

TABLE OF CONTENTS

<i>Foreword</i>	v
<i>Table of Cases</i>	xv
<i>Table of Laws, Legislation, and Regulations</i>	xxi

INTRODUCTION TO THE CAYMAN ISLANDS	1
---	---

CHAPTER 1 INTRODUCTION TO COMPANY LAW IN THE CAYMAN ISLANDS

1. Exempted Companies	1.002
2. Directors	1.020
3. Share Certificates	1.027
4. Establishment.....	1.028
5. Taxation.....	1.038
6. Government Fees	1.039
7. Public Disclosure	1.043
8. Certificate of Good Standing	1.045
9. Continuations	1.046
10. Deregistration.....	1.052
Annexure A.....	18

CHAPTER 2 JOINT VENTURES, SHAREHOLDERS AGREEMENTS AND ALTERATIONS TO CAPITAL

1. Introduction.....	2.001
2. Veto Rights and Super Majorities	2.008
3. Dividends	2.010
4. Conversion	2.013
5. Redemptions and Return of Capital.....	2.016
6. Rights Attaching to Shares.....	2.032
7. Corporate Governance	2.036
8. Amendments to Constitutional Documents	2.039
9. Financial Assistance.....	2.041
10. Alteration of Share Capital	2.043
11. Reduction of Share Capital by Court Order.....	2.047

CHAPTER 3 GUARANTEES AND SECURED LENDING

1. Overview.....	3.001
2. Guarantees.....	3.005

3. Mortgages and Charges	3.010
4. Perfection of Security	3.014
5. Priority	3.017
6. Security Over Shares	3.021
(a) Introduction	3.021
(b) Equitable Mortgage or Charge over Shares	3.025
(c) Legal Mortgage Over Shares	3.033
7. Fixed and Floating Charges	3.040
(a) Introduction	3.040
(b) Creation of Fixed and Floating Charges	3.047
8. Charges Over Bank Accounts	3.049
9. Security Assignments	3.053
10. Register of Mortgages and Charges	3.061
11. Conclusion	3.064

CHAPTER 4 INITIAL PUBLIC OFFERINGS

1. Hong Kong	4.001
(a) Incorporation and Share Swap	4.002
(i) Incorporate the Proposed Issuer in the Cayman Islands	4.006
(ii) Implement a Share Swap between the Intermediate Holding Company and the Operational Group	4.009
(iii) Second Share Swap	4.012
(b) Redenomination of Par Value of Shares	4.014
(c) Share Premium	4.016
(d) Prospectus Requirements	4.022
(e) Underwriting Agreements	4.023
(i) Force Majeure	4.024
(ii) Financial Assistance	4.029
(f) Articles	4.030
(g) Hong Kong Rules	4.031
(i) Transfers and Registration	4.032
(ii) Definitive Certificates	4.033
(iii) Dividends	4.034
(iv) Directors	4.035
(v) Accounts	4.040
(vi) Rights	4.041
(vii) Notices	4.042
(viii) Redeemable Shares	4.043
(ix) Capital Structure	4.044
(x) Non-Voting or Restricted Voting Shares	4.045
(xi) Proxies	4.046
(xii) Disclosure of Interests	4.047
(xiii) Untraceable Members	4.048
(xiv) Voting	4.050
(h) Corporate Governance Requirements	4.051

2. Post-Offering Matters	4.053
3. Schemes of Arrangement	4.058
4. Mergers, Relocations and Prospectus Requirements	4.060
5. Anti-Takeover Provisions	4.063
(a) Other Considerations	4.069
(b) Initial Public Offerings	4.073
6. Special Purpose Acquisition Corporations (SPACs)	4.076
7. Business Trusts	4.083
(a) Share Stapled Units	4.085
(b) Reasons for Adopting the Share Stapled Units Structure	4.093
8. Dual Class Structures	4.097
Annexure A	71
Annexure B	72
Annexure C	73
Annexure D	74
Annexure E	76

CHAPTER 5 RIGHTS OF SHAREHOLDERS

1. Shareholder Approvals	5.001
(a) Issues Requiring Ordinary Resolution	5.002
(b) Issues for which Cayman Islands Law Requires Approval by a Super Majority of Votes by Shareholders	5.004
(c) Other Majorities	5.008
2. Shareholder Meetings	5.010
3. Enforcement of Shareholder Rights	5.014
(a) Personal Actions	5.015
(b) Representative Actions	5.016
(c) Derivative Actions	5.017
(d) Winding-up	5.026
4. Appointment of Inspectors	5.034

CHAPTER 6 DIRECTORS

1. Directors' Powers and Duties	6.001
2. Common Law Considerations	6.003
(a) Directors' Powers	6.003
(b) To whom are the Duties Owed?	6.004
(c) Types of Duty Owed	6.006
(i) Duty to Act in Good Faith	6.007
(ii) Duty to Act for a Proper Purpose	6.008
(iii) Conflicts of Interest	6.012
(iv) Secret Profits	6.014
(v) Care and Skill	6.019
3. Statutory Obligations	6.026
4. Indemnities in Articles of Association	6.038

5. Meetings of Directors.....	6.046
(a) Notice.....	6.049
(b) Quorum.....	6.050
(c) Proceedings and Voting.....	6.052
(d) Directors' Interests.....	6.054
6. Written Resolutions.....	6.055

CHAPTER 7 MERGERS AND ACQUISITIONS OF PUBLIC COMPANIES

1. Introduction.....	7.001
(a) General Offers and Compulsory Acquisition.....	7.004
(b) Schemes of Arrangement.....	7.015
(c) Mergers & Consolidations.....	7.040
(d) Mergers & Consolidations with Overseas Companies.....	7.072

CHAPTER 8 MUTUAL FUNDS

1. General.....	8.001
(a) Administered Fund.....	8.009
(b) Licensed Fund.....	8.011
(c) Registered Fund.....	8.014
(d) Master Fund.....	8.016
(e) EU Connected Fund.....	8.017
(f) Offering Documents.....	8.018
(g) Documentation Required for Authorisation of Regulated Mutual Funds.....	8.020
(h) Audited Accounts and Annual Returns.....	8.024
(i) CIMA's Supervisory Powers.....	8.028
(j) Retail Mutual Funds (Japan) Regulations 2007.....	8.032
(k) Deregistration Procedures.....	8.037
(l) Corporate Governance.....	8.057
Annexure A.....	138
Annexure B.....	142

CHAPTER 9 INVESTMENT MANAGERS

1. Securities Investment Business.....	9.001
Annexure A.....	153
Annexure B.....	158
Annex 1.....	172

CHAPTER 10 SEGREGATED PORTFOLIO COMPANIES

1. General.....	10.001
(a) Issues of Shares and Dividends.....	10.010
(b) Contracts.....	10.011

(c) Segregation of Assets and Liabilities.....	10.015
(d) Winding-up.....	10.021
(e) Receivership Orders.....	10.023

CHAPTER 11 PARTNERSHIPS IN THE CAYMAN ISLANDS

1. General.....	11.001
(a) Interaction between the Common Law, the Rules of Equity, the Partnership Law and the Exempted Limited Partnership Law.....	11.002
(b) Partnerships and International Business Structures and Transactions.....	11.003
2. General Partnerships.....	11.004
(a) What is a Partnership and what is the general nature of a Partnership?.....	11.004
(b) Dealings with the Partnership and liability of the Partners.....	11.009
(c) Partnership Property.....	11.012
(d) Duty to Account and Books and Records.....	11.015
(e) Accounting for Profits and Duty not to Compete.....	11.017
(f) Dissolution of a Partnership.....	11.018
3. Limited Partnerships.....	11.020
(a) What is a Limited Partnership?.....	11.020
(b) Limitation on withdrawals.....	11.023
(c) Registration.....	11.024
(d) Management.....	11.029
(e) Dissolution.....	11.030
4. Exempted Limited Partnerships.....	11.033
(a) What is an Exempted Limited Partnership?.....	11.033
(b) Nature of General Partners and Limited Partners.....	11.036
(c) Registration of an Exempted Limited Partnership.....	11.038
(d) Certificate of Registration.....	11.041
(e) Liability of General and Limited Partners.....	11.042
(f) Property of an Exempted Limited Partnership.....	11.048
(g) Registered Office of an Exempted Limited Partnership.....	11.049
(h) Register of Limited Partnership Interests.....	11.050
(i) Transfer of and Grant of Security Interests over Partnership Interests.....	11.054
(j) Register of Security Interests granted by Limited Partners.....	11.058
(k) Records and Inspection.....	11.060
(l) Accounts and Information.....	11.062
(m) Proceedings.....	11.065
(n) Return of Contributions.....	11.067
(o) Dissolution.....	11.068
(p) Tax Undertaking.....	11.071
(q) Annual Return.....	11.072
(r) Registration of a Foreign Partnership.....	11.073
(s) De-registration for continuation in another jurisdiction.....	11.074

CHAPTER 12 CAYMAN ISLANDS TRUSTS IN CORPORATE CONTEXTS

1. Introduction	12.001
2. The Concept of a Trust in Cayman Islands Law:	
Private and Public	12.005
(a) Private Trusts	12.008
(b) Charitable Trusts	12.018
(c) Perpetuities	12.024
3. STAR Trusts	12.026
4. The Principal uses of Trusts in Corporate Contexts	12.033
5. Cayman Companies as Settlers	12.049
6. Cayman Companies as Trustees	12.053
7. Trusts of Cayman Islands Shares	12.062

CHAPTER 13 INSURANCE

1. Introduction	13.001
2. Insurance Regulatory Framework	13.002
(a) Insurance Licensing and Regulatory Legislation	13.002
(b) The Cayman Islands Monetary Authority	13.005
(c) CIMA Rules and Statements of Guidance	13.006
3. Categories of Insurance Licences	13.007
4. Licensing for Insurance Companies	
Under the Insurance Law	13.013
(a) Licence Procedure	13.013
(b) Business Plan	13.019
(c) Applicant Requirements	13.023
5. Capital and Solvency Requirements	13.025
(a) Minimum Capital Requirements	13.025
(b) Enhanced Capital Requirements	13.032
(c) Solvency Reporting	13.033
6. Long Term Business	13.036
(a) Long Term Business Accounts and Separate Accounts	13.036
7. Financial Statements and Auditors	13.040
8. Principal Office and Insurance Managers	13.045
9. Change of Control	13.048
10. Segregated Portfolio and Portfolio Insurance Companies	13.050
(a) Segregated Portfolio Companies	13.050
(b) Portfolio Insurance Companies	13.054
11. Continuing Regulation	13.064
12. Winding-Up	13.067
Annexure A	232
Annexure B	237
Annexure C	242
Annexure D	246

CHAPTER 14 LIQUIDATIONS

1. Introduction	14.001
2. Modes of Winding-Up Companies	14.004
3. Voluntary Winding-Up	14.005
4. Winding-Up by the Court	14.024
5. Procedure on Winding-Up	14.037
6. Alternative Orders to a Winding-Up	14.045
7. Appointment of Liquidators	14.052
8. Liability of Officers and Service Providers	14.072
9. Fiduciary Duties of Directors in Insolvency	14.075
10. Order of Distribution on a Winding-Up	14.080
11. Fraudulent Preference, Transactions	
at an Undervalue and Fraudulent Trading	14.082
12. Dissolution	14.089
13. Provisional Liquidation	14.090
14. International Co-Operation in the Cayman Islands	14.096
Annexure A	272

CHAPTER 15 DISPUTE RESOLUTION IN THE CAYMAN ISLANDS

1. Introduction	15.001
2. Limitation Periods	15.012
3. Commencing an Action	15.016
4. Defending an Action	15.021
5. Service of Process	15.029
(a) Service within the Jurisdiction	15.029
(i) Personal Service	15.030
(ii) Deemed Service and Substituted Service	15.032
(b) Service Outside the Jurisdiction	15.035
(c) Service of Foreign Process within the Jurisdiction	15.042
(d) Personal Jurisdiction Over Foreign Defendants	15.048
(e) Contesting Jurisdiction of	
the Cayman Islands Court	15.049
(f) Security for Costs	15.053
(g) Interlocutory Injunctions	15.057
(h) <i>Mareva</i> Injunction	15.060
(i) <i>Anton Piller</i> Order	15.067
(j) Other Interim Remedies	15.071
(k) Summary Judgment	15.072
6. Case Management	15.078
7. Disclosure	15.082
(a) Privilege	15.089
(b) Disclosure by Oral Examination or Interrogatories	15.094
(c) Disclosure from Third Parties	15.097

8. Witness Evidence	15.098
(a) Expert Witness Evidence.....	15.104
(b) Taking Evidence From Individuals within the Jurisdiction in Aid of Foreign Proceedings.....	15.108
9. Proceedings at Trial.....	15.115
10. Interest on Judgments	15.124
11. Appeals	15.125
12. Enforcement of Judgments	15.132
(a) Recognition of a Foreign Judgment in the Cayman Islands	15.137
13. Costs.....	15.141
14. Arbitration.....	15.150
15. ADR	15.151
 <i>Index</i>	 299

TABLE OF CASES

ABC Company (SPC) v J & Co Ltd (unrep., May 2012).....	10.032, 10.047
ABC Company (SPC) v J & Co Ltd (unrep., Cayman Islands Court of Appeal).....	5.030
AK Investment CJSC v Krgyz Mobile Tel Ltd [2012] 1 WLR 1804	15.036
Alexander v Automatic Telephone Co [1900] 2 Ch 56	5.018
Allied Pastoral Holdings v Federal Commissioner of Taxation (1983) 44 ALR 607	15.119
American Cyanamid Co v Ethicon Ltd [1975] AC 396.....	15.058
Aris Multi-Strategy Lending Fund v Quantek Opportunity Fund (unrep., 15 December 2010).....	10.045
Asia Pacific Ltd v ARC Capital LLC (Re Trikona Advisors Ltd) (unrep., CICA 04/2013) (formerly FSD 18/2012)	5.030
Australian Joint Stock Bank, Re (1897) WN 48.....	14.021
 Baden, Re (No 2) [1973] Ch 9	12.014
Bank of Credit and Commerce International (No. 8), Re [1998] AC 214.....	3.012
Barings plc, Re, Secretary of State for Trade and Industry v Baker [1999] 1 BCLC 433.....	6.024
Bear Stearns High-Grade Structured Credit Strategies Master Fund Ltd, Re 374 BR 122 (Bank SDNY 2007)	14.045
Belmont Asset Based Lending Ltd, Re (2010) 1 CILR 83	10.036, 10.045
Borland's Trustee v Steel Brothers & Co Ltd [1901] 1 Ch 279.....	2.002
Boshhoek Proprietary Co Ltd v Fuke [1906] 1 Ch 148.....	5.021
Brazilian Rubber Plantations and Estates, Re [1911] 1 Ch 425.....	6.020
Browne v Dunn (1894) 6 R 67.....	15.119
Browne v la Trinidad (1887) 37 Ch D 1	6.049
BTR plc, Re [1999] 2 BCLC 675, [2000] 1 BCLC 740	7.032
Bugle Press Ltd, Re 1961 Ch 270.....	7.010
Burland v Earle [1902] AC 83	5.024
Byng v London Life Association Ltd [1990] 1 Ch 170	5.011, 6.052
 Canton of Bern's Request, Re [1996] CILR 179	15.113
Cesar Hotelco (Cayman) Ltd v Ryan [2012] (2) CILR 164	6.043
Charterhouse Investment Trust Ltd v Tempest Diesles Ltd [1986] BCLC 1.....	6.055
Chesterfield and Boythorpe Colliery v Black (1877) 26 WR 207.....	6.012
Chez Nico (Restaurants) Ltd, Re [1991] BCC 736.....	7.010