

The Protected Cell Companies Ordinance, 1997

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The Protected Cell Companies Ordinance, 1997

THE STATES, in exercise of the powers conferred upon them by section 1 of the Companies (Enabling Provisions) (Guernsey) Law, 1996^a, hereby order:-

PART I FORMATION & ATTRIBUTES

Protected cell companies.

1. (1) It shall be lawful, subject to the provisions of this Ordinance-
 - (a) to incorporate a company which shall be a protected cell company;
 - (b) to convert an existing company, if so authorised by its articles, into a protected cell company.

(2) For the avoidance of doubt, and notwithstanding that a protected cell company may have created one or more cells pursuant to the provisions of this Ordinance-

- (a) a protected cell company is a single legal person; and
- (b) the creation by a protected cell company of a cell does not create, in respect of that cell, a legal person separate from the company.

^a Order in Council No. XII of 1996.

(3) The provisions of the 1994 Law shall, subject to the provisions of this Ordinance, and unless the context requires otherwise, apply in relation to a protected cell company.

Creation of cells.

2. A protected cell company may create one or more cells for the purpose of segregating and protecting cellular assets in the manner provided by this Ordinance.

Cellular and non-cellular assets.

3. (1) The assets of a protected cell company shall be either cellular assets or non-cellular assets.

(2) It shall be the duty of the directors of a protected cell company-

(a) to keep cellular assets separate and separately identifiable from non-cellular assets; and

(b) to keep cellular assets attributable to each cell separate and separately identifiable from cellular assets attributable to other cells.

(3) The cellular assets of a protected cell company comprise the assets of the company attributable to the cells of the company.

(4) The assets attributable to a cell of a protected cell company comprise-

- (a) assets represented by the proceeds of cell share capital and reserves attributable to the cell;
- (b) all other assets attributable to the cell.

(5) For the purposes of subsection (4), the expression "reserves" includes retained earnings, capital reserves and share premiums.

(6) The non-cellular assets of a protected cell company comprise the assets of the company which are not cellular assets.

Position of creditors.

4. Cellular assets attributable to a cell of a protected cell company-

- (a) shall only be available to the creditors of the company who are creditors in respect of that cell and who shall thereby be entitled, in conformity with the provisions of this Ordinance, to have recourse to the cellular assets attributable to that cell;
- (b) shall be absolutely protected from the creditors of the company who are not creditors in respect of that cell and who accordingly shall not be entitled to have recourse to the cellular assets attributable to that cell.

Cell shares and share capital.

5. (1) A protected cell company may, in respect of any of its cells, create and issue shares ("cell shares") the proceeds of the issue of which ("cell share capital") shall be comprised in the cellular assets attributable to the cell in respect of which the cell shares were issued.

(2) The proceeds of the issue of shares other than cell shares created and issued by a protected cell company shall be comprised in the company's non-cellular assets.

(3) A protected cell company may pay a dividend (a "**cellular dividend**") in respect of cell shares.

(4) Cellular dividends may be paid in respect of cell shares by reference only to the cellular assets and liabilities attributable to the cell in respect of which the cell shares were issued.

(5) Unless the context requires otherwise, references in the 1994 Law to shares include references to cell shares.

Name and memorandum of protected cell company.

6. (1) The name of a protected cell company shall, without prejudice to the provisions of section 21 of the 1994 Law, include the expression "Protected Cell", "PCC" or any cognate expression approved in writing by the Commission.

(2) The memorandum of a protected cell company shall state that it is a protected cell company.

(3) A protected cell company may, in order to comply with subsection (2), alter its memorandum by special resolution.

(4) Unless and until a protected cell company has complied with the provisions of this section, it shall be deemed not to be a protected cell company.

(5) Each cell of a protected cell company shall have its own distinct name or designation.

Consent of Commission required for protected cell company.

7. (1) A company may not be incorporated as a protected cell company, and an existing company may not be converted into a protected cell company, except under the authority of and in accordance with the terms and conditions of the written consent of the Commission, which shall only be granted in the case of a company-

- (a) which is declared (or which will, when incorporated, be declared) by the Commission to be an authorised collective investment scheme under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987^b;
- (b) which is registered (or which will, when incorporated, be registered) as an insurer by the Commission under the Insurance Business (Guernsey) Law, 1986^c or exempt from such registration by virtue of section 8 of that Law; or
- (c) which is of any other prescribed class or description.

^b Ordres en Conseil Vol. XXX, pp. 281 and 243; Recueil d'Ordonnances Tome XXIV, p. 324; and No. XII of 1995.

^c Ordres en Conseil Vol. XXIX, p. 214; Vol. XXX, p. 243; and No. XIII of 1994.

(2) The Commission may, from time to time, in such manner as it thinks fit-

- (a) vary or revoke any term or condition subject to which a consent under subsection (1) was granted; and
- (b) impose any new term or condition in relation to any such consent.

Application for consent of Commission.

8. An application for the consent of the Commission for the incorporation of a company as a protected cell company, or for the conversion of an existing company into a protected cell company-

- (a) shall be made to the Commission in such form and manner, and shall be accompanied by such documents and information, verified in such manner, as the Commission may require, whether in relation to any particular application or otherwise; and
- (b) shall be accompanied by such fee as may be prescribed.

Incorporation of company as protected cell company.

9. (1) A person wishing to incorporate a company as a protected cell company shall make an application to the Court for the registration of the company's memorandum and articles in accordance with Part I of the 1994 Law, the provisions of which shall apply accordingly; and such an application shall (subject to such modifications and adaptations as may be specified by Order of the Royal Court) be accompanied by-

- (a) a copy of the Commission's consent granted under section 7(1); and
- (b) all such other documents, consents and information as are required for the registration under Part I of the 1994 Law of the memorandum and articles of a company.

(2) The Greffier shall file in the Register of Companies a copy of the Commission's consent granted under section 7(1).

Liability of protected cell company.

10. (1) Where a liability of a protected cell company to a person arises from a transaction, or is otherwise imposed, in respect of a particular cell-

- (a) that liability of the company shall extend only to, and that person shall, in respect of that liability, be entitled to have recourse only to-
 - (i) the cellular assets attributable to that cell; and
 - (ii) to the extent that the cellular assets attributable to that cell may be insufficient, the company's non-cellular assets; and
- (b) that liability of the company shall not extend to, and that person shall not, in respect of that liability, be entitled to have recourse to, the cellular assets attributable to any other cell.

- (2) Where a liability of a protected cell company to a person-
 - (a) arises otherwise than from a transaction in respect of a particular cell; or
 - (b) is imposed otherwise than in respect of a particular cell;

that liability of the company shall extend only to, and that person shall, in respect of that liability, be entitled to have recourse only to, the company's non-cellular assets.

- (3) Where a liability of a protected cell company to a person arises or is imposed in the manner mentioned in subsection (1) or (2), then-
 - (a) that liability of the company; and
 - (b) the rights of that person to have recourse to the company's assets in respect of that liability;

shall, in law, be limited in the manner mentioned in subsection (1) or, as the case may be, subsection (2).

Company to inform persons they are dealing with protected cell company.

- 11. (1) A protected cell company shall-
 - (a) inform any person with whom it transacts that it is a protected cell company; and

- (b) for the purposes of that transaction, identify or specify the cell in respect of which that person is transacting, unless that transaction is not a transaction in respect of a particular cell.

(2) If, in contravention of subsection (1), a protected cell company-

- (a) fails to inform a person that he is transacting with a protected cell company, and that person is otherwise unaware that, and has no reasonable grounds to believe that, he is transacting with a protected cell company; or
- (b) fails to identify or specify the cell in respect of which a person is transacting, and that person is otherwise unaware of, and has no reasonable basis of knowing, which cell he is transacting with;

then, in either such case-

- (i) the directors shall (notwithstanding any provision to the contrary in the company's articles or in any contract with the company or otherwise) incur personal liability to that person in respect of the transaction; and
- (ii) the directors shall have a right of indemnity against the non-cellular assets of the company,

unless they were fraudulent, reckless or negligent, or acted in bad faith.

(3) Notwithstanding the provisions of subsection (2)(i), the Court may relieve a director of all or part of his personal liability thereunder if he satisfies the Court that he ought fairly to be so relieved because-

- (a) he was not aware of the circumstances giving rise to his liability and, in being not so aware, he was neither fraudulent, reckless or negligent, nor acted in bad faith; or
- (b) he expressly objected, and exercised such rights as he had as a director, whether by way of voting power or otherwise, so as to try to prevent the circumstances giving rise to his liability.

(4) Where, pursuant to the provisions of subsection (3), the Court relieves a director of all or part of his personal liability under subsection (2)(i), the Court may order that the liability in question shall instead be met from such of the cellular or non-cellular assets of the protected cell company as may be specified in the order.

(5) Any provision in the articles of a protected cell company, and any other contractual provision under which the protected cell company may be liable, which purports to indemnify directors in respect of conduct which would otherwise disentitle them to an indemnity against non-cellular assets by virtue of subsection (2)(ii), shall be void.

Attribution of non-cellular assets and liabilities.

12. (1) Liabilities of a protected cell company not otherwise attributable to any of its cells shall be discharged from the company's non-cellular assets.

(2) Income, receipts and other property or rights of or acquired by a protected cell company not otherwise attributable to any cell shall be applied to and comprised in the company's non-cellular assets.

Provisions in relation to liquidation of protected cell company.

13. (1) Notwithstanding any statutory provision or rule of law to the contrary, in the liquidation of a protected cell company, the liquidator-

- (a) shall be bound to deal with the company's assets in accordance with the requirements set out in paragraphs (a) and (b) of section 3(2);
- (b) in discharge of the claims of creditors of the protected cell company, shall apply the company's assets to those entitled to have recourse thereto in conformity with the provisions of this Ordinance.

(2) Section 104 of the 1994 Law (which provides that a company's assets in a winding up shall be realised and applied in satisfaction of the company's debts and liabilities *pari passu*) shall be modified and shall apply in relation to protected cell companies subject to the provisions of this Ordinance.

Transfer of cellular assets from protected cell company.

14. (1) It shall be lawful, subject to the provisions of subsection (3), for the cellular assets attributable to any cell of a protected cell company, but not the non-cellular assets of a protected cell company, to be transferred to another

person, wherever resident or incorporated, and whether or not a protected cell company.

(2) A transfer, pursuant to subsection (1), of cellular assets attributable to a cell of a protected cell company shall not of itself entitle creditors of that company to have recourse to the assets of the person to whom the cellular assets were transferred.

(3) No transfer of the cellular assets attributable to a cell of a protected cell company may be made except under the authority of, and in accordance with the terms and conditions of, an order of the Court under this section (a "**cell transfer order**").

(4) The Court shall not make a cell transfer order in relation to a cell of a protected cell company-

(a) unless it is satisfied-

(i) that the creditors of the company entitled to have recourse to the cellular assets attributable to the cell consent to the transfer; or

(ii) that those creditors would not be unfairly prejudiced by the transfer; and

(b) without hearing the representations of the Commission thereon.

(5) The Court, on hearing an application for a cell transfer order-

- (a) may make an interim order or adjourn the hearing, conditionally or unconditionally;
- (b) may dispense with any of the requirements of subsection (4)(a).

(6) The Court may attach such conditions as it thinks fit to a cell transfer order, including conditions as to the discharging of claims of creditors entitled to have recourse to the cellular assets attributable to the cell in relation to which the order is sought.

(7) The Court may make a cell transfer order in relation to a cell of a protected cell company notwithstanding that-

- (a) a liquidator has been appointed to act in respect of the company or the company has passed a resolution for voluntary winding up;
- (b) a receivership order has been made in respect of the cell or any other cell of the company;
- (c) an administration order has been made in respect of the cell, the company or any other cell thereof.

(8) The provisions of this section are without prejudice to any power of a protected cell company lawfully to make payments from the cellular assets attributable to any cell of the company to a person entitled, in conformity with the provisions of this Ordinance, to have recourse to those cellular assets.

PART II

RECEIVERSHIP ORDERS

Receivership orders in relation to cells.

15. (1) Subject to the provisions of this section, if in relation to a protected cell company the Court is satisfied-

- (a) that the cellular assets attributable to a particular cell of the company (when account is taken of the company's non-cellular assets, unless there are no creditors in respect of that cell entitled to have recourse to the company's non-cellular assets) are or are likely to be insufficient to discharge the claims of creditors in respect of that cell;
- (b) that the making of an administration order under section 20 in respect of that cell would not be appropriate; and
- (c) that the making of an order under this section would achieve the purposes set out in subsection (3);

the Court may make an order under this section (a "**receivership order**") in respect of that cell.

(2) A receivership order may be made in respect of one or more cells.

(3) A receivership order is an order directing that the business and cellular assets of or attributable to a cell shall be managed by a person specified in the order ("**the receiver**") for the purposes of-

- (a) the orderly winding up of the business of or attributable to the cell; and
 - (b) the distribution of the cellular assets attributable to the cell to those entitled to have recourse thereto.
- (4) A receivership order-
- (a) may not be made if-
 - (i) a liquidator has been appointed to act in respect of the protected cell company; or
 - (ii) the protected cell company has passed a resolution for voluntary winding up;
 - (b) may be made in respect of a cell subject to an administration order under section 20;
 - (c) shall cease to be of effect upon the appointment of a liquidator to act in respect of the protected cell company, but without prejudice to prior acts.

(5) No resolution for the voluntary winding up of a protected cell company any cell of which is subject to a receivership order shall be effective without leave of the Court.

Applications for receivership orders.

16. (1) An application for a receivership order in respect of a cell of a protected cell company may be made by-

- (a) the company;
- (b) the directors of the company;
- (c) any creditor of the company in respect of that cell;
- (d) any holder of cell shares in respect of that cell;
- (e) the administrator of that cell; or
- (f) the Commission.

(2) The Court, on hearing an application-

- (a) for a receivership order; or
- (b) for leave, pursuant to section 15(5), for a resolution for voluntary winding up;

may make an interim order or adjourn the hearing, conditionally or unconditionally.

(3) Notice of an application to the Court for a receivership order in respect of a cell of a protected cell company shall be served upon-

- (a) the company;
- (b) the administrator (if any) of the cell;

- (c) the Commission; and
- (d) such other persons (if any) as the Court may direct;

who shall each be given an opportunity of making representations to the Court before the order is made.

Functions of receiver and effect of receivership order.

17. (1) The receiver of a cell-

- (a) may do all such things as may be necessary for the purposes set out in section 15(3); and
- (b) shall have all the functions and powers of the directors in respect of the business and cellular assets of or attributable to the cell.

(2) The receiver may at any time apply to Court-

- (a) for directions as to the extent or exercise of any function or power;
- (b) for the receivership order to be discharged or varied;
or
- (c) for an order as to any matter arising in the course of his receivership.

(3) In exercising his functions and powers the receiver is deemed to act as the agent of the protected cell company, and shall not incur personal liability except to the extent that he is fraudulent, reckless or grossly negligent, or acts in bad faith.

(4) Any person dealing with the receiver in good faith is not concerned to enquire whether the receiver is acting within his powers.

(5) When an application has been made for, and during the period of operation of, a receivership order-

(a) no proceedings may be instituted or continued by or against the protected cell company in relation to the cell in respect of which the receivership order was made; and

(b) no steps may be taken to enforce any security or in execution of legal process in respect of the business or cellular assets of or attributable to the cell in respect of which the receivership order was made;

except by leave of the Court, which may be conditional or unconditional.

(6) During the period of operation of a receivership order-

(a) the functions and powers of the directors shall cease in respect of the business and cellular assets of or attributable to the cell in respect of which the order was made; and

- (b) the receiver of the cell shall be deemed a director of the protected cell company in respect of the non-cellular assets of the company, unless there are no creditors in respect of that cell entitled to have recourse to the company's non-cellular assets.

Discharge and variation of receivership orders.

18. (1) The Court shall not discharge a receivership order unless it appears to the Court that the purpose for which the order was made has been achieved or substantially achieved or is incapable of achievement.

(2) The Court, on hearing an application for the discharge or variation of a receivership order, may make any interim order or adjourn the hearing, conditionally or unconditionally.

(3) Upon the Court discharging a receivership order in respect of a cell of a protected cell company on the ground that the purpose for which the order was made has been achieved or substantially achieved, the Court may direct that any payment made by the receiver to any creditor of the company in respect of that cell shall be deemed full satisfaction of the liabilities of the company to that creditor in respect of that cell; and the creditor's claims against the company in respect of that cell shall be thereby deemed extinguished.

(4) Nothing in subsection (3) shall operate so as to affect or extinguish any right or remedy of a creditor against any other person, including any surety of the protected cell company.

Remuneration of receiver.

19. The remuneration of a receiver and any expenses properly incurred by him shall be payable, in priority to all other claims, from-

- (a) the cellular assets attributable to the cell in respect of which the receiver was appointed; and
- (b) to the extent that these may be insufficient, the non-cellular assets of the protected cell company.

PART III
ADMINISTRATION ORDERS

Administration orders in relation to protected cell companies or cells.

20. (1) Subject to the provisions of this section, if in relation to a protected cell company the Court is satisfied -

- (a) that the cellular assets attributable to a particular cell of the company (when account is taken of the company's non-cellular assets, unless there are no creditors in respect of that cell entitled to have recourse to the company's non-cellular assets) are or are likely to be insufficient to discharge the claims of creditors in respect of that cell; or
- (b) that the company's cellular assets and non-cellular assets are or are likely to be insufficient to discharge the liabilities of the company;

and the Court considers that the making of an order under this section may achieve one of the purposes set out in subsection (4), the Court may make an order under this section (an "**administration order**") in respect of that cell or (as the case may be) in respect of that company.

(2) An administration order may be made in respect of one or more cells.

(3) An administration order is an order directing that, during the period for which the order is in force, the business and assets of or attributable to the cell or, as the case may be, the business and assets of the company, shall be managed by a person (an "**administrator**") appointed for the purpose by the Court.

(4) The purposes for which an administration order may be made are-

(a) the survival as a going concern of the cell or (as the case may be) of the company;

(b) the more advantageous realisation of the business and assets of or attributable to the cell or (as the case may be) the business and assets of the company than would be achieved by a receivership of the cell or (as the case may be) by the liquidation of the company.

(5) An administration order, whether in respect of a protected cell company or a cell thereof-

(a) may not be made if-

(i) a liquidator has been appointed to act in respect of the company; or

(ii) the company has passed a resolution for voluntary winding up;

(b) shall cease to be of effect upon the appointment of a liquidator to act in respect of the company, but without prejudice to prior acts.

(6) No resolution for the voluntary winding up of a protected cell company which, or any cell of which, is subject to an administration order shall be effective without the leave of the Court.

Applications for administration orders.

21. (1) An application for an administration order may be made by-

(a) the company;

(b) the directors of the company;

(c) the shareholders or any class of shareholders of the company or of any cell;

(d) any creditor of the company (or, where the order is sought in respect of a cell, any creditor of the company in respect of that cell); or

(e) the Commission.

(2) The Court, on hearing an application-

(a) for an administration order; or

- (b) for leave, pursuant to section 20(6), for a resolution for voluntary winding up;

may make an interim order or adjourn the hearing, conditionally or unconditionally.

(3) Notice of an application to the Court for an administration order in respect of a protected cell company or a cell thereof shall be served upon-

- (a) the company;
- (b) the Commission; and
- (c) such other persons (if any) as the Court may direct;

who shall each be given an opportunity of making representations to the Court before the order is made.

Functions of administrator and effect of administration order.

22. (1) The administrator of a cell of a protected cell company-

- (a) may do all such things as may be necessary for the purpose set out in section 20(4) for which the administration order was made; and
- (b) shall have all the functions and powers of the directors in respect of the business and cellular assets of or attributable to the cell.

(2) The administrator of a protected cell company-

- (a) may do all such things as may be necessary for the purpose set out in section 20(4) for which the administration order was made; and
- (b) shall have all the functions and powers of the directors in respect of the business and assets of the company, including its cells.

(3) The administrator may at any time apply to the Court-

- (a) for directions as to the extent or exercise of any function or power;
- (b) for the administration order to be discharged or varied; or
- (c) for an order as to any matter arising in the course of his administration.

(4) In exercising his functions and powers the administrator is deemed to act as the agent of the protected cell company, and shall not incur personal liability except to the extent that he is fraudulent, reckless or grossly negligent, or acts in bad faith.

(5) Any person dealing with the administrator in good faith is not concerned to enquire whether the administrator is acting within his powers.

(6) When an application has been made for, and during the period of operation of, an administration order in respect of a protected cell company or a cell thereof-

- (a) no proceedings may be instituted or continued by or against the company; and
- (b) no steps may be taken to enforce any security or in execution of legal process in respect of the business or assets of the company or (as the case may be) the business or assets of or attributable to the cell;

except by leave of the Court which may be conditional or unconditional.

(7) During the period of operation of an administration order-

- (a) in respect of a cell of a protected cell company-
 - (i) the functions and powers of the directors shall cease in respect of the business and cellular assets of or attributable to the cell; and
 - (ii) the administrator shall be deemed a director of the company in respect of the company's non-cellular assets, unless there are no creditors of the company in respect of that cell entitled to have recourse to the company's non-cellular assets;

- (b) in respect of a protected cell company, the functions and powers of the directors shall cease.

Discharge and variation of administration orders.

23. (1) The Court shall not discharge an administration order unless it appears to the Court that-

- (a) the purpose for which the order was made has been achieved or is incapable of achievement; or
- (b) it would otherwise be desirable or expedient to discharge the order.

(2) The Court, on hearing an application for the discharge or variation of an administration order, may make any interim order or adjourn the hearing, conditionally or unconditionally.

(3) Upon discharging an administration order, the Court may direct-

- (a) where the administration order was made in respect of a protected cell company, that any payment made by the administrator to any creditor of the company shall be deemed full satisfaction of the liabilities of the company to that creditor; and the creditor's claims against the company shall be thereby deemed extinguished;
- (b) where the administration order was made in respect of a cell, that any payment made by the administrator to

any creditor of the company in respect of that cell shall be deemed full satisfaction of the liabilities of the company to that creditor in respect of that cell; and the creditor's claims against the company in respect of that cell shall be thereby deemed extinguished.

(4) Nothing in subsection (3) shall operate so as to affect or extinguish any right or remedy of a creditor against any other person, including any surety of the protected cell company.

Remuneration of administrator.

24. The remuneration of an administrator, and any expenses properly incurred by him, shall be payable in priority to all other claims-

- (a) in the case of the administration of a cell, from-
 - (i) the cellular assets attributable to the cell; and
 - (ii) to the extent these may be insufficient, the non-cellular assets of the protected cell company; and
- (b) in the case of the administration of a protected cell company, from-
 - (i) the non-cellular assets of the company; and
 - (ii) to the extent these may be insufficient, the cellular assets, in such shares or proportions as the Court may direct.

PART IV
GENERAL PROVISIONS

Offences.

25. (1) A person who contravenes or fails to comply with, or who causes or permits any contravention of or failure to comply with, any term or condition of a consent of the Commission granted under section 7(1), shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the uniform scale.

(2) A person who, in connection with an application under section 8 for the consent of the Commission for the incorporation of a company as a protected cell company, or for the conversion of an existing company into a protected cell company-

- (a) makes a statement which he knows or has reasonable cause to believe to be false, deceptive or misleading in a material particular;
- (b) recklessly makes a statement, dishonestly or otherwise, which is false, deceptive or misleading in a material particular;
- (c) produces or furnishes or causes or permits to be produced or furnished any information or document which he knows or has reasonable cause to believe to be false, deceptive or misleading in a material particular; or

- (d) recklessly produces or furnishes or recklessly causes or permits to be produced or furnished, dishonestly or otherwise, any information or document which is false, deceptive or misleading in a material particular;

shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the uniform scale, to imprisonment for a term not exceeding three months, or to both.

Power of the Commission to make regulations.

26. (1) The Commission may, after consultation with the Committee, make such regulations as it thinks fit concerning protected cell companies.

(2) Without limiting the generality of subsection (1), regulations of the Commission under this Ordinance may make provision in respect of any of the following matters-

- (a) the conduct of the business of protected cell companies;
- (b) the manner in which protected cell companies may carry on, or hold themselves out as carrying on, business;
- (c) the form and content of the accounts of protected cell companies;
- (d) the winding up, administration or receivership of protected cell companies; and

(e) generally for the implementation of this Ordinance.

(3) Regulations of the Commission under this Ordinance-

(a) may be amended or repealed by subsequent regulations hereunder;

(b) may contain such consequential, incidental, supplemental and transitional provision as may appear to the Commission to be necessary or expedient;

(c) may provide that the provisions of this Ordinance shall apply in relation to any class or description of company specified by or prescribed under section 7(1) subject to such exceptions, adaptations and modifications as may be specified in the regulations;

(d) shall be laid before a meeting of the States as soon as possible and shall, if at that or the next meeting the States resolve to annul them, cease to have effect, but without prejudice to anything done under them or to the making of new regulations.

(4) Any power conferred upon the Commission by this Ordinance to make regulations may be exercised-

(a) in relation to all cases to which the power extends, or in relation to all those cases subject to specified exceptions, or in relation to any specified cases or classes of cases;

- (b) so as to make, as respects the cases in relation to which it is exercised-
 - (i) the full provision to which the power extends, or any lesser provision (whether by way of exception or otherwise);
 - (ii) the same provision for all cases, or different provision for different cases or classes of cases, or different provision for the same case or class of case for different purposes;
 - (iii) any such provision either unconditionally or subject to any prescribed conditions.

Interpretation.

27. (1) In this Ordinance, unless the context requires otherwise-

"administration order" means an order of the Court under section 20 in relation to a protected cell company or a cell thereof;

"administrator" means the person appointed as such by an administration order;

"cell" means a cell created by a protected cell company for the purpose of segregating and protecting cellular assets in the manner provided by this Ordinance;

"cell shares" means shares created and issued by a protected cell company in respect of one of its cells pursuant to the provisions of section 5, the proceeds of the issue of which (the "cell share capital") shall be comprised in the cellular assets attributable to that cell;

"cell share capital" means the proceeds of issue of cell shares;

"cell transfer order" means an order of the Court under section 14(3) sanctioning the transfer of the cellular assets attributable to any cell of a protected cell company to another person;

"cellular assets" of a protected cell company means the assets of the company attributable to the company's cells pursuant to section 3(4);

"cellular dividend" means a dividend payable by a protected cell company in respect of cell shares pursuant to the provisions of section 5(3);

"Commission" means the Guernsey Financial Services Commission;

"creditors" includes present, future and contingent creditors and, in relation to a protected cell company which is an authorised collective investment scheme within the meaning of section 44(1) of the Protection of Investors (Bailiwick of Guernsey) Law, 1987^d, also includes any investor (within the meaning of that section);

"liability" includes any debt or obligation;

^d Ordres en Conseil Vol. XXX, pp. 281 and 243; Recueil d'Ordonnances Tome XXIV, p. 324; and No. XII of 1995.

"non-cellular assets" of a protected cell company comprise the assets of the company which are not cellular assets;

"prescribed" means prescribed by regulations of the Commission;

"protected cell company" means a company incorporated as, or converted into, a protected cell company in accordance with the provisions of this Ordinance;

"receiver" means a person appointed as such by a receivership order;

"receivership order" means an order of the Court under section 15 in relation to a cell of a protected cell company;

"the 1994 Law" means the Companies (Guernsey) Law, 1994^e as amended by the Companies (Guernsey) (Amendment) Law, 1996^f;

"transaction" means anything (including, without limitation, any agreement, arrangement, dealing, disposition, circumstance, event or relationship) whereby any liability arises or is imposed; and cognate expressions shall be construed accordingly.

(2) Expressions used in this Ordinance shall (unless the context requires otherwise) have the same meanings as in the 1994 Law.

^e Order in Council No. XXXIII of 1994.

^f Order in Council No. XIV of 1996.

(3) References in this Ordinance to an enactment are references thereto as re-enacted (with or without modification), amended, extended or applied.

Citation.

28. This Ordinance may be cited as the Protected Cell Companies Ordinance, 1997.

Commencement.

29. This Ordinance shall come into force on the 1st day of February, 1997.