
PRACTICE NOTE

NMVPN4/2021

Date: 18 August 2021

The Companies Act 2006

Re-registering a Company incorporated under the
Companies Act 2006 as a Company of another type

Introduction

NOTE:- This Practice Note is issued by the Department of Enterprise in its capacity as Registrar of Companies under the Companies Act 2006 ("the Act"). All references, unless specifically stated, are to that Act only.

Copies of Acts of Tynwald dealt with by the Companies Registry can be found on the following website administered by the Attorney General:

<http://www.legislation.gov.im/cms/index.php>

This practice note sets out the procedure for re-registering a company incorporated or continued under the Act as a company of another type in accordance with Part IX Chapter 1 of the Act. It addresses the document registration procedures only. You should seek professional advice on the legal, financial or taxation implications or consequences of re-registering a company. The Department will **NOT** give advice on such matters.

This practice note is intended as a general guide only and must be read in conjunction with the relevant legislation. It has no legal status and should not be relied upon as a substitute for legal advice.

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1. Applying for Re-registration

- 1.1 Any company, **EXCEPT** a protected cell company, which is incorporated under the Act can apply to be re-registered as a company of another type, i.e. as a company limited by shares or guarantee or both, or as an unlimited company with or without shares. A company with a share capital, whether limited or unlimited, may only re-register as a company limited by guarantee or an unlimited company without shares if upon re-registration it has no shares in issue.
- 1.2 **Before applying to the Department for re-registration, you must ensure that the following things have been done:**
1. If the company is involved in any activity that is licensable in the Isle of Man, it should contact the appropriate regulator or licensing body at an early stage to ensure that there are no regulatory issues. If you need guidance on any aspect of the regulatory functions of the Isle of Man Financial Supervision Authority, please contact a member of the Authority Team on 689300 or send an e-mail to info@iomfsa.im .
 2. If a limited company seeks to re-register as an unlimited company, or vice versa, you must ensure that the new name of the company complies with the requirements of section 11 of the Act with regard to its end word(s).
 3. You must prepare a Memorandum complying with section 144(2) of the Act. The Memorandum may also contain a statement under section 144(4). You will also need to prepare Articles if the company is not going to adopt the relevant model articles.
 4. The registered agent named in the new memorandum of the company must complete the Application Form IM20.
 5. A Statutory Declaration Form IM20A has to be made by all the directors of the company stating that the company satisfies the solvency test as set out in section 49 of the Act.
- 1.3 **PLEASE NOTE - The items listed above relate ONLY to the procedure for applying to the Department for re-registration. This paragraph does NOT cover any other legal and/or financial enquiries that you ought reasonably to make depending on why you wish to re-register the company.**

2. Actions of the Department

- 2.1 On delivery of the documents listed in paragraph 1.2, the Department will take the Memorandum and Articles submitted with the application and register them, provided that the company name is acceptable for registration. We will then issue a certificate of re-registration to the company, and register a copy of that certificate. The certificate of re-registration is conclusive evidence that the requirements of re-registration have been complied with. Please note that the company number will remain the same.
- 2.2 If the Department refuses to accept the Memorandum and Articles for registration, you have, under section 208(4) of the Act, the right of appeal to the Isle of Man High Court of Justice against such refusal.

3. Consequences of Re-registration

- 3.1 Your attention is drawn to the consequences of re-registration, which are set out in section 147 of the Act and are summarised below.
- 3.2 These are:-
- The legal status of the company remains unchanged except that the company is now governed by its new memorandum and articles

- The existing rights or liabilities of the company continue.
- If the company re-registers as one which has a share capital, each person who agreed in the new memorandum to take one or more shares in the company -
 - (i) is deemed to have been issued with the number of shares that such person is specified in the new memorandum as having agreed to take: and
 - (ii) becomes liable to pay the amount that such person is specified in the new memorandum as having agreed to pay for those shares.

4. Fees payable

- 4.1 There is no fee payable on applying for re-registration, nor for registering the Memorandum and Articles.
- 4.2 A duplicate certificate of re-registration costs **£9.00**.

5. Further information

Our staff will willingly answer general queries by telephone or e-mail but cannot give legal advice. If you require such advice you should consult an Advocate. The telephone number for the Companies Registry is: 01624 689389 and the e-mail address is: companies@gov.im

Statutory forms and practice notes are available free of charge from the website: www.gov.im/categories/business-and-industries/companies-registry .

A list of licenced TCSP providers is available on the Isle of Man Financial Supervision Authority website at <https://www.iomfsa.im/register-search/>.

Details of Isle of Man Advocates are available from the Isle of Man Law Society at:

Tel: +44 (0)1624 662910
 E-mail: enquiries@iomlawsociety.co.im
 Website: www.iomlawsociety.co.im _

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