is noted conspicuously on the face or back of the certificate representing such shares.

**66.(1)** Unless otherwise provided in the articles of incorporation, a majority of shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders, but in no event shall a quorum consist of fewer than one-third of the shares entitled to vote at a meeting.

**(2)** When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.

**(3)** The shareholders present may adjourn the meeting despite the absence of a quorum.

**67.(1)** Directors shall, except as otherwise required by this Ordinance or by the articles of incorporation as permitted by this Ordinance, be elected by a plurality of the votes cast at a meeting of shareholders by the holders of shares entitled to vote in the election.

**(2)** The articles of incorporation of any corporation may provide that in all elections of directors of such corporation each shareholder shall be entitled to as many votes as shall equal the number of votes which, except for such provisions as to cumulative voting, he would be entitled to cast for the election of directors with respect to his shares multiplied by the number of directors to be elected, and that he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two or more of them, as he may see fit. This right, when exercised, shall be termed cumulative voting.

**(3)** Whenever any corporate action, other than the election of directors, is to be taken under this Ordinance by vote of the shareholders, it shall, except as otherwise required by this Ordinance or by the articles of incorporation as permitted by this Ordinance, be authorized by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon.

**68.(1)** The articles of incorporation may contain a provision specifying either or both of the following:

- (i)* That the proportion of shares, or the proportion of shares of any class or series thereof, the holders of which shall be present in person or by proxy at any meeting of shareholders in order to constitute a quorum for the transaction of any business or of any specified item of business, including

amendments to the articles of incorporation, shall be greater than the proportion prescribed by this Ordinance in the absence of such provision; and

- (ii) That the proportion of votes of the holders of shares, or of the holders of shares of any class or series thereof, that shall be necessary at any meeting of shareholders for the transaction of any business or of any specified item of business, including amendments to the articles of incorporation, shall be greater than the proportion prescribed by this Ordinance in the absence of such provision.

**(2)** An amendment of the articles of incorporation which adds a provision permitted by this section or which changes or strikes out such a provision, shall be authorized at a meeting of shareholders by vote of the holders of two-thirds of all outstanding shares entitled to vote thereon, or of such greater proportion of shares, or class or series of shares, as may be provided specifically in the articles of incorporation for adding, changing, or striking out a provision permitted by this section.

**(3)** If the articles of incorporation of any corporation contain a provision authorized by this section, the existence of such provision shall be noted on the face or back of every certificate for shares issued by such corporation.

**69.** A list of registered shareholders as of the record date, and of holders of bearer shares who as of the record date have qualified for voting, certified by the corporate officer responsible for its preparation or by a transfer agent, shall be produced at any meeting of shareholders upon request of any shareholder at the meeting or prior thereto. If the right to vote at any meeting is challenged, the inspector of election, or person presiding thereat, shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

**70.(1)** Every registered shareholder as of the record date and every holder of bearer shares who, as of the record date, has qualified for voting, shall be entitled at every meeting of shareholders to one vote for every share standing in his name, unless otherwise provided in the articles of incorporation.

**(2)** Treasury shares are not shares entitled to vote or to be counted in determining the total number of outstanding shares.

**(3)** Shares of a parent corporation held by a subsidiary corporation are not shares entitled to vote or to be counted in determining the total number of outstanding shares.

(4) Shares held by an administrator, executor, guardian, conservator, committee, or other fiduciary, except a trustee, may be voted by him, either in person or by proxy, without transfer of such shares into his name. Shares held by a trustee may be voted by him, either in person or by proxy, only after the shares have been transferred into his name as trustee or into the name of his nominee.

(5) Shares by or under the control of a receiver may be voted by him without the transfer thereof into his name if authority so to do is contained in an order of the court by which such receiver was appointed.

(6) A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, or a nominee of the pledgee.

(7) Unless otherwise provided in, and subject to, a written agreement or the bylaws or articles of incorporation, a bearer shareholder whose shares are pledged shall be entitled to vote such shares until they are delivered to the pledgee, or a nominee of the pledgee.

(8) Shares in the name of another corporation of any type or kind may be voted by such officer, agent or proxy as the bylaws of such other corporation may provide, or, in the absence of such provision, as the board of such other corporation may determine.

(9) The articles of incorporation may provide, except as limited by section 31 of Part V, either absolutely or conditionally, that the holder of any designated class or series of shares shall not be entitled to vote, or it may otherwise limit or define the respective voting powers of the several classes or series of shares, and, except as otherwise provided in this Ordinance, such provisions of such articles shall prevail, according to their tenor in all elections and in all proceedings, over the provisions of this Ordinance which authorize any action by the shareholders.

**71.(1)** Any shareholder, under an agreement in writing, may transfer his shares to a voting trustee for the purpose of conferring the right to vote thereon for a period not exceeding ten years upon the terms and conditions stated therein. The certificates for shares so transferred shall be surrendered and cancelled and new certificates therefor issued to such trustee stating that they are issued under such agreement, and in the entry of such ownership in the record of the corporation that fact shall also be noted, and such trustee may vote the shares so transferred during the term of such agreement. At the termination of the agreement, the shares surrendered shall be reissued to the owner in accordance with the terms of the trust agreement.

(2) The trustee shall keep available for inspection by holders of voting trust certificates at his office or at a place designated in such agreement or of which the holders of voting trust certificates have been notified in writing, correct and complete books and records of account relating to the trust, and a record containing the names and addresses of all persons who are holders of voting trust certificates and the number and class of shares represented by the certificates held by them and the dates when they became the owners thereof. The record may be

in written form or any other form capable of being converted into written form within a reasonable time.

**(3)** A duplicate of every such agreement shall be filed in the office of the corporation and it and the record of voting trust certificate holders shall be subject to the same right of inspection by a shareholder of record or a holder of a voting trust certificate, in person or by agent or attorney, as are the records of the corporation under Part VIII of this Ordinance. The shareholder or holder of a voting trust certificate shall be entitled to the remedies provided in Part VIII of this Ordinance.

**(4)** At any time within six months before the expiration of such voting trust agreement as originally fixed or as extended one or more times under this section, one or more holders of voting trust certificates may, by agreement in writing, extend the duration of such voting trust agreement, nominating the same or a substitute trustee, for an additional period not exceeding ten years. Such extension agreement shall not affect the rights or obligations of persons not parties thereto and shall in every respect comply with and be subject to all provisions of this Part applicable to the original voting trust agreement.

**72.** An agreement between two or more shareholders, if in writing and signed by the parties thereto, may provide that in exercising any voting rights, the shares held by them shall be voted as therein provided, or as they may agree, or as determined in accordance with a procedure agreed upon by them.

**73.(1)** Unless otherwise provided in the bylaws, the board, in advance of any shareholders' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a shareholders' meeting may, and on the request of any shareholder entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take an oath faithfully to execute the duties of inspector at such meetings.

**(2)** Unless otherwise provided in the bylaws, the inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots, or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all shareholders entitled to vote. Unless waived by vote of the shareholders, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a sworn certificate of any fact found by them. Any report or certificates made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

**74.(1)** Except as otherwise provided in the articles of incorporation or in this section, in the event of:

- (i) The proposed issuance by the corporation of shares, whether or not of the same class as those previously held, which would adversely affect the voting rights or rights to current and liquidating dividends of such holders;
- (ii) The proposed issuance by the corporation of securities convertible into or carrying an option to purchase shares referred to in subsection (i) of this subsection; or
- (iii) The granting by the corporation of any options or rights to purchase shares or securities referred to in subsection (i) or (ii) of this subsection,

the holders of shares of any class shall have the right, during a reasonable time and on reasonable terms to be determined by the board, to purchase such shares or other securities, as nearly as practicable, in such proportion as would, if such preemptive right were exercised, preserve the relative rights to current and liquidating dividends and voting rights of such holders and at a price or prices no less favorable than the price at which such shares, securities, options or rights are to be offered to other holders. The holders of shares entitled to the preemptive right, and the number of shares for which they have a preemptive right, shall be determined by fixing a record date in accordance with section 64 of Part VII of this Ordinance.

**(2)** Except as otherwise provided in the articles of incorporation, shareholders shall have no preemptive right to purchase:

- (i) Shares or other securities issued to effect a merger or consolidation;
- (ii) Shares or other securities issued or optioned to directors, officers, or employees of the corporation as an incentive to service or continued service with the corporation pursuant to an authorization given by the shareholders, and by the vote of the holders of the shares entitled to exercise preemptive rights with respect to such shares;
- (iii) Shares issued to satisfy conversion or option rights previously granted by the corporation;
- (iv) Treasury shares; or
- (v) Shares or securities which are part of the shares or securities of the corporation authorized in the original articles of incorporation and are issued, sold or optioned within two years from the date of filing such articles.

**(3)** The holders of shares entitled to the preemptive right shall be given prompt notice setting

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forth the period within which and the terms and conditions upon which such shareholders may exercise their preemptive right. Such notice shall be given personally or by mail at least fifteen days prior to the expiration of the period during which the right may be exercised.

**75.(1)** An action may be brought in the right of a corporation to procure a judgment in its favor, by a holder of shares or holder of voting trust certificates of the corporation or holder of a beneficial interest in such shares or certificates.

**(2)** In any such action, it shall be made to appear that the plaintiff is such a holder at the time of bringing the action and that he was such a holder at the time of the transaction of which he complains, or that his shares or his interest therein devolved upon him by operation of law.

**(3)** In any such action, the complaint shall set forth with particularity the efforts of the plaintiff to secure the initiation of such action by the board of directors or the reasons for not making such effort.

**(4)** Such action shall not be discontinued, compromised or settled, without the approval of the court having jurisdiction of the action. If the court shall determine that the interests of the shareholders or any class thereof will be substantially affected by such discontinuance, compromise, or settlement, the court, in its discretion, may direct that notice, by publication or otherwise, shall be given to the shareholders or class thereof whose interests it determines will be so affected; if notice is so directed to be given, the court may determine which one or more of the parties to the action shall bear the expense of giving such notice, in such amount as the court shall determine and find to be reasonable in the circumstances, and the amount of such expense shall be awarded as special costs of the action and recoverable in the same manner as statutory taxable costs.

**(5)** If the action on behalf of the corporation was successful, in whole or in part, or if anything was received by the plaintiff or claimant as a result of a judgment, compromise or settlement of the action or claim, the court may award the plaintiff or claimant reasonable expenses, including reasonable attorneys' fees, and shall direct him to account to the corporation for the remainder of the proceeds so received by him.

**(6)** In any action authorized by this section, if the plaintiff holds less than five percent of any class of the outstanding shares or holds voting trust certificates or a beneficial interest in shares representing less than five percent of any class of such shares, then unless the shares, voting trust certificates or beneficial interest of such plaintiff has a fair value in excess of one hundred thirty-five thousand dollars, the corporation in whose right such action is brought shall be entitled at any stage of the proceedings before final judgment to require the plaintiff to give security for the reasonable expenses, including attorneys' fees, which may be incurred by it in connection with such action, in such amount as the court having jurisdiction of such action shall determine upon the termination of such action. The amount of such security may thereafter from time to time be increased or decreased in the discretion of the court having jurisdiction of such action upon showing that the security provided has or may become inadequate or excessive.

## **PART VIII - Corporate Records And Reports**

**76.(1)** Every corporation formed under this Ordinance shall keep correct and complete books and records of account and shall keep minutes of all meetings of shareholders, of actions taken on consent by shareholders, of all meetings of the board of directors, of actions taken on consent by directors and of meetings of the executive committee, if any.

**(2)** Every corporation formed under this Ordinance shall keep a record containing the names and addresses of all registered shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof. In addition, any such corporation which issues bearer shares shall maintain a record of all certificates issued in bearer form, including the number, class and dates of issuance of such certificates.

**(3)** Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form within a reasonable time.

**76A.(1)** Subject to section 76(1) a corporation shall cause to be kept correct and complete books and records of account including, where applicable, material underlying documentation including contracts and invoices and should reflect details of-

- (a) all sums of money received and expended by the company, and the matters in respect of which the receipt and expenditure takes place; and
- (b) all sales and purchases and other transactions and the assets and liabilities of the corporation.

**(2)(i)** The books and records of account should-

- (a) correctly explain all transactions,
- (b) enable the financial position of the corporation to be determined with reasonable accuracy at any time,
- (c) allow financial statement to be prepared.

**(ii)** The books and records of account which a corporation is required to keep shall be preserved by it for a minimum period of five years from the date on which they are prepared.

**(3)** The books and records of account shall be kept at the address of the registered agent of the corporation or at such other place or places as the directors think fit.

**77.(1)** Any shareholder or holder of a voting trust certificate, in person or by attorney or other agent, may, during the usual hours of business, inspect, for a purpose reasonably related to his interests as a shareholder, or as the holder of a voting trust certificate, and make copies or extracts from the share register, books of account, and minutes of all proceedings.

**(2)** Any inspection authorized by subsection (1) may be denied to a shareholder or other person who within five years sold or offered for sale a list of shareholders of a corporation or aided or abetted any person in procuring for sale any such list of shareholders or who seeks such inspection for a purpose which is not in the interest of a business other than the business of the corporation or who refuses to furnish an affidavit attesting to his right to inspect under this section.

**(3)** The right of inspection stated by this section may not be limited in the articles or bylaws.

**78.** Every director shall have the absolute right at any reasonable time to inspect all books, records, documents of every kind, and the physical properties of the corporation, domestic or foreign, of which he is a director, and also of its subsidiary corporations. Such inspection by a director may be made in person or by agent or attorney, and the right of inspection includes the right to make extracts.

**79.** Upon refusal of a lawful demand for inspection of records required to be maintained under this Ordinance, the person making the demand may apply to the High Court for an order directing the corporation to show cause why an order should not be granted permitting such inspection by the applicant. Upon the return day of the order to show cause, the High Court shall hear the parties summarily, by affidavit or otherwise, and if it appears that the applicant is qualified and entitled to such inspection, the High Court shall grant an order compelling such inspection and awarding such further relief as the High Court may deem just and proper. On order of the High Court issued under this section, all officers and agents of the corporation shall produce such records ordered to be produced in their custody or power, under penalty of punishment for contempt of court. All expenses of the production shall be defrayed by the applicant unless the High Court orders them to be paid or shared by the corporation.

**80.** Upon the written request of any person who shall have been a shareholder of record for at least six months immediately preceding his request, or of any person holding, or thereunto authorized in writing by the holders of at least five percent of any class of the outstanding shares, the corporation shall give or mail to such shareholder an annual balance sheet and profit and loss statement for the preceding fiscal year, and, if any interim balance sheet or profit and loss statement has been distributed to its shareholders or otherwise made available to the public, the most recent such interim balance sheet or profit and loss statement. The corporation shall be allowed a reasonable time to prepare such annual balance sheet and profit and loss statement.

## **PART IX - Amendments To Articles Of Incorporation**

**81.** A corporation may amend its articles of incorporation from time to time in any and as many respects as may be desired, provided such amendment contains only such provisions as might lawfully be contained in the original articles of incorporation filed at the time of making such amendment.

**82.** Reduction of stated capital which is not authorized by action of the board may be effected by an amendment of the articles of incorporation, but no reduction of stated capital shall be made by amendment unless after such reduction the stated capital exceeds the aggregate preferential amount payable upon involuntary liquidation upon all issued shares having preferential rights in assets plus the par value of all other issued shares with par value.

**83.(1)** Amendment of the articles of incorporation may be authorized by vote of the holders of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders or by written consent of all shareholders entitled to vote thereon.

**(2)** Alternatively, any one or more of the following amendments may be approved by the board:

- (i)* To specify or change the location of the office or registered address of the corporation; and
- (ii)* To make, revoke or change the designation of a registered agent, or to specify or change the address of its registered agent.

**(3)** The articles of incorporation may be amended by consent in writing of all the incorporators provided the incorporators verify that no shares have been issued.

**(4)** This section shall not alter the vote required under any other section for the adoption of an amendment referred to therein, nor alter the authority of the board to authorize amendments under any other section.

**84.** Notwithstanding any provisions in the articles of incorporation, the holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, and in addition to the authorization of an amendment by vote of the holders of a majority of all outstanding shares entitled to vote thereon, the amendment shall be authorized by vote of the

holders of a majority of all outstanding shares of the class if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences, or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of this section.

**85.** The articles of amendment shall be executed for the corporation and acknowledged in accordance with the provisions of section 4 of Part I, and shall set forth:

- (i) The name of the corporation, and if it has been changed, the name under which it was formed;
- (ii) The date its articles of incorporation were filed with the Registrar of Companies;
- (iii) Each section affected thereby;
- (iv) If any such amendment provides for a change or elimination of issued shares and, if the manner in which the same shall be effected is not set forth in such amendment, then a statement of the manner in which the same shall be effected;
- (v) If any amendment reduces stated capital, then a statement of the manner in which the same is effected and the amounts from which and to which stated capital is reduced; and
- (vi) The manner in which the amendment of the articles of incorporation was authorized.

The articles of amendment shall be filed with the Registrar of Companies in accordance with the provisions of section 4 of Part I.

**86.(1)** Upon filing of the articles of amendment with the Registrar of Companies, the amendment shall become effective as of the filing date stated thereon and the articles of incorporation shall be deemed to be amended accordingly.

**(2)** No amendment shall affect any existing cause of action in favor of or against the corporation, or any pending suit to which it shall be a party, or the existing rights of persons other than shareholders; and in the event the corporation name shall be changed, no suit brought by or against the corporation under its former name shall abate for that reason.

**87.** A holder of any adversely affected shares who does not vote on or consent in writing to an amendment to the articles of incorporation shall, subject to and by complying with the provisions of section 96 of Part X, have the right to dissent and to receive payment for such shares, if the articles of amendment

- (i) alter or abolish any preferential right of any outstanding shares having preferences; or
- (ii) create, alter, or abolish any provision or right in respect of the redemption of any outstanding shares; or
- (iii) alter or abolish any preemptive right of such holder to acquire shares or other securities; or
- (iv) exclude or limit the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class.

**88.(1)** At any time after its articles of incorporation have been amended, a corporation may by action of its board, without necessity of vote of the shareholders, cause to be prepared a document entitled “Restated Articles of Incorporation”, which will integrate into one document its original articles of incorporation (or articles of consolidation) and all amendments thereto, including those effected by articles of merger.

**(2)** The restated articles shall also set forth that this document purports merely to restate but not to change the provisions of the original articles of incorporation as amended and that there is no discrepancy between the said provisions and the provisions of the restated articles.

**(3)** The restated articles shall be executed and filed as provided in this section 85 of Part IX.

**(4)** A copy of the restated articles filed with the Registrar of Companies in the manner provided in section 4 of Part I shall be presumed, until otherwise shown, to be the full and true articles of incorporation as in effect on the date filed.

**(5)** A corporation may also integrate its articles of incorporation and amendments thereto by the procedure provided in this Part for amending the articles of incorporation.

## **PART X - Merger Or Consolidation**

**89.** Whenever used in this part;

“Merger” means a procedure whereby any two or more corporations merge into a single corporation, which is any one of the constituent corporations;

“Consolidation” means a procedure whereby any two or more corporations consolidate into a new corporation formed by the consolidation;

“Constituent corporation” means an existing corporation that is participating in the merger or consolidation with one or more other corporations;

“Surviving corporation” means the constituent corporation into which one or more other constituent corporations are merged; and

“Consolidated corporation” means the new corporation into which two or more constituent corporations are consolidated.

**90.(1)** Two or more domestic corporations may merge or consolidate as provided in this part.

**(2)** The board of each corporation proposing to participate in a merger or consolidation shall approve a plan of merger or consolidation setting forth:

- (i)* The name of each constituent corporation, and if the name of any of them has been changed, the name under which it was formed; and the name of the surviving corporation, or the name, or the method of determining it, of the consolidated corporation;
- (ii)* As to each constituent corporation, the designation and number of outstanding shares of each class and series, specifying the classes and series entitled to vote and further specifying each class and series, if any, entitled to vote as a class;
- (iii)* The terms and conditions of the proposed merger or consolidation, including the manner and basis of converting the shares of each constituent corporation into shares, bonds or other securities of the surviving or consolidated corporation, or the cash or other consideration to be paid or delivered in exchange for shares of each constituent corporation, or a combination thereof;
- (iv)* In case of merger, a statement of any amendment in the articles of incorporation of the surviving corporation to be effected by such merger; in case of consolidation, all statements required to be included in articles of incorporation for a corporation formed under this Ordinance, except statements as to facts not available at the time the plan of consolidation is approved by the board; and

- (v) Such other provisions with respect to the proposed merger or consolidation as the board considers necessary or desirable.

**(3)** The board of each constituent corporation, upon approving such plan of merger or consolidation, shall submit such plan to a vote of shareholders of each such corporation in accordance with the following:

- (i) Notice of the meeting, accompanied by a copy of the plan of merger or consolidation, shall be given to each shareholder, whether or not entitled to vote; and
- (ii) The plan of merger or consolidation shall be authorized at a meeting of shareholders by vote of the holders of a majority of outstanding shares entitled to vote thereon, unless any class of shares of any such corporation is entitled to vote thereon as a class, in which event, as to such corporation, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of a majority of the shares of each class entitled to vote thereon as a class and of the total shares entitled to vote thereon. The shareholders of the outstanding shares of a class shall be entitled to vote as a class if the plan of merger or consolidation contains any provisions which, if contained in a proposed amendment to articles of incorporation, would entitle such class of shares to vote as a class.

**(4)** After approval of the plan of merger or consolidation by the board and shareholders of each constituent corporation, the articles of merger or consolidation shall be executed in duplicate by each corporation by its president, vice president or managing director and by its secretary or an assistant secretary, and shall set forth:

- (i) The plan of merger or consolidation, and, in case of consolidation, any statement required to be included in articles of incorporation for a corporation formed under this Ordinance;
- (ii) The date the articles of incorporation of each constituent corporation were filed with the Registrar of Companies; and
- (iii) The manner in which the merger or consolidation was authorized with respect to each constituent corporation.

**(5)** The articles of merger or articles of consolidation shall be filed with the Registrar of Companies in accordance with the provisions of section 4 of Part I.

**91.(1)** Any domestic corporation owning at least ninety percent of the outstanding shares of each class of another domestic corporation or corporations may merge such other corporation or corporations into itself without the authorization of the shareholders of any such corporation. Its

board shall approve a plan of merger, setting forth:

- (i) The name of each subsidiary corporation to be merged and the name of the surviving corporation, and if the name of any of them has been changed, the name under which it was formed;
- (ii) The designation and number of outstanding shares of each class of each subsidiary corporation to be merged and the number of such shares of each class owned by the surviving corporation;
- (iii) The terms and conditions of the proposed merger, including the manner and basis of converting the shares of each subsidiary corporation to be merged not owned by the surviving corporation, into shares, bonds or other securities of the surviving corporation, or the cash or other consideration to be paid or delivered in exchange for shares of each such subsidiary corporation or a combination thereof; and
- (iv) Such other provisions with respect to the proposed merger as the board considers necessary or desirable.

**(2)** A copy of such plan of merger or an outline of the material features thereof shall be delivered, personally or by mail, to all holders of shares of each subsidiary corporation to be merged not owned by the surviving corporation, unless the giving of such copy or outline has been waived by such holders.

**(3)** The surviving corporation shall deliver duplicate originals of the articles of merger to the Registrar of Companies. The articles shall set forth;

- (i) The plan of merger;
- (ii) The date when the articles of incorporation of each constituent corporation were filed with the Registrar of Companies; and
- (iii) If the surviving corporation does not own all the shares of each subsidiary corporation to be merged, either the date of the giving to holders of shares of each such subsidiary corporation not owned by the surviving corporation of a copy of the plan of merger or an outline of the material features thereof, or a statement that the giving of such copy or outline has been waived, if such is the case.

The articles of merger shall be filed with the Registrar of Companies in accordance with the provisions of section 4 of Part I.

**92.(1)** The merger or consolidation shall be effective upon the filing of the articles of merger or consolidation with the Registrar of Companies or on such date subsequent thereto,

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consolidation not to exceed thirty days, as shall be set forth in such articles.

(2) When such merger or consolidation has been effected:

- (i) Such surviving or consolidated corporation shall thereafter consistently with its articles of incorporation as altered or established by the merger or consolidation, possess all the rights, privileges, immunities, powers and purposes of each of the constituent corporations;
- (ii) All the property, real and personal, including subscriptions to shares, causes of action and every other asset of each of the constituent corporations, shall vest in such surviving or consolidated corporation without further act or deed;
- (iii) The surviving or consolidated corporation shall assume and be liable for all the liabilities, obligations and penalties of each of the constituent corporations. No liability or obligation due or to become due, claim or demand for any cause existing against any such corporation, or any shareholder, officer or director thereof, shall be released or impaired by such merger or consolidation. No action or proceeding, whether civil or criminal, then pending by or against any such constituent corporation, or any shareholder, officer or director thereof, shall abate or be discontinued by such merger or consolidation, but may be enforced, prosecuted, settled or compromised as if such merger or consolidation had not occurred, or such surviving or consolidated corporation may be substituted in such action or special proceeding in place of any constituent corporation;
- (iv) In the case of a merger, the articles of incorporation of the surviving corporation shall be automatically amended to the extent, if any, that changes in its articles of incorporation are set forth in the plan of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of a corporation formed under this Ordinance, shall be its articles of incorporation; and
- (v) Unless otherwise provided in the articles of merger or consolidation, a constituent corporation which is not the surviving corporation or the consolidated corporation, ceases to exist and is dissolved.

**93.(1)** One or more foreign corporations may be merged or consolidated with one or more domestic corporations in the following manner, if such merger or consolidation is permitted by the laws of the jurisdiction under which each such foreign corporation is established:

- (i) Each domestic corporation shall comply with the provisions of this

Ordinance with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the jurisdiction under which it is organized;

(ii) If the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Nevis, it shall file with the Registrar of Companies;

- (1) An agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this Ordinance with respect to the rights of dissenting shareholders.
- (2) A certificate of merger or consolidation issued by the appropriate official of the foreign jurisdiction.
- (3) The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations if the surviving or consolidated corporation is to be governed by the laws of this jurisdiction. If the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Nevis, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other jurisdiction provide otherwise.
- (4) The effective date of a merger or consolidation in cases where the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Nevis shall be determined by the filing requirements and laws of such other jurisdiction.
- (5) The procedure for the merger of a subsidiary corporation or corporation under section 91 of Part X shall be available where either a subsidiary corporation or the corporation owning at least ninety percent of the outstanding shares of each class of a subsidiary is a foreign corporation, and such merger is permitted by the laws of the jurisdiction under which such foreign corporation is incorporated.

**94.(1)** A sale, lease, exchange or other disposition of all or substantially all the assets of a corporation, if not made in or the usual or regular course of the business actually conducted of by such corporation, shall be authorized only in accordance assets, with the following procedure:

- (i) The board of directors shall approve the proposed sale, lease, exchange or other disposition and direct its submission to a vote of shareholders;
- (ii) Notice of meeting shall be given to each shareholder, whether or not entitled to vote; and
- (iii) At such meeting the shareholders may authorize such sale, lease, exchange or other disposition and may fix or may authorize the board to fix any or all terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of two-thirds of the shares of the corporation entitled to vote thereon unless any class of shares is entitled to vote thereon as a class, in which event such authorization shall require the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.

**(2)** The board of directors may authorize any mortgage or pledge of, or the creation of a security interest in, all or any part of the corporate property, or any interest therein, wherever situated. Unless the articles of incorporation provide otherwise, no vote or consent of shareholders shall be required to authorize such action by the board of directors.

**95.** Any shareholder of a corporation shall have the right to dissent from any of the following corporate actions and receive payment of the fair value of his shares:

- (i) Any plan of merger or consolidation to which the corporation is a party; or
- (ii) Any sale or exchange of all or substantially all of the property and assets of the corporation not made in the usual and regular course of its business, including a sale in dissolution, but not including a sale pursuant to an order of a court having jurisdiction in the premises or a sale for cash on terms requiring that all or substantially all the net proceeds of sale be distributed to the shareholders in accordance with their respective interests within one year after the date of sale.

**96.(1)** A shareholder intending to enforce his rights under section 87 of Part IX or section 95 of Part X to receive payment for his shares if the proposed corporate action referred to therein is taken shall file with the corporation, before the meeting of shareholders at which the action is to be submitted to a vote, or at such meeting but before the vote, written objection to the action. The objection shall include a statement that he intends to demand payment for his shares if the action is taken. Such objection is not required from any shareholder to whom the corporation did not give notice of such meeting in accordance with this Ordinance or where the proposed action is authorized by written consent of shareholders without a meeting.

(2) Within twenty days after the shareholders' authorization date, which term as used in this section means the date on which the shareholders' vote authorizing such action was taken, or the date on which such consent without a meeting was obtained from the requisite shareholders, the corporation shall give written notice of such authorization or consent by registered mail to each shareholder who filed written objection or from whom written objection was not required, excepting any who voted for or consented in writing to the proposed action.

(3) Within twenty days after the giving of notice to him, any shareholder to whom the corporation was required to give such notice and who elects to dissent shall file with the corporation a written notice of such election, stating his name and residence address, the number and classes of shares as to which he dissents, and a demand for payment of the fair value of his shares. Any shareholder who elects to dissent from a merger under section 91 of Part X shall file a written notice of such election to dissent within twenty days after the giving to him of a copy of the plan or merger or an outline of the material features thereof under section 91 of Part X.

(4) A shareholder may not dissent as to fewer than all the shares that he owns beneficially. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to fewer than all the shares of such owner held of record by such nominee or fiduciary.

(5) Upon filing a notice of election to dissent, the shareholder shall cease to have any of the rights of a shareholder except the right to be paid the fair value of his shares.

(6) Within seven days after the expiration of the period within which shareholders may file their notices of election to dissent, or within seven days after the proposed corporate action is consummated, whichever is later, the corporation or, in the case of a merger or consolidation, the surviving or consolidated corporation, shall make a written offer by registered mail to each shareholder who has filed such notice of election to pay for his shares at a specified price which the corporation considers to be their fair value. If within thirty days after the making of such offer, the corporation making the offer and any shareholder agree upon the price to be paid for his shares, payment therefor shall be made within thirty days after the making of such offer upon the surrender of the certificates representing such shares.

(7) The following procedures shall apply if the corporation fails to make such offer within such period of seven days, or if it makes the offer and any dissenting shareholder fails to agree with it within the period of thirty days thereafter upon the price to be paid for shares owned by such shareholder:

- (i) The corporation shall, within twenty days after the expiration of whichever is applicable of the two periods last mentioned, institute a special proceeding in the High Court to determine the rights of dissenting shareholders and to fix the fair value of their shares. If, in the case of merger or consolidation the surviving or consolidated corporation is a corporation without an office in Nevis, such proceeding shall be brought in the appropriate court where the office of the corporation, whose shares are to be valued, was located;

- (ii) If the corporation fails to institute such proceedings within such period of twenty days, any dissenting shareholder may institute such proceeding for the same purpose not later than thirty days after the expiration of such twenty day period. If such proceeding is not instituted within such thirty day period, all dissenter's rights shall be lost unless the Court, for good cause shown, shall otherwise direct;
- (iii) All dissenting shareholders, excepting those who have agreed with the corporation upon the price to be paid for their shares, shall be made parties to such proceeding, which shall have the effect of an action quasi in rem against their shares. The corporation shall serve a copy of the petition in such proceeding upon each dissenting shareholder in the manner provided by law for the service of a summons;
- (iv) The Court shall determine whether each dissenting shareholder, as to whom the corporation requests the court to make such determination, is entitled to receive payment for his shares. If the corporation does not request any such determination or if the Court finds that any dissenting shareholder is so entitled, it shall proceed to fix the value of the shares, which for the purpose of this section, shall be the fair value as of the close of business on the day prior to the shareholders' authorization date, excluding any appreciation or depreciation directly or indirectly induced by such corporate action or its proposal. The Court may appoint an appraiser to receive evidence and recommend a decision on the question of fair value; and
- (v) The final order in the proceeding shall be entered against the corporation in favor of each dissenting shareholder who is a party to the proceeding and is entitled thereto for the value of his shares so determined. Within sixty days after the final determination of the proceeding, the corporation shall pay each dissenting shareholder the amount found to be due him, upon surrender of the certificates representing his shares.

**(8)** Shares acquired by the corporation upon the payment of the agreed value therefor or of the amount due under the final order, as provided in this section, shall become treasury shares or be cancelled except that, in the case of a merger or consolidation, they may be held and disposed of as the plan of merger or consolidation may otherwise provide.

**(9)** The enforcement by a shareholder of his right to receive payment for his shares in the manner provided herein shall exclude the enforcement by such shareholder of any right to which he might otherwise be entitled by virtue of share ownership, except that this section shall not exclude the right of such shareholder to bring or maintain an appropriate action to obtain relief on the ground that such corporate action will be or is illegal or fraudulent as to such shareholder.

## **PART XI - Dissolution**

**97.(1)** Except as otherwise provided in its articles of incorporation, a corporation may be dissolved if, at a meeting of shareholders, the holders of two-thirds of all outstanding shares entitled to vote on a proposal to dissolve, by resolution consent that the dissolution shall take place. A certified copy of such resolution shall be filed with the articles of dissolution.

**(2)** Whenever all the shareholders entitled to vote on a proposal to dissolve shall consent in writing to a dissolution, no meeting of shareholders shall be necessary. The writing or writings, or a certified copy of same, evidencing the consent shall be filed with the articles of dissolution.

**(3)** Articles of dissolution shall be signed and delivered to the Registrar of Companies. They shall set forth the name of the corporation, the date its articles of incorporation were filed with the Registrar of Companies, the name and address of each of its directors and officers, that the corporation elects to dissolve, and the manner in which the dissolution was authorized. The articles of dissolution shall be filed with the Registrar of Companies in accordance with the provisions of section 4 of Part I.

**(4)** The dissolution shall become effective as of the filing date stated on the articles of dissolution.

**98 (1).** A shareholders' meeting to consider adoption of a resolution to institute a special proceeding on any of the grounds specified below, may be called, notwithstanding any provision in the articles of incorporation, by the holders of ten percent of all outstanding shares entitled to vote thereon, or if the articles of incorporation authorize a lesser proportion of shares to call the meeting, by such lesser proportion. A meeting under this section may not be called more often than once in any period of twelve consecutive months. Except as otherwise provided in the articles of incorporation, the holders of one-half of all outstanding shares of a corporation entitled to vote in an election of directors may adopt at the meeting a resolution and institute a special proceeding in Nevis for dissolution on one or more of the following grounds:

- (i)* That the directors are so divided respecting the management of the corporation's affairs that the votes required for action by the board cannot be obtained;
- (ii)* That the shareholders are so divided that the votes required for the election of directors cannot be obtained;
- (iii)* That there is internal dissension and two or more factions of shareholders are so divided that dissolution would be beneficial to the shareholders;
- (iv)* That the acts of the directors are illegal, oppressive or fraudulent; and
- (v)* That the corporate assets are being misapplied or wasted.

If it appears, following due notice to all interested persons and hearing that any of the foregoing grounds for dissolution of the corporation exists, the High Court shall make a judgment that the corporation shall be dissolved. The registrar of the High Court shall transmit certified copies of the judgment to the Registrar of Companies. Upon filing with the Registrar of Companies, the corporation shall be dissolved.

- 98 (2)**
- (i) Any shareholder of a corporation who complains that the affairs of the company are being conducted in a manner oppressive to some part of the members (including himself) may make an application to the Court by petition for an order under this section.
  - (ii) If on any such petition the Court is of the Opinion –
    - (a) that the corporation’s affairs are being conducted as aforesaid; and
    - (b) that to wind up the corporation would unfairly prejudice that part of the shareholders, but otherwise the facts would justify the making of a winding-up order on the ground that it was just and equitable that the corporation should be wound up;

The Court may, with a view to bringing to an end the matters complained of, make such order as it thinks fit, including but not limited to an order regulating the conduct of the corporation’s affairs in the future, or for the purchase of the shares of any shareholders of the company by other shareholders of the corporation or by the corporation and, in the case of a purchase by the corporation, for the reduction accordingly of the corporation’s capital, or otherwise.

- (iii) Where an order under this section makes any alteration in or addition to any corporation’s articles of incorporation, then, notwithstanding anything in any other provision of this Ordinance but subject to the provisions of the order, the company concerned shall not have power without leave of the Court to make any further alteration in or addition to the articles of incorporation with the provision of the order; but, subject to the foregoing provisions of this subsection, the alterations or additions made by the order shall be of the same effect as if duly made by resolution of the corporation and the provisions of this Ordinance shall apply to the articles of incorporation as so altered or added to accordingly.
- (iv) A copy of any order under this section altering or adding to, or giving leave to alter or add to, a corporation’s articles of incorporation shall, within fourteen days after the making thereof, be delivered by the corporation to the Registrar for registration; and, if a corporation makes

default in complying with this subsection, the corporation and every officer of the corporation who is in default shall be liable to a default fine.

- (v) For the avoidance of doubt the provisions will also be applicable to former shareholders whose shareholding has been redeemed at the behest of a majority shareholder where at the time such actions were not in the best interests of those whose shares were so redeemed.

**99.(1)** On the failure of a corporation to pay the annual registration fee or maintain a registered agent for a period of one year the Registrar shall remove the corporation from the register.

(2) Where the Registrar has reasonable grounds to believe that a corporation incorporated under this Ordinance is engaged in any criminal activity, the Registrar shall forfeit the articles of incorporation of the corporation and shall remove the corporation from the register.

(3) A corporation which is removed from the register pursuant to sub-section (1) may be restored to the register within three years of the date of removal upon payment to the Registrar of the prescribed fee. A corporation removed from the register pursuant to subsection (2) may be restored at any time if to the satisfaction of the Registrar the grounds for forfeiture of the articles of incorporation have been proven false.

(4) A corporation shall be restored to the register retroactive to the date of its removal.

(5) Every corporation shall pay a fee for restoration to the register.

(6) (1) A corporation which is not restored to the register within three years of the date of removal shall be deemed to have commenced to wind up and dissolve in accordance with this part.

6 (2) Notwithstanding subsection (1), the Registrar may in his discretion, restore a corporation to the register at any time upon an application made by the corporation on the prescribed form and upon payment to Registrar of the prescribed fee. A corporation making an application under this section shall also submit to the Registrar a statement that there has been no illegal activity perpetrated by the corporation or pending litigation against the corporation that would render the corporation undesirable in any way to be restored to the register.

(7) The Registrar shall, before removing any corporation pursuant to subsection (2), give notice in writing to the registered agent of the corporation specifying the allegations of criminal activity of which the corporation is accused and allow the corporation a period of thirty days to respond to the notice.

**100.(1)** All corporations, whether they expire by their own limitations or are otherwise dissolved, shall nevertheless be continued for the term of three years from such expiration or

dissolution as bodies corporate for the purpose of prosecuting and defending suits by or against them, and of enabling them gradually to settle and close their business, to dispose of and convey their property, to discharge their liabilities, and to distribute to the shareholders any remaining assets, but not for the purpose of continuing the business for which the corporation was organized. With respect to any action, suit, or proceeding begun by or against the corporation either prior to or within three years after the date of its expiration or dissolution, and not concluded within such period, the corporation shall be continued as a body corporate beyond that period for the purpose of concluding such action, suit or proceeding and until any judgment, order, or decree therein shall be fully executed.

**(2)** Upon the dissolution of any corporation, or upon the expiration of the period of its corporate existence, the directors shall be trustees thereof, with full power to settle the affairs, collect the outstanding debts, sell and convey the property, real and personal, as may be required by the laws of the jurisdiction where situated, prosecute and defend all such suits as may be necessary or proper for the purposes aforesaid, distribute the money and other property among the shareholders after paying or adequately providing for payment of its liabilities and obligations, and do all other acts which might be done by the corporation, before dissolution. that may be necessary for the final settlement of the unfinished business of the corporation.

**(3)** At any time within three years after the filing of the articles of dissolution, the High Court, in a special proceeding instituted under this section, upon the petition of the corporation, or of a creditor, claimant, director, officer, shareholder, subscriber for shares, or incorporator or any other person in interest, may continue the liquidation of the corporation under the supervision of the court in Nevis and may make all such orders as it may deem proper in all matters in connection with the dissolution or in winding up the affairs of the corporation, including the appointment or removal of a receiver, who may be a director, officer or shareholder of the corporation.

**101.(1)** Any time within one year after dissolution, a corporation may give notice requiring all creditors and claimants, including any with unliquidated or contingent claims and any with whom the corporation has unfulfilled contracts, to present their claims in writing and in detail at a specified place and by a specified day, which shall not be less than six months after the first publication of such notice. Such notice shall be published at least once a week for four successive weeks in a newspaper of general circulation in the jurisdiction which the office of the corporation was located at the date of dissolution, or if none exists, in a newspaper of general circulation in Nevis. On or before the date of the first publication of such notice, the corporation shall mail a copy thereof, postage prepaid and addressed to his last known address, to each person believed to be a creditor of or claimant against the corporation whose name and address are known to or can with due diligence be ascertained by the corporation. The giving of such notice shall not constitute a recognition that any person is a proper creditor or claimant, and shall not revive or make valid or operate as a recognition of the validity of, or a waiver of any defense or counter claim in respect of any claim against the corporation, its assets, directors, officers or shareholders, which has been barred by any statute of limitation or which has become invalid by

any cause, or in respect of which the corporation, its directors, officers or shareholders, have any defense or counterclaim.

(2) Any claims which shall have been filed as provided in such notice and which shall be disputed by the corporation may be submitted for determination to the High Court. Any person whose claim is, at the date of the first publication of such notice, barred by any statute of limitations is not a creditor or claimant entitled to any notice under this section. The claim of any such person and all other claims which are not timely filed as provided in such notice except claims which are the subject of litigation on the date of the first publication of such notice, and all claims which are so filed but are disallowed by the High Court, shall be forever barred as against the corporation, its assets, directors, officers and shareholders, except to such extent, if any, as the court may allow them against any remaining assets of the corporation in the case of a creditor who shows satisfactory reason for his failure to file his claim as so provided.

(3) Notwithstanding this section, tax claims and other claims by the Government shall not be required to be filed under this Ordinance, and such claims shall not be barred because not so filed, and distribution of the assets of the corporation, or any part thereof, may be deferred until determination of any such claims.

## **PART XII - Transfer Of Domicile: To Nevis**

**102.** As used in this Part, unless the context otherwise requires, the term:

“Articles of Incorporation” when referring to a Foreign Corporation means the articles of incorporation, certificate of incorporation, charter, statute, memorandum or other instrument defining the constitution of the corporation.

“Corporation” includes any incorporated organization, private law corporation, public law corporation, or similar entity.

“Foreign Domicile” means the seat, siege social, registered office, or any other equivalent thereto under applicable law .

“Foreign Corporation” means any corporation, incorporated, created or formed in any jurisdiction other than Nevis and which derives no income from operations in Nevis.

**103.(1)** Any Foreign Corporation may, subject to and upon compliance with the further provisions of this Part, transfer its domicile into Nevis, and may perform the acts described in the provisions of this Part, so long as the law of the Foreign Domicile do not expressly prohibit such transfer.

(2) Nothing in this Ordinance shall be regarded as permitting a foreign corporation which transfers its domicile to Nevis to transfer business operations to Nevis.

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**104.** Any Foreign Corporation may apply for permission to transfer its domicile to Nevis by filing with the Registrar of Companies an Application to Transfer Domicile which shall be executed in accordance with section 107 of this Part and filed and recorded in accordance with section 4 of Part I of this Ordinance,

**105.** Said Application must contain:

- (i) the date on which and the jurisdiction where the corporation was formed, incorporated created or otherwise came into existence; and
- (ii) the name of the corporation; and
- (iii) the foreign jurisdiction that constitutes the domicile; and
- (iv) a declaration that the transfer of domicile has been approved by all necessary corporate action; and
- (v) a declaration that the transfer of domicile is made in good faith and will not serve to hinder, delay or defraud existing shareholders, creditors, claimants or other parties in interest; and
- (vi) the name and address of the corporation's registered agent in Nevis; and
- (vii) any other pertinent information required to be set forth in articles of incorporation under Section 25 of the Ordinance; and
- (viii) the amendments of its Articles of Incorporation or their equivalent, that are to be effective upon filing the application to transfer domicile.

**106.** The Application to Transfer shall be submitted to the Registrar of Companies together with:

- (i) a Certificate of Good Standing issued by an authorized officer of the Foreign Domicile such certificate to be issued no earlier than sixty (60) days prior to its submission to the Registrar of Companies; and
- (ii) a certified copy of the Articles of Incorporation, with amendments, if any, and if said documents are not in English translation thereof under oath of the translator.

**107.** The Application to Transfer Domicile shall be in English and notwithstanding the requirements of Section 4(3) of Part I of this Ordinance, shall be signed by any corporation officer, director, agent, trustee, manager, partner or any other person performing functions equivalent to those of any officer or director, however named or described and who is authorized to sign such Application to Transfer Domicile on behalf of the corporation.

**108.** Upon the filing of the Application to Transfer Domicile and the Documents referred to in Sections 105 and 106 above, together with the fees prescribed in Section 6 of Part I of this Ordinance if the Registrar of companies shall find that such documents are in proper form and satisfy the requirements of this Part, and if the name of the corporation meets the requirements of Section 22 of Part IV of this Ordinance, then the Registrar of Companies shall deliver to the corporation a Certificate of Transfer of Domicile and the corporation shall become domiciled and domesticated in Nevis as a corporation of Nevis and shall thereafter be subject to all the provisions of this Ordinance, and the corporation shall be deemed to have commenced its existence on the date the corporation was first formed, incorporated, created or otherwise came into existence and shall have continued its existence in Nevis, and thereafter. The corporation shall promptly adapt its bylaws, its registration, management and records to comply with the Nevis Law.

**109.** The transfer of domicile of any corporation to Nevis shall not be deemed to affect any obligations or liabilities of said corporation incurred prior to such transfer.

**110.** The filing of an Application to Transfer Domicile shall not affect the choice of law applicable to prior obligations and rights of the corporation, except that from the date the Application to Transfer Domicile is filed, the laws of Nevis, including the provisions of this Ordinance, shall apply to the corporation to the same extent as if the corporation had been originally incorporated as a corporation of Nevis on that date and title to the corporation's assets shall also be governed by Nevis law.

**111.** Any corporation formed, incorporated, created, or otherwise existing under or subject to this Ordinance may become domiciled in any foreign jurisdiction upon compliance with this Ordinance and the laws of the jurisdiction into which the corporation seeks to become domiciled.

**112.** Any corporation described in section 111 of this Part shall submit for filing with the Registrar of Companies a Certificate of Departure which shall be executed in the same manner as an Application to Transfer Domicile. The Certificate of Departure shall set forth:

- (i) The names and addresses of the corporation's creditors and the total amount of its indebtedness to such creditors, and the names and addresses of all persons or entities which have notified the corporation in writing of a claim in excess of One Thousand Dollars and the total amount of such claims; and
- (ii) That the intended departure from Nevis and transfer of domicile to a foreign jurisdiction is unlikely to be detrimental to the rights or property interests of any creditor of or claimant against the corporation; and
- (iii) That the corporation at the time of application to the foreign jurisdiction is not in breach of any duty or obligation imposed upon it by this Ordinance or any other law of Nevis; and
- (iv) That the transfer of domicile to the foreign jurisdiction is made in good faith and will not serve to hinder, delay or defraud existing shareholders or other parties in interest; and
- (v) A consent and agreement by the corporation that it may be served with process in Nevis in any proceeding arising out of actions or omissions occurring prior to its departure from Nevis, which agreement shall include the appointment of the Registrar of Companies as the agent of the corporation to accept such service of process and shall set forth an address to which a copy of such process shall be forwarded by mail.

**113.** Upon payment of all fees outstanding in Nevis and upon proper compliance with this Ordinance and applicable laws for transfer of domicile to the foreign jurisdiction, the departing corporation shall notify the Registrar of Companies as to the effective date of the transfer of domicile outside of Nevis. As of the date of such transfer to the foreign jurisdiction, said corporation shall be deemed to have ceased to be a corporation domiciled in Nevis.

**114.** Nothing in this Part shall obviate, diminish or affect the jurisdiction of any court in Nevis to hear and determine any proceeding commenced therein by or against the corporation arising out of actions or omissions which occurred before the corporation ceased to be domiciled in Nevis.

### **PART XIII - Emergency Transfer Of Domicile Into Nevis**

**115.** As used in this Part, unless the context requires otherwise, the term:

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“Emergency condition” shall be deemed to include but not be limited to any of the following: War or other armed conflict; revolution or insurrection; invasion or occupation by foreign military forces; rioting or civil commotion of an extended nature; domination by a foreign power; expropriation, nationalization or confiscation of a material part of the assets or property of the corporation; impairment of the institution of private property (including private property held abroad); the taking of any action under the laws of Nevis whereby persons resident in the Foreign Domicile might be treated as “enemies” or otherwise restricted under the laws of Nevis relating to trading with enemies of Nevis; or the immediate threat of any of the foregoing; and such other event which, under the laws of the Foreign Domicile, permits the corporation to transfer its domicile.

Terms used in this Part and not defined herein are used as defined in section 102 of Part XII of this Ordinance.

**116.** During the existence of an Emergency Condition in the jurisdiction of its domicile, any Foreign Corporation may, subject to and upon compliance with the further provisions of this Part, apply for an emergency transfer of its domicile to Nevis.

**117.(1)** Any Foreign Corporation may apply for emergency transfer of domicile to Nevis by filing with the Registrar of Companies:

- (i) documents and certificates similar in respect to those required by sections 105 and 106 of Part XII of this Ordinance, except that such documents shall refer to an emergency transfer of domicile pursuant to this Part XIII; and
- (ii) a certificate of an authorized officer, director or agent of the corporation specifying the Emergency Condition which exists in the Foreign Domicile.

**(2)** The Registrar of Companies, in his discretion, may waive any of the above requirements upon request by such corporation supported by facts (including without limitation, the existence of an Emergency Condition) justifying such waiver. In addition, if Emergency Conditions have affected ordinary means of communication, any of the documents or certificates hereby required may be submitted by telegram, telex, telecopy or other form of writing so long as the duly executed original documents and supporting documentation are received by the Registrar of Companies within 30 days thereafter or as soon as the Emergency conditions cease to exist. If the Registrar of Companies finds the required documents and certificates to be in proper form upon payment of the prescribed fee, the Registrar of Companies shall certify that the corporation has filed all documents and paid all fees required by this Part, and shall deliver to the Corporation a Certificate of Transfer of Domicile, and such certificate of the Registrar of Companies shall be prima facie evidence of the transfer by such corporation of its domicile into Nevis.

**118.** Except to the extent expressly prohibited by the laws of Nevis after a foreign corporation transfers its domicile to Nevis pursuant to this Part XIII, the corporation shall have all of the powers which it had immediately prior to such transfer under the laws of the Foreign Domicile and the directors and officers of the corporation and their successors may manage the business and affairs of the corporation in accordance with the laws of such jurisdiction.

**119.** The emergency transfer by any corporation of its domicile into Nevis pursuant to this Part XIII shall not be deemed to affect any obligations or liabilities of such corporation incurred prior to such transfer.

**120.** All process issued out of any court of Nevis, all orders made by any court of Nevis, and all rules and notices of any kind required to be served on any corporation which has transferred its domicile into Nevis pursuant to this Part XIII may be served on the corporation and its directors pursuant to section 18 of Part III of this Ordinance in the same manner as if such corporation were a corporation of Nevis.

**121.** Any corporation which has transferred its domicile into Nevis pursuant to this Part XIII may return to the Foreign Domicile by filing with the Registrar of Companies a Certificate of Departure pursuant to sections 111 and 112 of Part XII of this Ordinance. Such application shall be accompanied by a certified resolution of the directors of the corporation authorizing such withdrawal.

**122.** Repealed.

#### **PART XIV - Tax Exemption**

**123.(1)** Any corporation subject to this Ordinance which does no business in Nevis shall not be subject to any corporate tax, income tax, withholding tax, stamp tax, asset tax, exchange controls, or other fees or taxes based upon or measured by assets or income originating outside of Nevis or in connection with other activities outside of Nevis or in connection with matters of corporate administration which may occur in Nevis, except as provided in sections 6 and 7 of Part I of this Ordinance.

**(2)** For purposes of this section, no corporation shall be considered to be doing business in Nevis solely because it engages in one or more of the following activities:

- (i)* maintaining bank accounts in Nevis:
- (ii)* holding meetings of directors or shareholders in Nevis:
- (iii)* maintaining corporate or financial records in Nevis:
- (iv)* maintaining an administrative or managerial office in Nevis with respect to assets or activities outside of Nevis:
- (v)* maintaining a registered agent in Nevis: and
- (vi)* investing in stocks or entities of Nevis corporations or being a partner in Nevis partnership or a beneficiary of a Nevis trust or estate.
- (vii)* acquires real property in a local industrial or tourist facility provided always that such property shall be situated in a project or development approved and authorized by the Nevis Island Administration.

### **Licence required for management office**

**123A.(1)** Notwithstanding subsection (2)(iv) of section 123, no corporation shall maintain an administrative or management office in Nevis unless licensed to do so by the Minister of Finance.

**(2)** An application for a licence shall be in such form as may be prescribed or, until a form is prescribed, in such form as the Minister of Finance may require and shall be accompanied by such particulars and such evidence, documentary or otherwise, as the Minister of Finance requires.

**(3)** A licence may be issued subject to such conditions or restrictions as the Minister of Finance thinks fit to impose.

**(4)** A licence may be revoked by the Minister of Finance on the breach of any condition or restriction to which the licence is subject.

**(5)** Any corporation that maintains an administrative or management office in Nevis without a licence shall be subject to a fine of \$50,000.00 and to be struck off the register.

**(6)** The provisions of this section shall apply to every corporation that -

- (a)* maintains an administrative or management office in Nevis immediately before the commencement of this Ordinance; or

(b) wishes to maintain an administrative or management office in Nevis on or after the commencement of this Ordinance.

(7) A corporation described in subsection (6)(a) may apply for a licence within 30 days after the commencement of this Ordinance and shall not be deemed to be in violation of this Ordinance during such period that the application is being considered by the Minister of Finance.

(8) If an application made by a corporation under subsection (7) is rejected the corporation shall close its offices in Nevis within 10 days after receipt of the notice of rejection.

### **Limitation of section 123A.**

**123B.** The provisions of section 123A shall not apply to any corporation that is managed or administered by a company or a person duly licensed by the Minister of Finance in accordance with Section 17 of the principal Ordinance or in accordance with any other law enacted by the Nevis Island Legislature.

**124.** In addition, any dividend or distribution by a corporation which does no business in Nevis to another such corporation, or to individuals or entities which are not citizens or residents of Nevis, shall be exempt from any tax or withholding provisions of Nevis law which would otherwise be applicable to such corporation or the recipient of the dividend or distribution.

### **PART XV - Miscellaneous**

**125.** This Ordinance shall not affect any cause of action, liability, penalty, or action or special proceeding which on the effective date of this Ordinance is accrued, existing, incurred or pending, but the same may be asserted, enforced, prosecuted, or defended as if this Ordinance had not been enacted.

**126.** Any person, natural or corporate, found in default of one or more provisions shall be liable upon summary conviction to a fine not to exceed two thousand dollars.

**127. (1)** The Minister may appoint a person or persons to be Deputy Registrar of Companies.

**(2)** The Deputy Registrar of Companies shall assist the Registrar of Companies in the performance of his duties under this Ordinance.

**128.** The Registrar of Companies shall, upon request by any registered agent, issue a certificate of good standing under his hand and seal certifying that a company subject to this Ordinance is of good standing if he is satisfied that:

- (a) the name of the company is on the Register; and
- (b) the company has paid all fees required under this Ordinance; and
- (c) the company is not in contravention of any of the provisions of this Ordinance or is in the process of being wound-up and dissolved.

**129. (1)** Every registered agent shall keep and maintain a record of each bearer share certificate issued by any corporation for which it acts as registered agent and such record shall contain the following information:

- (a) the name of the company issuing the bearer share certificate
- (b) the identification number of the bearer share certificate
- (c) the class of shares and number of shares contained in the bearer share certificate
- (d) the identity of the beneficial owner of the shares contained in the bearer share certificate that is to say : the name, address, date of birth , nationality and such other details of identification as may from time to time be prescribed by the Minister.

Provided that where the beneficial owner of the shares contained in the bearer share certificate is a corporation, the evidence of identity shall be evidence of the persons who are beneficial owners of that corporation, except where the company is a publicly traded company on a recognised stock exchange approved by the Minister.

**(2)** The registered agent shall, where custody of the bearer share certificate is transferred to another registered agent, notify the Registrar within seven days of such transfer and such notice shall include the particulars of the new registered agent.

**(3)** A registered agent who fails or refuses to comply with the provisions of this section shall be liable to a fine not exceeding thirty thousand dollars or revocation of the registered agent's licence or to both.

**(4)** The Regulator for Nevis shall have the power under the preceding section to levy fines against registered agents who are in default and/or recommend the revocation of their licences to the Minister.

**PROVIDED:**

- (i) No such fine shall be levied or licence revoked unless the registered agent in default is advised of its default and given 30 days within which to remedy such default.
- (ii) Any decision by the Regulator is subject to appeal in writing by any registered agent affected by such decision to the Financial Services Commission within 90 days of the date of such decision.
- (iii) Any decision of the Financial Services Commission is subject to the appeal by any person dissatisfied with such decision to the High Court within 90 days of the date of the date of such decision.

(5) The preceding provisions shall apply to any other person who may from time to time be authorized by the Minister to act as a custodian of the bearer share certificates.

(6) All corporations incorporated pursuant to the principal Ordinance which have issued bearer share certificates prior to the date of this amendment shall be required within 12 months from the date hereof to provide the registered agent of such corporations with information as to the beneficial owners of the shares contained in such certificates in accordance with the provisions of section 1(d) above and a full and detailed account of changes if any in beneficial ownership of such shares since their issuance by the corporation.

(7) The Registered Agent of each such corporation referred to in subsection 6 shall notify the Registrar within 30 days of the expiration of the 12 month period of which corporations have failed and /or refuse to comply with the provisions of sub-section 6 and upon such notification the Registrar shall have power to strike such corporation from the register.

PROVIDED that such a corporation can be restored to the register within 12 months of the date of being struck upon satisfying the Registrar that the required information has been provided to the Registered Agent and upon paying the prescribed fee for reinstatement on the register.

Passed by the Nevis Island Assembly on the 13th day of November 1984.