



# INTERNATIONAL BUSINESS COMPANIES (WINDING UP AMENDMENT) BILL, 2011

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## **INTERNATIONAL BUSINESS COMPANIES (WINDING UP AMENDMENT) BILL, 2011**

### **A BILL FOR AN ACT TO AMEND THE INTERNATIONAL BUSINESS COMPANIES ACT**

**Enacted by the Parliament of The Bahamas**

**1. Short title and commencement.**

- (1) This Act which amends the International Business Companies Act, Ch. 309 may be cited as the International Business Companies (Winding up Amendment) Act, 2011.
- (2) This Act shall come into operation on such day as the Minister may, by notice published in the Gazette, appoint and the Minister may cause different provisions of this Act to come into operation on different days by notice or notices published in the gazette.

**2. Amendment of the principal Act.**

Sections 89 to 130, 137 and 142 to 163 of the principal Act are repealed and replaced by the following—

“89. Winding up and dissolution.

A company incorporated under this Act may be wound up under any of the circumstances, insofar as they are applicable to a company incorporated under this Act, in which a company incorporated under the companies Act, Ch. 308 may be wound up and subject to the provisions of this Part the provisions of the

Companies Act relating to winding up and dissolution shall apply mutatis mutandis to the winding up and dissolution of the company.

90. Interest on debts.
- (1) Subject to subsection (5), in a winding up interest is payable in accordance with this section on any debt proved in the winding up, including so much of any such debt as represents interest on the remainder of the debt.
  - (2) Any surplus remaining after the payment of the debts proved in a winding up shall, before being applied for any other purpose, be applied in paying interest on those debts in respect of the period during which they have been outstanding since the company went into liquidation.
  - (3) All interest under this section ranks equally, whether or not the debts on which it is payable ranked equally.
  - (4) The rate of interest payable under this section in respect of any debt is the greater of—
    - (a) the rate applicable to a judgment debt prescribed from time to time pursuant to section 2 of the Civil Procedure (Award of Interest) Act, Ch. 80; and
    - (b) the rate applicable to that debt apart from the winding up.
  - (5) No interest shall be payable if the liquidation is concluded in less than six months or the accrued amount is less than five hundred dollars.”.

#### **OBJECTS AND REASONS**

Clause 2 of the Bill seeks to apply the recently updated law in the Companies Act on corporate insolvency to international business companies, thus bringing the law in line with modern international standards. The opportunity is also taken of including a provision for interest to be paid on debts proved in a winding up.