

Collas Crill explains... Striking off a Jersey company

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Jersey is a popular place to establish an asset holding company because the **Law** is modern, flexible and modelled on English companies legislation.

The **Law** gives the **registrar** the power to strike off a Jersey company from the **register**. This guide looks at the key things you need to know about the strike off process.

Words in bold text are defined at the end of this guide.

What is a strike off?

Strike off is the process by which the **registrar** removes or (strikes off) the name of a company from the **register**, even though the company may:

- be solvent; or
- not have been liquidated.

The most common reason the **registrar** will strike off a company is if it fails to file an annual return.

May a company apply to be struck off?

The strike off process can only be started by the **registrar**.

A company cannot apply to the **registrar** to be struck off. Unlike the situation in other jurisdictions, strike off is not a process that may be used by a dormant company with no assets or liabilities to be dissolved quickly and cheaply.

Why are companies struck off?

The **registrar** may strike off a company for the following reasons.

- Because the **registrar** believes that a company is not carrying on business or in operation and the **registrar** has:
 - sent the company a letter asking whether it is carrying on business or is in operation;
 - received an answer that the company is not carrying on business or in operation or has not received an answer within one month of sending the letter;
 - published in the Jersey Evening Post, and sent to the company, a **strike off notice**; and

- any condition in the **strike off notice** has not been satisfied.
- Because:
 - a company has failed to change its registered office address within 14 days of being required to do so by the **registrar**; or
 - the **registrar** refuses to register a notice of change of registered office address filed by a company, and:
 - the **registrar** has published in the Jersey Evening Post, and (unless it is not reasonably practicable to do so) sent to the company, a **strike off notice**; and
 - any condition in the **strike off notice** has not been satisfied.
- Because:
 - a company has failed to file an annual return with the **registrar** before 30 June in the year in which the return is due;
 - the **registrar** has sent the company a **strike off notice**; and
 - any condition in the **strike off notice** has not been satisfied.
- Because a company (that is not a limited life company) specifies in its **M&A** a fixed time period for the life of the company and:
 - that time period has expired;
 - the company or one of its directors, shareholders or creditors has failed to deliver to the **registrar** a notice stating that the time period has expired and specifying the expiry date;
 - the **registrar** has published in the Jersey Evening Post, and sent to the company, a **strike off notice**; and
 - any condition in the **strike off notice** has not been satisfied.
- Because a company is being wound up by way of creditors' (insolvent) winding up and:
 - the **registrar** believes that no liquidator is acting or the affairs of the company have been wound up;
 - the returns required to be made by the liquidator under the **Law** have not been made for a period of six consecutive months;
 - the **registrar** has published in the Jersey Evening Post, and sent to the company or (if appointed) a liquidator, a **strike off notice**; and
 - any condition in the **strike off notice** has not been satisfied.
- Because:
 - a company is being wound up by way of summary (solvent) winding up;

- o the **registrar** believes that, for a period of six months, the company has failed to pay its liabilities as they fall due or distribute any surplus assets to its shareholders;
- o the **registrar** has published in the Jersey Evening Post, and sent to the company or (if appointed) a liquidator, a **strike off notice**; and
- o any condition in the **strike off notice** has not been satisfied.

What is the strike off process?

The strike off process is as follows.

- The **registrar** will (depending on which circumstances apply) take one of the actions mentioned under the paragraph headed *Why are companies struck off?* above, including publishing in the Jersey Evening Post, and sending to the company or (if appointed) a liquidator, a **strike off notice**.
- If the conditions specified in the **strike off notice** have not been satisfied before the end of the three month period mentioned in the notice, the **registrar** will remove the company's name from the **register**.
- Once the company's name has been removed from the **register**, the **registrar** will publish notice of removal in the Jersey Evening Post.

What is the effect of strike off?

Once a company's name is struck off the **register**, the company is automatically dissolved and ceases to exist.

If a protected cell company is struck off, any remaining protected cell of the protected cell company will automatically be struck off too.

Despite a company being struck off and dissolved:

- each director and shareholder of the company will continue to be subject to any liability which applied before the company was dissolved; and
- that liability may be enforced against that director or shareholder as if the company had not been dissolved.

What happens to a company's Jersey assets if it is struck off?

Any Jersey movable assets (like cash or shares) owned by a company at the time it is struck off may be:

- held and claimed by Her Majesty's Receiver General, on behalf of the Crown, as *bona vacantia* (ownerless assets) subject to any potential application to have the company reinstated during the **eligibility period**; and
- claimed absolutely by Her Majesty's Receiver General after the expiry of the **eligibility period**.

Any Jersey real estate owned by a company at the time it is struck off would escheat (or pass) to the Her Majesty's Receiver General, on behalf of the Crown, subject to any application to have the company reinstated the **eligibility period**.

Whoops, my company has been struck off, what can I do?

Where a company has been struck off, an **eligible person** may apply to the **Court** within the **eligibility period** for an order reinstating the company and restoring its name to the **register**.

For more information on reinstating a company that has been struck off, see our guide *Reinstating a dissolved Jersey company* ([click here](#)).

Terms used

Court means the Royal Court of Jersey.

eligible person means:

- a liquidator of a company; or
- any other person appearing to the **Court** to be interested in the reinstatement of a company.

eligibility period means the period of 10 years starting on the date on which a company was dissolved.

Law means the Companies (Jersey) Law 1991.

M&A means a company's memorandum and articles of association.

register means the register of Jersey companies kept by the **registrar** under the **Law**.

registrar means the Jersey registrar of companies.

strike off notice means a notice from the **registrar** to a company stating that, at the end of the period of three months following the date of the notice, the name of the company will be removed from the **register** and the company will be dissolved unless:

- (where the notice relates to non-compliance with a requirement of the **Law**) that requirement is satisfied; or
- (in any other case) the company or a shareholder, creditor or liquidator of the company gives reason why the company's name should not be struck off the **registrar** and the company should not be dissolved.

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We are a leading offshore law firm. We are easy to do business with and give practical advice to overcome tough challenges. Through our network of offices, we practise British Virgin Islands, Cayman Islands, Guernsey and Jersey law.

About this guide

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