

BELIZE

PROTECTED CELL COMPANIES

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PART I - Preliminary

Short title.

1. This Act may be cited as the Protected Cell Companies Act.

Interpretation.

2. In this Act, unless the context otherwise requires:-

“administrator” means the person appointed as such by an administrative order;

“administrative order” means an order of the Court made under Part IV in relation to a protected cell company or a cell thereof;

“cell” means a cell created by a protected cell company for the purpose of segregating and protecting cellular assets in the manner provided by this Act;

“cell shares” means shares created and issued by a protected cell company in respect of one of its cells pursuant to the provisions of section 7, the proceeds of the issue of which (the “cell share capital”) comprises the cellular assets of the cell in respect of which the cell shares were issued;

“company” means a company lawfully constituted under the International Business Companies Act of Belize or that of any other country or jurisdiction;

“Court” means the Supreme Court of Judicature of Belize or a judge thereof;

“Deputy Registrar” means the Deputy Registrar appointed by the competent authority to act as Deputy Registrar;

“dollar” or “\$” means a dollar in the currency of the United States of America;

“International Insurance Act” means the International Insurance Act, and includes any statutory modifications made thereto;

“Minister” means the Minister for the time being responsible for Offshore Financial Services;

“Mutual Funds Act” means the Mutual Funds Act, and includes any statutory modifications made thereto;

“Registrar” means the Registrar of protected cell companies appointed under this Act;

“Regulations” means Regulations made under this Act.

PART II - Formation and Attributes of Protected Cell Companies

Protected cell companies.

- 3.(1) It shall be lawful, subject to the provisions of this Act:
 - (a) to incorporate a company which shall be a protected cell company; and
 - (b) to convert an existing company, if so authorized by its articles, into a protected cell company.

(2) For the avoidance of doubt, and notwithstanding that a protected cell company may have created one or more cells pursuant to the provisions of this Act -

- (a) a protected cell company is a single legal person; and
- (b) the creation of a protected cell does not create, in respect of that cell, a legal person separate from the company.

Creation of cells.

4. A protected cell company may create one or more cells for the purpose of segregating and protecting cellular assets in the manner provided by this Act.

Cellular and non-cellular assets.

5.(1) The assets of a protected cell company shall be either cellular or non-cellular assets.

(2) It shall be the duty of the directors of a protected cell company:

- (a) to keep cellular assets separately identifiable from non-cellular assets; and
- (b) to keep cellular assets attributable to each cell separate and separately identifiable from cellular assets attributable to other cells.

(3) The cellular assets of a protected cell company comprise the assets of the company attributable to the cells of the protected cell company.

(4) The assets attributable to a cell of a protected cell company comprise:

- (a) assets represented by the proceeds of cell share capital and reserves attributable to the cell; and
- (b) all other assets attributable to the cell.

(5) For the purposes of subsection (4) of this section, the expression “reserves” includes retained earnings, capital reserves and share premiums.

(6) The non-cellular assets of a protected cell company comprise the assets of the company which are not cellular assets.

Position of creditors to cellular assets.

6. Cellular assets attributable to a cell of a protected cell company:

- (a) shall only be available to the creditors of the protected cell company who are creditors in respect of that cell and who shall thereby be entitled, in conformity with the provisions of this Act, to have recourse against the cellular assets attributable to that cell; and
- (b) shall be absolutely protected from the creditors of the protected cell company who are not creditors in respect of that cell and who accordingly shall not be entitled to have recourse against the cellular assets attributable to that cell.

Cell shares and share capital.

7.(1) A protected cell company may, in respect of any of its cells, create and issue shares (“cell shares”) the proceeds of the issue of which (“cell share capital”) shall comprise the cellular assets attributable to the cell in respect of which the cell shares were issued.

(2) The proceeds of the issue of shares other than cell shares created and issued by a protected cell company shall comprise a protected cell company’s non-cellular assets.

(3) A protected cell company may pay a dividend (a “cellular dividend”) in respect of cell shares.

(4) Cellular dividends may be paid in respect of cell shares by reference only to the cellular assets and liabilities attributable to the cell in respect of which the cell shares were issued.

Requirements as to the name and memorandum and articles of association of a protected cell company.

8.(1) The name of a protected cell company shall include the expression “Protected Cell Company” or “PCC” or any cognate expression approved in writing by the Registrar or the Deputy Registrar appointed for that purpose.

(2) The Memorandum and Articles of Association of a protected cell company shall state that it is a protected cell company.

(3) A protected cell company may, in order to comply with subsection (2) of this section, alter its Memorandum and Articles of Association by special resolution.

(4) Unless and until a protected cell company has complied with the provisions of this section, it shall be deemed not to be a protected cell company.

(5) Each cell of a protected cell company shall have its own distinct name or designation.

Protected cell companies only to be incorporated with the consent of the Minister.

9.(1) A company may not be incorporated under this Act as a protected cell company, and an existing company may not be converted into a protected cell company, except under the authority of and in accordance with the terms and conditions of the written consent of the Minister, which shall only be granted in the case of a company:

(a) which is declared (or which will, when incorporated, be declared) by the Minister to be an authorised fund in accordance with the Mutual Funds Act, or any statutory regulatory authority governing mutual funds of any other country or jurisdiction; and

(b) which is registered (or which will, when incorporated, be registered) as an insurer in accordance with the International Insurance Act.

(2) The Minister may, from time to time, and in such manner as he thinks fit:

(a) vary or revoke any term or condition subject to which a consent under subsection (1) of this section was granted; and

(b) impose any new term or condition in relation to any such consent.

Application for consent of Minister.

10. An application for the consent of the Minister for the incorporation of a company as a protected cell company, or for the conversion of an existing company into a protected cell company:

(a) shall be made to the Minister in such form and manner, and shall be accompanied by

such documents and information, verified in such manner, as the Minister may require, whether in relation to the application or otherwise; and

- (b) shall be accompanied by such fee as prescribed by this Act or by Regulations.

Procedure for incorporation of a protected cell company.

11. Any person wishing to incorporate a company as a protected cell company shall make an application to the Registrar for the registration of the company's Memorandum and Articles of Association in accordance with this Act and the Regulations made hereunder from time to time; and such application shall be accompanied by:

- (a) a copy of the Minister's consent granted under section 9 (1); and
- (b) all such other documents, consents and information as are required for the registration.

Liability of protected cell companies.

12.(1) Where the liability of a protected cell company to a person arises from a transaction, or is otherwise imposed, in respect of a particular cell:

- (a) the liability of the protected cell company shall extend only to that person who shall, in respect of that liability, be entitled to have recourse only to:
 - (i) the cellular assets attributable to that cell of the protected cell company; and
 - (ii) to the extent that the cellular assets attributable to that cell of the protected cell company may be insufficient, the protected cell company's non-cellular assets;
- (b) the liability of the protected cell company shall not extend to, and that person shall not, in respect of that liability, be entitled to have recourse against the cellular assets attributable to any other cell of the protected cell company.

(2) Where the liability of a protected cell company towards a person:

- (a) arises otherwise than from a transaction in respect of a particular cell of the protected cell company; or
- (b) is imposed otherwise than in respect of a particular cell of the protected cell company,

that liability of the protected cell company shall extend only to, and that person shall, in respect of that liability, be entitled to have recourse only against the company's non-cellular assets.

(3) Where the liability of a protected cell company to a person arises or is imposed in the manner mentioned in subsection (1) or (2) of this section, then:

- (a) the liability of the protected cell company; and
- (b) the right of that person to have recourse against the protected cell company's assets in respect of such liability,

shall in law, be limited in the manner mentioned in subsection (1) or, as the case may be, subsection (2) of this section.

Duty of protected cell companies in dealings with third parties.

13.(1) A protected cell company shall:

- (a) inform any person with whom it conducts business transactions that it is a protected cell company; and
- (b) for the purpose of such business transactions identify, or specify the cell in respect of which that person is transacting, unless such business transaction is not a transaction in respect of a particular cell of a protected cell company.

(2) If, in contravention of subsection (1) of this section, a protected cell company:

- (a) fails to inform any person that he is transacting with a protected cell company, and that person is otherwise unaware and has no reasonable grounds to believe that he is transacting with a protected cell company; or
- (b) fails to identify or specify the cell in respect of which a person is transacting business, and that person is otherwise unaware of, and has no reasonable basis of knowing, which cell he is transacting with, then in either such case:
 - (i) the directors of the protected cell company shall (notwithstanding any provision to the contrary in the protected cell company's Articles of Association or in any contract with the protected cell company or otherwise) incur personal liability to that person in respect of the said business transaction; and
 - (ii) the directors of the protected cell company shall have a right of indemnity against the non-cellular assets of the protected cell company, unless they acted fraudulently, recklessly, negligently or in bad faith.

(3) Notwithstanding the provisions of subsection (2) (b) (i) of this section, the Court may relieve a director of a protected cell company of all or part of his personal liability thereunder if he satisfies the Court that he ought fairly to be so relieved because:

- (a) he was not aware of the circumstances giving rise to his liability; or
- (b) he acted neither fraudulently, recklessly, negligently nor in bad faith; or
- (c) he expressly objected and exercised such rights as he had as a director, whether by way of voting power or otherwise, so as to try to prevent the circumstances giving rise to his liability.

(4) Where, pursuant to the provisions of subsection (3) of this section, the Court relieves a director of a protected cell company of all or part of his personal liability under subsection (2) (b) (i) of this section, the Court may order that the liability in question shall instead be met from such of the cellular or non-cellular assets of the protected cell company as are specified in the order.

(5) Any provision in the Articles of Association of a protected cell company, and any other contractual provision under which the protected cell company may be liable, which purports to indemnify its directors in respect of conduct which would otherwise disentitle them to an indemnity against non-cellular assets by virtue of subsection (2) (b) (ii) of this section, shall be void.

Liabilities of non-cellular assets of a protected cell company.

14.(1) Liabilities of a protected cell company not otherwise attributable to any of its cells shall be discharged from the protected cell company's noncellular assets.

(2) Income, receipts and other property or rights of or acquired by a protected cell company not otherwise attributable to any cell of a protected cell company shall be applied to and comprise the protected cell

company's non-cellular assets.

Liquidation of protected cell companies.

15. Notwithstanding any statutory provision or rule of law to the contrary, in the liquidation of a protected cell company, the liquidator:

- (a) shall be bound to deal with the protected cell company's assets in accordance with the requirements set out in paragraphs (a) and (b) of subsection (2) of section 3; and
- (b) in discharge of the claims of creditors of the protected cell company, shall apply the protected cell company's assets to those entitled to have recourse thereto in conformity with the provisions of this Act.

Transfer of cellular assets from protected cell companies.

16.(1) It shall be lawful, subject to the provisions of subsection (3) of this section, for the cellular assets attributable to any cell of a protected cell company, but not the non-cellular assets of a protected cell company, to be transferred to any person, wherever resident or incorporated, and whether or not a protected cell company.

(2) A transfer, pursuant to subsection (1) of this section, of cellular assets attributable to a cell of a protected cell company shall not of itself entitle creditors of that protected cell company to have recourse against the person to whom the cellular assets were transferred.

(3) No transfer of the cellular assets attributable to a cell of a protected cell company may be made except under the authority of and in accordance with the terms and conditions of an order of the Court made under this section and called a "cell transfer order".

(4) The Court shall not make a cell transfer order in relation to a cell of a protected cell company:

- (a) unless the creditors of the protected cell company entitled to have recourse against the cellular assets attributable to the cell of such a protected cell company consent to the transfer; and
- (b) without hearing the representations of the Registrar or Deputy Registrar thereon.

(5) The Court, on hearing an application for a cell transfer order in respect of a protected cell company:

- (a) may make an interim order or adjourn the hearing, conditionally or unconditionally; and
- (b) may dispense with any of the requirements of subsection (4) of this section.

(6) The Court may attach such conditions as it thinks fit to a cell transfer order in respect of a protected cell company, including conditions as to the discharge of the claims of creditors entitled to have recourse against the cellular assets attributable to the cell in relation to which an order is sought.

(7) The Court may make a cell transfer order in relation to a cell of a protected cell company notwithstanding that:

- (a) a liquidator has been appointed to act in respect of the protected cell company; or
- (b) the protected cell company has passed a resolution for voluntary winding-up; or
- (c) a receivership order has been made in respect of such cell or any other cell of the protected cell company; or
- (d) an administrative order has been made in respect of such cell, the protected cell

company or any other cell of the protected cell company.

(8) The provisions of this section are without prejudice to any power of a protected cell company lawfully to make payments from the cellular assets attributable to any cell of the protected cell company to any person entitled, in conformity with the provisions of this Act, to have recourse against those cellular assets of the protected cell company.

PART III

Receivership Orders

Receivership order in relation to cells.

17.(1) Subject to the provisions of this section, if in relation to a protected cell company the Court is satisfied:

- (a) that the cellular assets attributable to a particular cell of the protected cell company (when an account is taken of the company's non-cellular assets, unless there are no creditors in respect of that cell entitled to have recourse against the protected cell company's noncellular assets) are or are likely to be insufficient to discharge the claims of creditors in respect of that cell; or
- (b) that the making of an administrative order under section 22 in respect of such cell would not be appropriate; or
- (c) that the making of an order under this section would achieve the purposes set out in subsection (3) of this section,

the Court may make an order under this section (a "receivership order") in respect of that cell.

(2) A receivership order is an order directing that the business and cellular assets of or attributable to a cell of a protected cell company be managed by the person specified in the receivership order ("the receiver") for the purposes of:

- (a) the orderly winding-up of the protected cell company's business attributable to such cell; and
- (b) the distribution of the cellular assets of a protected cell company attributable to the cell to those entitled to have recourse thereto.

(3) A receivership order may be made in respect of one or more cells of a protected cell company.

(4) A receivership order:-

- (a) may not be made if:
 - (i) a liquidator has been appointed to act in respect of the protected cell company; or
 - (ii) the protected cell company has passed a resolution for its voluntary winding-up;
- (b) may be made in respect of a cell subject to an administrative order made under section 22; and
- (c) shall cease to have effect upon the appointment of a liquidator to act in respect of the protected cell company, but without prejudice to prior acts of the receiver.

(5) No resolution for the voluntary winding-up of a protected cell company or any of its cells, which are

subject to a receivership order, shall be effective without leave of the Court.

Applications for receivership orders.

18.(1) An application for a receivership order in respect of a cell of a protected cell company may be made by:

- (a) the protected cell company; or
- (b) the directors of the protected cell company; or
- (c) any creditor who has a right of recourse against a cell of the protected cell company; or
- (d) any holder of cell shares in respect of cells in the protected cell company; or
- (e) the administrator of a cell of the protected cell company; or
- (f) the Registrar or Deputy Registrar.

(2) The Court, on hearing an application:

- (a) for a receivership order; or
- (b) for leave, pursuant to section 17(5), for a voluntary winding-up,

may make an interim order or adjourn the hearing, conditionally or unconditionally.

(3) Notice of an application to the Court for a receivership order in respect of a cell of a protected cell company shall be served upon:

- (a) the protected cell company;
- (b) the administrator (if any) of the cells of the protected cell company;
- (c) the Registrar or Deputy Registrar; and
- (d) such other persons (if any) as the Court may direct,

who shall each be given an opportunity of making representations to the Court before the order is made.

Functions of receiver and effect of receivership order.

19.(1) The receiver of a cell of a protected cell company:

- (a) may do all such things as may be necessary for the purposes set out in section 17(2); and
- (b) shall have all the functions and powers of the directors of the protected cell company in respect of the business and cellular assets of or attributable to the cell of the protected cell company.

(2) The receiver may at any time apply to the Court:

- (a) for directions as to the extent or exercise of any of its functions or powers; or
- (b) for a receivership order to be discharged or varied; or

(c) for an order as to any matter arising in the course of its receivership.

(3) In exercising its functions and powers, the receiver is deemed to act as the agent of the protected cell company, and shall not incur any personal liability except to the extent that it acts fraudulently, recklessly, negligently, or in bad faith.

(4) No person who deals with the receiver in good faith, shall be concerned to enquire whether the receiver is acting within its powers.

(5) When an application has been made for, and during the period of operation of, a receivership order:

(a) no proceedings may be instituted or continued by or against the protected cell company in relation to the cell in respect of which the receivership order was made; and

(b) no steps may be taken to enforce any security or the execution of legal process in respect of the business or cellular assets of or attributable to the cell of the protected cell company, in respect of which the receivership order was made,

except by leave of the Court, which may be conditional or unconditional.

(6) During the period of operation of a receivership order:-

(a) the functions and powers of the directors of a protected cell company shall cease in respect of the business and cellular assets of or attributable to the cell of the protected cell company in respect of which the order was made; and

(b) the receiver of the cell of a protected cell company shall be deemed to be a director of the protected cell company in respect of the non-cellular assets of the protected cell company unless there are no creditors in respect of that cell entitled to have recourse against the protected cell company's non-cellular assets.

Discharge and variation of receivership orders.

20.(1) The Court shall not discharge a receivership order unless it appears to the Court that the purpose for which the order was made has been achieved, or substantively achieved, or is incapable of achievement.

(2) The Court, on hearing an application for the discharge or variation of a receivership order, may make an interim order or adjourn the hearing, conditionally or unconditionally.

(3) Upon the Court discharging a receivership order in respect of a cell of a protected cell company on the ground that the purpose for which the order was made has been achieved or substantially achieved, the Court may direct that any payment made by the receiver to any creditor of the protected cell company in respect of a cell of the protected cell company against which the creditor has a right of recourse, shall be deemed full satisfaction of the liabilities of the protected cell company to that creditor and in respect of that cell, and the creditor's claim against the protected cell company in respect of such a cell shall be thereby extinguished.

(4) Nothing in subsection (3) of this section shall operate so as to affect or extinguish any right or remedy of a creditor against any other person, including any surety of the protected cell company.

Remuneration of receiver.

21. The remuneration of a receiver and any expenses properly incurred by him shall be payable, in priority to all other claims, from:

(a) the cellular assets attributable to the cell of a protected cell company in respect of which the receiver was appointed; and

- (b) to the extent that these may be insufficient, the noncellular' assets of the protected cell company.

PART IV - Administrative Orders

Administrative orders in relation to protected cell companies or to cells.

22.(1) Subject to the provisions of this section, if in relation to a protected cell company the Court is satisfied:

- (a) that the cellular assets attributable to a particular cell of a protected cell company (when an account is taken of the protected cell company's non-cellular assets, unless there are no creditors in respect of a cell of the protected cell company against which such a creditor is entitled to have recourse against the company's noncellular assets) are or are likely to be insufficient to discharge the claims of creditors in respect of such a cell; or
- (b) that the protected cell company's cellular assets and non-cellular assets are or are likely to be insufficient to discharge the liabilities of the protected cell company;

and the Court considers that the making of an order under this section may achieve one of the purposes set out in subsection (4) of this section, the Court may make an order under this section (an "administrative order") in respect of such cell or (as the case may be) in respect of the protected cell company.

(2) An administrative order is an order directing that during the period for which the order is in force, the business and assets of or attributable to the cell of a protected cell company or, as the case may be, the business and assets of the protected cell company, shall be managed by a person (an "administrator") appointed for that purpose by the Court.

(3) An administrative order may be made in respect of one or more cells of the protected cell company.

(4) The purposes for which an administrative order may be made are:

- (a) the survival as a going concern of the cells of the protected cell company or (as the case may be) of the protected cell company; or
- (b) the more advantageous realisation of the business and assets of or attributable to the cells of the protected cell company (as the case may be) or the business and assets of the protected cell company than would be achieved by a receivership of the cell of the protected cell company or (as the case may be) by the liquidation of the protected cell company.

(5) An administrative order whether in respect of a protected cell company or a cell of the protected cell company:

- (a) may not be made if:
 - (i) a liquidator has been appointed to act in respect of the protected cell company; or
 - (ii) the protected cell company has passed a resolution for its voluntary winding-up;
- (b) shall cease to be of effect upon the appointment of a liquidator to act in respect of the protected cell company, but without prejudice to prior acts of the administrator.

(6) No resolution for the voluntary winding-up of a protected cell company or any cell of the protected cell company which is subject to an administrative order, shall be effective without the leave of the Court.

Application for administrative orders.

23.(1) An application for an administrative order may be made by:

- (a) the protected cell company; or
- (b) the directors of the protected cell company; or
- (c) the shareholders or any class of shareholders of the protected cell company or of any cell of the protected cell company; or
- (d) any creditor of a protected cell company (or, where the order is sought in respect of a cell of a protected cell company, any creditor of a protected cell company in respect of such cell); or
- (e) the Registrar or Deputy Registrar.

(2) The Court on the hearing of an application for -

- (a) an administrative order; or
- (b) leave pursuant to section 22(6), for a resolution for voluntary winding-up,

may make an interim order or adjourn the hearing, conditionally or unconditionally.

(3) Notice of an application to the Court for an administrative order in respect of a protected cell company or a cell of a protected cell company shall be served upon:-

- (a) the protected cell company;
- (b) the Registrar or the Deputy Registrar; and
- (c) such other persons (if any) as the court may direct.

Functions of the Administrator and the effect of an administrative order.

24.(1) The administrator of a cell of a protected cell company:

- (a) may do all such things as may be necessary for the purposes set out in section 22(4) and for which the administrative order was made; and
- (b) shall have all the functions and powers of the directors of a protected cell company in respect of the business and cellular assets of or attributable to the cells of a protected cell company.

(2) The administrator of a protected cell company may at any time apply to the Court:

- (a) for directions as to the extent or exercise of any function or power; or
- (b) for the variation or discharge of an administrative order; or
- (c) for an order as to any matter arising in the course of its administration.

(3) In the exercise of its functions and powers pursuant to this section, the administrator shall be deemed to act as the agent of the protected cell company, and shall not incur personal liability except to the extent to which it acts fraudulently, recklessly, negligently or in bad faith.

(4) No person who deals with the administrator in good faith shall be concerned to enquire whether the

administrator is acting within its powers.

(5) When an application has been made for, and during the period of the operation of an administrative order in respect of a protected cell company or a cell of a protected cell company:-

- (a) no proceedings may be instituted or continued by or against the protected cell company; and
- (b) no steps may be taken to enforce any security or the execution of legal process in respect of the business or assets of the protected cell company or (as the case may be) the business or assets of or attributable to such cell of the protected cell company,

except by leave of the Court which may be conditional or unconditional.

(6) During the period of operation of an administrative order, in respect of a cell of a protected cell company:

- (a) (i) the functions and powers of the directors of the protected cell company shall cease in respect of the business and cellular assets which are attributable to such cell of the protected cell company; and
- (ii) the administrator shall be deemed a director of the protected cell company in respect of the protected cell company's non-cellular assets, unless there are no creditors of the protected cell company in respect of that cell entitled to have recourse against the protected cell company's non-cellular assets; and
- (b) the functions and powers of the directors of the protected cell company shall cease.

Discharge and variation of administrative orders.

25.(1) The Court shall not discharge an administrative order unless it appears to the Court that:

- (a) the purpose for which the administrative order was made has been achieved or is incapable of achievement; or
- (b) it would otherwise be desirable or expedient to discharge the administrative order.

(2) The Court, on the hearing of an application for the variation or discharge of an administrative order, may make any interim order or adjourn the hearing, conditionally or unconditionally.

(3) Upon the discharge of an administrative order, the Court may direct, where the administrative order was made in respect of a protected cell company; that:-

- (a) any payment made by the administrator to any creditor of the protected cell company be deemed full satisfaction of the liabilities of the protected cell company to that creditor; and the creditor's claims against the protected cell company shall be thereby deemed extinguished; or
- (b) any payment made by the administrator to any creditor of the protected cell company in respect of that cell shall be deemed full satisfaction of the liabilities of the protected cell company to that creditor who has a right of recourse against such a cell; and the creditor's claims against the protected cell company in respect of that cell shall be thereby deemed extinguished.

(4) Nothing in subsection (3) of this section shall operate so as to affect or extinguish any right or remedy of a creditor against any other person, including any surety of the protected cell company.

Remuneration of administrator.

26. The remuneration of an administrator appointed under this Act, and any expenses properly incurred by the administrator, shall be payable in priority to all other claims:

- (a) in the case of the administration of a cell of a protected cell company from:
 - (i) the cellular assets attributable to such a cell; and
 - (ii) to the extent these may be insufficient, the noncellular assets of the protected cell company; and
- (b) in the case of the administration of a protected cell company, from:
 - (i) the non-cellular assets of the protected cell company; and
 - (ii) to the extent these may be insufficient, the cellular assets, in such shares or proportions as the Court may direct.

PART V - General Provisions

Offences and penalties.

27.(1) Any person who contravenes or fails to comply with, or who causes or permits any contravention of, or failure to comply with, any term or condition of a consent of the Minister granted under section 9 (1), commits an offence and shall be liable on summary conviction to a fine not exceeding twenty-five thousand dollars.

(2) Any person who, in connection with an application under section 10 for the consent of the Minister for the incorporation of a protected cell company, or for the conversion of an existing company into a protected cell company:

- (a) makes a statement which he knows or has reasonable cause to believe to be false, deceptive or misleading in a material particular, or
- (b) recklessly makes a statement, dishonestly or otherwise which is false, deceptive or misleading in a material particular; or
- (c) produces or furnishes or causes or permits to be produced or furnished any information or document which he knows or has reasonable cause to believe to be false, deceptive or misleading in a material particular; or
- (d) recklessly produces or furnishes or recklessly causes or permits to be produced or furnished, dishonestly or otherwise, any information or document which is false, deceptive or misleading in a material particular,

commits an offence and shall be liable on summary conviction to a fine not exceeding twenty-five thousand dollars or to imprisonment for a term not exceeding six months, or to both such fine and term of imprisonment

Power of Minister to make regulations.

28.(1) The Minister may, after consultation with the Registrar or the Deputy Registrar, make such regulations as he thinks fit concerning protected cell companies.

(2) Without limiting the generality of subsection (1) of this section, regulations made hereunder may make provision in respect of any of the following matters:-

- (a) the conduct of the business of protected cell companies;

- (b) the manner in which protected cell companies may carry on, or hold themselves out as carrying on business;
- (c) the form and content of the accounts of protected cell companies;
- (d) the winding-up, administration or receivership of protected cell companies; and
- (e) generally for the implementation of this Act.

(3) Regulations of the Minister under this Act:

- (a) may be amended or repealed by subsequent Regulations made hereunder;
- (b) may contain such consequential, incidental, supplemental and transitional provisions as may appear to the Minister to be necessary or expedient;
- (c) may provide that the provisions of this Act shall apply in relation to any class or description of protected cell companies specified by or prescribed under section 8 (1) subject to such exceptions, adaptations and modifications as may be specified by the regulations;
- (d) shall be laid before a meeting of the House of Representatives as soon as possible after the making thereof, and that House may, at that or the next meeting, resolve to annul them, and from the date of such resolution, they shall cease to have effect, but without prejudice to anything done under them or to the making of new regulations.

(4) Any power conferred upon the Minister by this Act to make regulations may be exercised:

- (a) in relation to all cases to which the power extends, or in relation to all those cases subject to specified exceptions, or in relation to any specified cases or classes of cases; and
- (b) so as to make, as respects the cases in relation to which it is exercised:
 - (i) the full provision to which the power extends, or any lesser provision (whether by way of exception or otherwise);
 - (ii) the same provision for all cases or different provision for different cases or classes of cases or different provision for the same cases or class of cases for different purposes; and
 - (iii) any such provision either unconditionally or subject to any prescribed conditions.

Commencement.

29. This Act shall come into force on a day to be appointed by the Minister by Order published in the Gazette.