

DMCCA Company Regulations 2020

Summary of Benefits¹

Key change	What it means
<p>Articles of Association (Articles) Companies are allowed to adopt non Standard Articles, provided they meet the required standards and conditions as set out in the Proposed Regulations</p>	<p>Companies will have the flexibility to adopt the Articles prescribed by DMCCA (Standard DMCC Articles), amend clauses within the Standard DMCC Articles, or adopt their own Articles entirely, provided they meet the required standards and conditions as set out in the Proposed Regulations. DMCCA has made it easier for shareholders to determine how they wish to set out the rules for their company.</p>
<p>Share Types Allowing different share types</p>	<p>Companies will have the option to structure their shareholdings in the way that best suits their requirements. Previously DMCCA only allowed ordinary shares. Under the Proposed Regulations, a company may issue other share types such as treasury shares, preference shares, redeemable shares and bonus shares.</p>
<p>Dormancy Introduces a dormant company status to enable the voluntary suspension of a Commercial Licence</p>	<p>The change of status to dormant, allows a company to cease operations for a period, and remove employees, without being required to terminate its Commercial Licence.</p>
<p>Officeholders The roles of Director, Secretary and Manager are clarified</p>	<p>There will be new rules that provide officeholders with greater clarity of their roles and responsibilities. These new rules will provide for high-quality corporate governance standards that remain appropriate for the DMCC.</p>
<p>Directors</p>	<p>Unlike in the Current Regulations, the Proposed Regulations do not stipulate the maximum number of Directors. The business and affairs of</p>

¹ Please log in to the DMCC Help Centre where you can find more information relating to the new Rules and Regulations.

<p>There is no requirement for a maximum number of Directors</p>	<p>a company are to be managed by one or more Directors, with the number of Directors to be specified in the Articles.</p>
<p>Audited Financials The timeframe for submission of audited financial statements has been extended</p>	<p>The Proposed Regulations provide a more reasonable period within which to submit audited financial statements.</p>
<p>Winding up, Insolvency New sections on winding up and insolvency outline, among other things, the different methods of winding up a company and the specific obligations of office holders</p>	<p>The Proposed Regulations give office holders much clearer guidance on the steps involved in winding up a company, and the obligations they are required to fulfill.</p>
<p>Drafting The Proposed Regulations are simpler, streamlined and drafted in plain English</p>	<p>We have greatly improved the readability of the regulations, and Rules and Guidance Notes will be introduced to support DMCC members and those who are conducting or proposing to conduct business in the DMCC in their understanding of the application of the Proposed Regulations.</p>