

Mergers – a comparison

This matrix has been prepared to provide a comparison of the laws of the British Virgin Islands (BVI), the Cayman Islands, Guernsey and Jersey as at its date of publication. It is for general information only and is not intended to, and does not, constitute legal, financial or other advice upon which you may act or rely and does not constitute an offer to provide such advice. It assumes that a merger is with a foreign company and that the surviving company will be a BVI, Cayman Islands, Guernsey or Jersey company (as applicable) and not a foreign company, and that the constituent BVI, Cayman Islands, Guernsey or Jersey company is not a regulated company or a cell company

	BVI	Cayman	Guernsey	Jersey
Merger with foreign company?	Yes – if permitted by the laws of the jurisdiction of the foreign company	Yes – if permitted by the laws of the jurisdiction of the foreign company and not prohibited by the M&A of the company	Yes - if permitted by the laws of the jurisdiction of the foreign company	
Corporate approvals	Director and shareholder resolutions of each constituent company approving the plan of merger are required	<p>Director resolutions of each constituent company approving the plan of merger are required</p> <p>Special resolutions of the shareholders of each constituent company and any other authorisations set out in the M&A are required</p> <p>Directors declarations in relation to the Cayman constituent company and the surviving company (in respect of the foreign constituent company) relating to, among other things, solvency of the companies</p>	<p>Director resolutions of each constituent company approving an amalgamation proposal which sets out the terms of the merger (referred to as an 'amalgamation'), including confirmation that the amalgamated company will, immediately after the amalgamation becomes effective, satisfy the solvency test</p> <p>A special resolution of the shareholders of each constituent company approving the amalgamation proposal</p> <p>A certificate signed by a director of each constituent company confirming that it has complied with all the requirements of the law in respect of the proposed amalgamation</p>	<p>The following approvals are required for the Jersey company:</p> <ul style="list-style-type: none"> • director resolutions • a certificate signed by each of the directors that voted in favour of the merger containing either a statement that the company is and will remain solvent until it merges or that there is a reasonable prospect of obtaining the permission of the Jersey court • a certificate from either <ul style="list-style-type: none"> ◦ the proposed directors of the merged company, or ◦ if none of the directors of the merging Jersey company will be directors of the merged company, each of the directors of the merging Jersey company that voted in favour of the resolution to merge, <p>that the merged company will be solvent until the later of the merger and 12 months from the date of the certificate,</p>

	BVI	Cayman	Guernsey	Jersey
Corporate approvals <i>continued</i>				and <ul style="list-style-type: none"> a special resolution of the shareholders approving the merger agreement
Simplified procedure for group companies?	Yes for a parent/subsidiary merger – the directors of the parent company only need to approve the merger (no shareholder resolutions for either company are required) and only the parent company needs to sign the articles of merger	Yes where all of the constituent companies are Cayman Islands incorporated companies	Yes for a parent and wholly owned subsidiary (where the parent is the surviving company) or for two subsidiaries which are the wholly subsidiaries of the same parent company	Only if the constituent companies are all Jersey companies
Consent of court, regulatory body or creditors?	No	The consent of holders of a fixed or floating security interest is required	The consent of the Guernsey Financial Services Commission is required where the merger is with a foreign company, a supervised company (essentially a company which carries on business of a type which is regulated by the Commission), a protected cell company, an incorporated cell company or an incorporated cell No consent of creditors is required per se, but at least 28 days' notice of the proposed amalgamation must be given to creditors	The consent of the Jersey Financial Services Commission is required where the merger is with a foreign company The consent of the Jersey court is only required where a solvency statement cannot be given by the directors of the merging Jersey company No consent of creditors is required per se, but no later than 21 days after the merger is approved by the shareholders of the company, notice of the proposed merger must be given to creditors who have a claim exceeding £5,000
Effective date of merger	The merger is effective on the date on which the BVI Registrar of Corporate Affairs (the Registrar) registers the merger (in practice the given date is the date the documents were filed) or on such later date, not exceeding 30 days, specified in the articles of merger	The merger is effective on the date of registration of the plan of merger by the Cayman Islands Registrar of Companies, or such later date or event specified in the plan of merger, to be no later than the ninetieth day after registration	The amalgamation is effective on the date stated in the certificate of amalgamation issued by the Guernsey Registrar of Companies	The date of the last entry on the companies register made by the Jersey Registrar of Companies in relation to the merger
Timing	Approximately ten working days from the date of filing of the merger documents with the Registrar	Two to four weeks	At least 28 days from the date of filing of the application with the Guernsey Registry	A minimum of five working days from the date of the application (minimum applies where the shareholders and creditors waive the 21 days waiting period) Can take considerably longer

TERMS

BVI

Consolidation: the consolidating of two or more constituent companies into a new company

Merger: the merging of two or more constituent companies into one of the constituent companies

CAYMAN ISLANDS

Merger: the merging of two or more constituent companies into one of the constituent companies

GUERNSEY

Amalgamation: the merging of two or more companies to become one company, which may be one of the amalgamating companies or a new company

JERSEY

Merger: the merging of two or more companies to become one company, which may be one of the merging companies or a new company

Contacts

To find out more, please get in touch with your usual Mourant contact, or alternatively, a full list of contacts can be found [here](#)

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