

James Mews

From: Philip Ozouf (Senator)
Sent: 24 October 2007 16:23
To: James Mews
Cc: [REDACTED]
Subject: RE: Companies Law [REDACTED]

Thanks - I look forward to [REDACTED] view. Sadly, we've obviously, I think, missed the December 4th debate date. I could push for a 5 week lodging period (if lodged next Tuesday)- but there would have to be compelling reasons for it. As the next sitting after the 5th December is the 15th January, technically we need to lodge by 4th December. However, being realistic - I would not wish to lodge and debate at consecutive sittings and hence would prefer lodge latest 20th November. [REDACTED]

Philip

-----Original Message-----

From: James Mews
Sent: 24 October 2007 15:05
To: Philip Ozouf (Senator)
Cc: [REDACTED]
Subject: Companies Law [REDACTED]

Dear Philip,

For your information, I chased [REDACTED] who is preparing the work for the A-G today about the opinion on the vires of the Companies Law Amendments. He stated that he was currently looking at it. We would hope to hear back tomorrow or the day after. I will keep you updated.

Yours,

James

James Mews | Finance Industry Development Executive
Chief Minister's Department | PO Box 140 | St Helier | Jersey JE4 8QT
t: +44(0)1534 [REDACTED] e: j.mews@gov.je | w: www.gov.je



Think of the environment...do you need to print this e-mail?

Paul De Gruchy

From: Richard Thomas
Sent: 09 November 2006 10:17
To: Paul De Gruchy
Cc: [REDACTED]
Subject: FW: Companies (Jersey) Law

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Paul,

Can I pass to you a useful spot from [REDACTED]?

Regards

[REDACTED]

[REDACTED]

From: [REDACTED]
Sent: 09 November 2006 09:55
To: Richard Thomas
Cc: [REDACTED]
Subject: Re: Companies (Jersey) Law

Richard

Further to the question on the amendment to Art 104(2) - is a consequential amendment to Article 127YG(2) (a) not also required, as it would appear that as currently drafted a cell has to prepare true and fair accounts but the cell company doesn't?

[REDACTED]

Paul De Gruchy

From: [REDACTED]
Sent: 19 December 2006 12:54
To: Paul De Gruchy
Subject: RE: Companies Law Regulations



Accounting considerations of t...

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Paul,

I have been through the treasury share provisions, the treatment required by accounting standards (under UK GAAP and IFRS) is that any transactions should be deducted from equity and not generate a profit within the company as this is a transaction between shareholders.

The way Article 58 is currently drafted there is no provision requiring that the original purchase of the shares should only be deducted from distributable profits which is inconsistent with 58B. 58B as drafted also notes credit to the share premium account but this should also be considered for a no par value company.

I note your point below about the possible removal of 58B, the only issue that is not covered by the accounting standards would be whether an upside gain would be distributable. This is not really a matter for accounting standards but one for the law. If this is not included this could give a position where there is significant discussion about being able to distribute a gain arising from a sale of treasury shares, as noted this would not be specifically covered by accounting standards. I have attached a brief synopsis of the prevailing accounting and its guidance for you.

Can you confirm as far as financial assistance goes is it the intention to keep the provisions that limit financial assistance, from my reading of this draft these are completely removed?

Article 104 and the change also raises an interesting point. Under current UK GAAP (FRS 18) and IFRS (IAS 1) there is a requirement for the accounting policies adopted to enable the financial statements to present a true and fair view or present fairly in all material respects the entities position. I presume that reliance is being placed on the accounting standards for the directors to prepare true and fair view accounts, however there is still the choice of a wide range of GAAPs some of which may not contain specific provisions as are in UK GAAP or IFRS. In these instances there could be a position where the directors are not required to present true and fair accounts but the auditors are under a requirement to present an opinion as to whether they do. The responsibilities of the directors should be set ahead of the auditors since they (i.e. the directors) have the ultimate responsibility for the preparation of the accounts. I personally therefore recommend the article requires accounts to be prepared showing a true and fair view, I will also raise this with the Technical Cmt for their views.

Happy to talk through any of these issues or get together to run through if that is easier. Can you let me know what is the current expected timeline for these amendments.

Regards

-----Original Message-----

From: Paul De Gruchy [mailto:Pa.deGruchy@gov.je]
Sent: 12 December 2006 11:05
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Companies Law Regulations

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I attach the latest copy of the Companies Law Regulations.

I would be grateful if you could review the entire set of regulations from an accounting perspective to make sure that they work for accounting and auditing purposes and that there are no obvious improvements that can be made.

In relation to Treasury Shares, the feeling of the Law Society is that it is probably not necessary to include 58B: the accounting treatment should be something for accountants to agree upon rather than something prescriptive set out in law. Further, given that it is anticipated that the entire capital maintenance regime in respect of Jersey companies will be repealed in 2007/8, the rationales for setting out complex accounting treatments in the law is far from compelling.

Let me know if you feel it would be helpful to meet and discuss these matters, otherwise I look forward to hearing from you.

Best regards

Paul

-----Original Message-----

From: [REDACTED]
Sent: 13 September 2006 14:49
To: Paul De Gruchy; [REDACTED]
Cc: [REDACTED]
Subject: RE: Companies Law Regulations

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Paul,

Happy to do so and will come back to you once I have been through this.

Regards

[REDACTED]

-----Original Message-----

From: Paul De Gruchy [mailto:Pa.deGruchy@gov.je]

Sent: 13 September 2006 09:10
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Companies Law Regulations

Many thanks [REDACTED] It would be very helpful if [REDACTED] could have a general look at the accounting treatment of Treasury Shares as well as any other accounting issues that are in the Regulations to ensure that they are beneficial changes from an accounting perspective.

Best Regards

Paul

-----Original Message-----

From: [REDACTED]
Sent: 12 September 2006 16:28
To: Paul De Gruchy; [REDACTED]
Cc: [REDACTED]
Subject: FW: Companies Law Regulations

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Paul

Thanks for copying me in on the attached email.

On your first point, I attach, FYI, an extract from UK GAAP 2004 which sets out the UK accounting treatment for Treasury shares (highlighted). I also note that under the equivalent UK provisions private companies are prohibited from holding treasury shares - however, I assume we are deliberately going for a more flexible approach under C(J) L?

I have copied this note to [REDACTED] perhaps you could review the attached and let the group know whether the UK GAAP treatment is consistent with IFRS, or whether there have been any further developments in the past couple of years that we ought to be aware of?

Thanks and regards
[REDACTED]

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-----Original Message-----

From: Paul De Gruchy [mailto:Pa.deGruchy@gov.je]
Sent: 12 September 2006 16:01
To: [REDACTED]
Subject: Companies Law Regulations

All,

I attach the latest copy of the Companies Law Regulations with my comments marked-up

in red. Please ignore the date on the bottom of the draft - I haven't been sitting on these since June!

There are, I suppose, two big issues to flag. The first is the accounting treatment of treasury shares. I would very much like to abolish all the maintenance of capital provisions from the Law, but they are there and we have to work with them. I think the key point must be that, when shares are held in treasury and then sold, the proceeds of those shares should go back to where the funds for the original purchase came from (e.g. distributable profits). But I would welcome some input from accountants as to whether this is right and how it should best be expressed.

In general, as far as the question of Treasury shares is concerned, as I believe they are largely of importance to the funds industry, I shall separately write to the JFA asking for their comments on that part of the Regulations, as they are not a concept that I am hugely familiar with.

The second issue concerns cell companies. We have made a number of changes tidying up that part of the Law. The draftsman was unhappy about a number of aspects of the cell companies regime - for example, the fact that the articles of a cell are set out in a special resolution of a cell company raises questions: e.g. how can a cell amend a special resolution made by a cell company? There were other questions: the registrar has no power under Article 9 to issue a certificate of registration for example.

The end result is that there are a number of changes to the cell companies legislation that may not be expected, but which, once agreed, should make the legislation stronger. If it would help to meet and discuss these I am as ever happy to do so.

Clearly, we want to get these Regulations in force as soon as possible, not least so that we can get the Takeover Panel put on a legislative footing. But in order to ensure that due process is followed, I think it sensible to ensure that David is at least copied in on all correspondence so that he can ensure that - from a wider perspective - what is being proposed is likely to benefit the finance industry as a whole.

Best Regards

Paul

Paul de Gruchy
Director, Finance Industry Development
States of Jersey Economic Development Department

Tel: 01534 [REDACTED]

Fax: 01534 [REDACTED]

<<Regulations v2 with comments.doc>>

[REDACTED]

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Paul de Gruchy

From: [Redacted]
Sent: 08 October 2003 11:25
To: P.deGruchy@jerseyfsc.org
Subject: RE: Consultation Papers 3 & 4 2003

Achuld by Pde6 8/10/03



Comments on
companies law cons.

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Paul,

Once again, many thanks for the extra time.

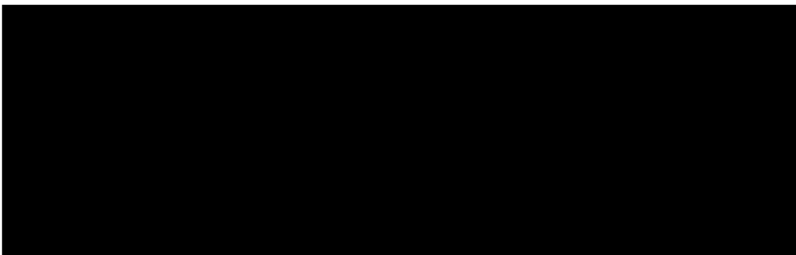
I attach our comments in relation to Consultation Paper No.3. 2003

(See attached file: Comments on Companies law consul paper no3 2003.doc)

We do not have any detailed comments to make regarding Consultation Paper No. 4 other than we generally agree with the proposals particularly the one to allow the Royal Court power to impose restrictions on disqualified directors from holding the other offices both public and private.

Regards

Charles



on 08/10/2003 11:14 -----

To: Paul de Gruchy

cc:

Subject: RE: Consultation Papers 3 & 4

30/09/2003 17:21

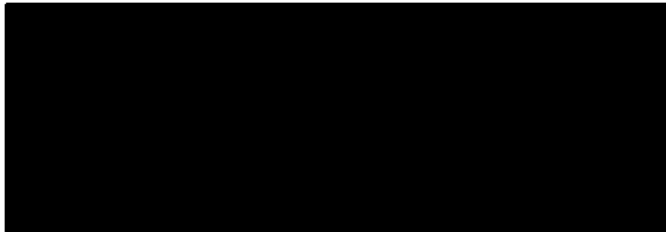
2003 (Document link: [Redacted])

Paul,

Many thanks for allowing me more time. I will aim to get our comments to you as soon as possible but no later than the end of next week.

Regards





Paul de Gruchy



To:



cc:

Subject: RE: Consultation Papers 3 & 4

2003

30/09/2003 16:54

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I'm going to start collating the responses shortly but as long as your response comes in by say the end of next week that will be fine. Thanks for keeping me up to date.

Regards

Paul

-----Original Message-----

From: [redacted]
 Sent: 30 September 2003 16:53
 To: p.degruchy@[redacted]
 Subject: Consultation Papers 3 & 4 2003

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Paul,

I am coordinating responses to Consultation Papers 3 & 4 2003 within our Jersey operation and wonder whether you would be good enough to allow me a little more time to finalise the same.

Regards

[Redacted]

[Redacted]

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