

Upcoming amendments to Jersey company law

This update sets out the highlight amendments to be made to the Companies (Jersey) Law 1991.

Introduction

The States of Jersey adopted the Companies (Jersey) Amendment Law 2026 (the **Amendment Law**) on 21 January 2026 and it will come into force on the later of 1 June 2026 or 7 days after registration. The Amendment Law will overhaul the Companies (Jersey) Law 1991 (**Companies Law**) to make it more flexible and to reflect current international standards. This update briefly sets out the most significant amendments.

1 Highlight amendments

1.1 Abolition of 30-member limit for a private company

A private company will no longer be deemed to be a public company if it has more than 30 members.

1.2 Abolition of authorised share capital

The memorandum of a par value company will no longer have to state a maximum authorised share capital.

1.3 Alteration of share capital

A company will be able to alter its share capital by any means, not merely the methods enumerated in the Companies Law.

Codifying existing practice, the conversion of shares from one class into another class will be expressly permitted, and this will be without prejudice to any provisions in a company's articles that permit conversion otherwise than by special resolution.

1.4 Variation of class rights

A company's articles will be able to stipulate what does and does not constitute a variation of class rights.

Any increase in entitlement to 'benefits' of a class of members will no longer be treated as a variation of the class rights of other classes.

1.5 Share transfers

A transfer of shares will be possible by any method permitted under a company's articles, not only by written instrument.

1.6 Rectifying register errors without court approval

Directors will be able to correct manifest errors or omissions in a company's register of members without court approval provided all adversely affected parties consent.

1.7 Dispensation from issuing share certificates

A company will be able to dispense with the requirement to issue share certificates in its articles confirming a practice some companies already adopt in their articles.

1.8 Redemption and purchase of fully paid shares for nil consideration

The solvency test applicable to redemptions and purchases of shares will not apply in the case of a redemption or purchase of fully paid shares for nil consideration.

1.9 Ratification of unlawful share redemptions, purchases and distributions

Directors will be able to ratify a share redemption, purchase or distribution where the required solvency statement is not made by making a further solvency statement.

1.10 Directors' interests no longer need to be recorded in the minutes

The requirement for directors' interests that are disclosed to be recorded in board minutes will be repealed.

1.11 Director ratification of undisclosed interests

A majority of disinterested directors will be able to ratify a voidable transaction where a director fails to disclose an interest provided the nature and extent of the conflict is disclosed in reasonable detail. This will be an alternative to shareholder ratification by special resolution.

1.12 Directors' indemnities and advancement of legal expenses

The Amendment Law will expand the scope of director indemnities to:

- cover a broader range of liabilities that can be indemnified;
- cover directors acting for other entities at the company's request; and
- permit the advancement of legal expenses before the outcome of proceedings subject to an undertaking to repay sums advanced if it is ultimately determined that the director is not entitled to be indemnified.

Directors and secretaries will be able to enforce indemnity provisions in a company's articles.

1.13 Direct voting

The Amendment Law introduces Australian inspired provisions permitting a company's articles to provide for direct voting at general meetings or class meetings.

1.14 Filing requirements for shareholders' agreements

An agreement between all members of a company, such as a shareholders' agreement, will not need to be filed if it includes a term stating that, in the event of a conflict with the company's articles, the agreement will prevail and the articles will be amended accordingly.

1.15 Flexibility for a company listed on certain approved overseas exchanges

A Jersey company listed on a regulated exchange in the US, Australia, Canada or Japan will be permitted to rely solely on and file in Jersey its overseas audited accounts provided they meet the standards of the relevant foreign regulator. Such a company will not have to prepare and file audited accounts to meet Jersey law requirements as well.

1.16 Members' schemes of arrangement - removal of headcount test

The approval requirements for members' schemes of arrangement will be simplified by removing the requirement to obtain the approval of a majority in number of members. Only the approval by 3/4ths of the voting rights of the members or class of members present and voting in person, by proxy or direct vote will be required.

1.17 Mergers and continuance

The requirement for separate class consents will be removed.

The threshold for creditor notification will rise from £5,000 to £25,000.

There will be no need for members to receive consideration for a merger if their shares are not converted into shares of the merged body.

The requirement that evidence that a merger is not unfairly prejudicial to the interests of any creditor be filed with the JFSC in the case of a merger involving a non-Jersey company will be repealed.

Conclusion

The Amendment Law is a significant overhaul and modernisation of the Companies Law which will bring Jersey company law up to date with international standards and make Jersey companies easier to use and administer.

Comprehensive guide

For a comprehensive guide to the amendments made by the Amendment Law, please reach out to your usual Mourant contact.

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