



FINANCIAL SERVICES REGULATORY COMMISSION

Circular No. 2 of 2024

To: All Corporate Management and Trust Service Providers and Other Authorized Persons

From: Bunny Govia-Butler, Manager, IBCs & CMTSPs

Date: June 26, 2024

Subject: New Procedure – Striking a Company from the Register & Its Effect

The Financial Services Regulatory Commission (the “Commission”) is a statutory authority continued and governed by the Financial Services Regulatory Commission Act, 2013 (as amended) (the “FSRC Act”) charged with administering the Corporate Management and Trust Service Providers Act, 2008 (as amended) (the “CMTSP Act”) and the International Business Corporations Act, Cap. 222 (as amended) (the “Act”).

The Commission advises that subject to the new legal requirements of the Law (Miscellaneous Amendments) Act, 2024, the process of striking a company from the Register pursuant to section 335 of the Act has changed. All corporate management and trust service providers and other authorized persons are therefore encouraged to take careful note of the following:

Grounds for Striking Off a Company

Subject to Section 335(2) of the Act, a company may be struck from the Register for any of the following reasons or combinations of reasons.

- (a) the corporation fails to send any return, notice, document or prescribed fee to the Commission as required by the Act;
- (b) the corporation has failed to file an annual attestation report even after being liable to the maximum penalty;

- (c) the corporation is amalgamated with one or more other corporations or bodies corporate;
- (d) the corporation does not carry out an undertaking given under section 339 (a)(i) of the Act. (*This pertains to a failure to comply with a directive of the Commission to change the name of a corporate to a dissimilar name.*);
- (e) the registration of the corporation is revoked pursuant to the Act;
- (f) the corporation fails to satisfy the request made pursuant to section 130A of the Act. (*This pertains to the maintenance of financial records.*);
- (g) the corporation has not commenced business within three years after the date shown in its certificate of incorporation; or
- (h) has not carried on business for three consecutive years.

The Process of Striking a Company

Under the new amendments, once the Commission has reasonable grounds to strike a company from the Register, a ninety (90) days notice of intent will be issued to the corporation, through its registered agent or corporate management and trust service provider. Please note that a copy of this notice of intent to strike will also be published in the official gazette.

After the ninety (90) days notice has expired, and the corporation has still not resolved the matter or matters which have given rise to its removal from the Register, the Commission will proceed to strike the Company from the Register and publish a notice of the striking in the official gazette. The strike of a company takes effect from the date published in the official gazette.

The Effect of Striking a Company

In accordance with Section 335(7) of the Act, a corporation is considered **dissolved** on the date the notice of striking is published in the official gazette.

A corporation that is dissolved may apply to the Commission under section 335(8) or 315 of the Act to be restored or revived, as may be applicable.

In addition to noting the new requirements for reviving a company under section 315 of the Act, persons should bear in mind that the Act now makes the name of a dissolved corporation available for use by another corporation where the dissolved corporation remains dissolved after 7 years.

Finally, the Commission informs you that commencing on Monday, July 1, 2024, the new strike off procedure will be put into effect. Additionally, all are notified that in an effort to reduce the significant number of struck entities from its records, the Commission will publish relevant notices regarding the dissolving of entities, pursuant to Section 335(7) of the Act as entities that were struck from the Register up to April 2024 are now eligible for dissolution in accordance with the Act.

Please be guided accordingly.