COMPANIES REGULATIONS 2020

(CONSOLIDATED VERSION ~~[XX]~~JUNE 2026)

"officer", in relation to a body corporate, includes a director, a manager, a secretary or, where the affairs of the body are managed by its members, a member,

"parent undertaking" and "subsidiary undertaking" are to be read in accordance with section 1018 and Schedule 7.

(2) The Board may make such modifications of this Part as appear to it to be necessary or appropriate for the purposes of its application in relation to any firm, or description of firm, which is not a body corporate or a partnership.

Part 36

CELL COMPANIES

Chapter 1

GENERAL PROVISIONS

1047. Cell companies

(3) A company is an incorporated cell company if its articles provide that it is an incorporated cell company.

(4) A company is a protected cell company if its articles provide that it is a protected cell company.

(5) A cell company may be−

(a) a public or private company, and

(b) a limited company (whether limited by shares or by guarantee) or an unlimited company.

(6) A cell company cannot be a restricted scope company and a restricted scope company cannot be or become a cell company.

1047. Cell companies may create cells

(1) ~~(5)~~ A cell company may, by special resolution by its non-cell members, resolve to create one or more cells.

~~1048. Procedural Rules~~

~~(1) The Board may make rules under this Part 36 in respect of cell companies.~~

(2) ~~The rules may, in particular, make provision —~~ That special resolution−

~~(a) as to the creation, incorporation, registration and transfer of cells;~~

(a) must assign to the cell a name that complies with these Regulations and rules made by the Registrar, and

(b) must specify the terms of the articles of the cell that will apply to the cell in compliance with Chapter 2 of Part 3 (articles of association) of these Regulations.

(3) A cell company may provide in the special resolution mentioned in subsection (1) that a cell it creates shall be wound up and dissolved upon–

(a) the bankruptcy, winding up, death, expulsion, insanity, resignation or retirement of any cellular member of the cell, or

(b) ~~as to~~ the ~~names, registered offices and other particulars of cell companies and their cells;~~happening of some other event that is not the expiration of a fixed period of time, or

(c) the expiration of a fixed period of time,

and this shall be taken to form part of the articles of that cell.

~~(c) as to the keeping, maintenance and delivery of registers, records, accounts, statements and other information in respect of cell companies and their cells;~~

~~(d) as to applications, notices, declarations, certificates and other documents required under this Part or the rules;~~

(4) ~~(e) as to the procedure and requirements applicable to changes in the status of a~~A cell company ~~or a cell;~~may also provide in the special resolution mentioned in subsection (1)–

~~(f) as to the information and documents to be provided to the Registrar and the matters to be recorded by the Registrar;~~

~~(g) as to forms, fees and other requirements relating to matters under this Part or the rules;~~

~~(h) as to the time within which anything required to be done under this Part or the rules must be done;~~

~~(i) conferring on the Registrar such powers and functions as may be necessary or expedient for the purposes of administering this Part or the rules; and~~

~~(j) as to any other matter necessary or expedient for giving effect to this Part.~~

(a) that, in respect of the cell it creates, there may be issued shares in one or more classes, or

(b) that the cell it creates may have a guarantee member or guarantee members and this shall be taken to form part of the articles of that cell.

(5) There shall be taken to be included in the articles of a cell–

(a) a provision that the cell may not own shares in, or otherwise be a member of, its cell company, and

(b) unless the contrary intention appears in the articles, a provision that the cell may own shares in, or otherwise be a member of, any other cell of its cell company.

(6) The articles of a cell may be amended–

(a) in the manner set out in those articles, or

(b) in the absence of such a provision, by special resolution of both the cell and of the company of which it is a cell.

1048. ~~[DELETED]~~Effect of filing of special resolution creating a cell

(1) When a cell company resolves by special resolution to create a cell, it shall file the resolution in accordance with section 27 (resolutions or agreements to be forwarded to Registrar) with the Registrar. The cell company must include with such filing such evidence as the Registrar may require that the creation of such cell has been approved by the Financial Services Regulator.

(2) A special resolution filed in accordance with subsection (1) shall have effect as if it were an application for registration delivered to the Registrar in accordance with section 6 (registration documents) for the purposes of applying to form a company in accordance with that section.

(3) The cell shall be taken to have been created when the Registrar issues–

(a) in the case of a cell of an incorporated cell company, a certificate of incorporation in respect of the cell, or

(b) in the case of a cell of a protected cell company, a certificate of recognition in respect of the cell.

1049. Status of cells[230]

(1) Subject to this section, a cell of a cell company–

(a) in the case of a cell of an incorporated cell company, is a company, and

(b) in the case of a cell of a protected cell company, is to be treated as a company registered under these Regulations for the purpose of the application to it of these Regulations.

(2) Accordingly, save as otherwise provided by this Part, the provisions of these Regulations shall apply to a cell of a cell company as if a reference in these Regulations–

(a) to a company were a reference to the cell,

(b) to the directors of a company were a reference to the directors of the cell,

(c) to the articles of a company were a reference to the articles of the cell,

(d) to members of a company were a reference to the members of the cell,

(e) to shares in a company were a reference to shares in the cell,

(f) to assets and liabilities of a company were a reference to the assets and liabilities of the cell, and

(g) to the share capital of a company were a reference to the share capital of the cell.

(3) A cell of a cell company shall have the same secretary and registered office as its cell company.

(4) ~~(3)~~ The duties imposed on a company by section 157 (in relation to directors) and by section 293 (in relation to a secretary) shall, in the case of a cell of a protected cell company, be performed by its cell company.

[230] Amended 24 April 2026

(5) ~~(4)~~ A cell of an incorporated cell company shall notify the incorporated cell company within 14 calendar days of a director of the cell being appointed or of a director of the cell ceasing to be a director.

(6) ~~(5)~~ If–

(a) a cell company fails to comply with subsection (~~3~~4), or

(b) a cell fails to comply with subsection (~~4~~5)

a contravention of these Regulations is committed by it and every officer of it who is in default and is liable to a fine not exceeding level 4 on the Fines Scale.

(7) ~~(6)~~ A director of a cell shall not be taken, by virtue only of being such a director, to have any duties or liabilities in respect of–

(a) the cell company in relation to the cell, or

(b) any other cell of the cell company.

(8) ~~(7)~~ A director of a cell shall not be entitled, by virtue only of being such a director, to obtain from the cell company in relation to either the cell company or any other cell of the cell company, any information in respect of the cell company or any other cell of the cell company.

(9) ~~(8)~~ A cell of a cell company is not a subsidiary of the cell company.

(10) ~~(9)~~ Where a protected cell company –

(a) enters into a transaction in respect of a particular cell of the company, or

(b) incurs a liability arising from an activity or asset of a particular cell,

subject to the provisions of Chapter 2 relating to the liability of protected cell companies and their cells, a claim by any person in connection with the transaction or liability extends only to the cellular assets of the cell.

(11) ~~(10)~~ Where a cell of an incorporated cell company–

(a) enters into a transaction, or

(b) incurs a liability arising from an activity or asset of that cell,

a claim by any person in connection with the transaction or liability extends only to the assets of the cell.

(12) ~~(11)~~ Where a protected cell company–

(a) enters into a transaction in its own right and not in respect of any of its cells, or

(b) incurs a liability arising from an activity of the company in its own right and not in respect of any of its cells, or

(c) incurs a liability arising from an asset held by the company in its own right and not in respect of any of its cells,

subject to the provisions of Chapter 2 relating to the liability of protected cell companies and their cells, a claim by any person in connection with the transaction or liability extends only to the non-cellular assets of the protected cell company.

(13) ~~(12)~~ Where an incorporated cell company–

(a) enters into a transaction, or

(b) incurs a liability arising from an activity of that company, or

(c) incurs a liability arising from an asset held by that company,

a claim by any person in connection with the transaction or liability extends only to the assets of the incorporated cell company and not to the assets of any of its cells.

1050. Register of members of cells[231]

(1) The duties imposed on a company by Chapter 2 of Part 8 (register of members) and Part 20 (certification and transfer of securities) of these Regulations shall, in the case of a cell of a cell company, be performed by its cell company.

(2) Accordingly, a cell company must, in addition to keeping a register of its members, keep a register of the members of each of its cells, which it must keep in accordance with Chapter 2 of Part 8.

(3) If a cell company fails to comply with subsection (2), a contravention of these Regulations is committed by it and every officer of it who is in default.

(4) ~~Notwithstanding~~The only persons entitled under section 121 (rights to inspect and require copies)~~, the only person entitled under that section to~~ to inspect or require a copy of all or any part of any register of members of a cell shall be persons who are members of such cell.

(5) A person who commits the contravention referred to in subsection (3) shall be liable to a fine not exceeding level 1 on the Fines Scale.

1051. ~~[DELETED]~~Confirmation Statement in respect of cells[232]

(1) Section 778 (duty to deliver confirmation statements) shall not apply to a cell of a cell company.

(2) However, the cell company must–

(a) include in its confirmation statement the information required by sections 778 to 782 (inclusive) in respect of each cell of the company, and

(b) in respect of each of its cells – deliver to the Registrar a copy of so much of its confirmation statement as relates to the cell.

(3) If a cell company fails to comply with subsection (2), a contravention of these Regulations is committed by it.

(4) The information specified in section 782 (contents of confirmation statement: information about shareholders) which is contained in any confirmation statement made by a cell company in respect of any cell shall not be made available by the Registrar to any person who is not a member or a director or the secretary of such cell.

(5) A cell company who commits the contravention referred to in subsection (3) shall be liable to a fine not exceeding level 2 on the Fines Scale.

[231] Amended 28 October 2025
[232] Amended 28 October 2025

1052. ~~[DELETED]~~Accounting records of cell companies[233]

(1) Section 376 (duty to keep accounting records) shall not apply to a cell of a cell company.

(2) However, the cell company must keep accounting records in respect of each of its cells that are sufficient to show and explain the cell's transactions and are such as to–

(a) disclose with reasonable accuracy, at any time, the financial position of the cell at that time, and

(b) enable its directors to ensure that any accounts prepared by the company in respect of the cell comply with the requirements of these Regulations.

(3) The accounting records kept by a cell company under section 375 (duty to keep accounting records) may include matters included by it in any accounting records kept by the company under subsection (2).

(4) If a cell company fails to comply with subsection (2) a contravention of these Regulations is committed by it and every officer of the company who is in default.

(5) It is a defence for an officer charged with such an offence to show that he acted honestly and that in the circumstances in which the cell company's business was carried on the default was excusable.

(6) A person who commits the contravention referred to in subsection (4) shall be liable to a fine not exceeding level 5 on the Fines Scale.

1053. Accounts of cell companies[234]

(1) Subject to sub-section (2), section 383 (duty to prepare individual accounts) and sections 389 (duty to prepare group accounts) shall not apply to a cell of a cell company.

(2) ~~A~~However, the cell company must prepare separate accounts ~~in respect of each of its cells,~~ in accordance with ~~the requirements prescribed by rules made by the Board.~~section 383 that–

(a) fairly present the profit or loss of each cell of the company for the period mentioned in section 383 and of the state of each cell's affairs at the end of that period taking into account only the assets and liabilities solely attributable to the cell, and

(b) comply with any other applicable requirement of these Regulations (including as to audit under Part 15 of these Regulations).

(3) The accounts of a cell company prepared by it in respect of the company in accordance with section 383 need not include matters included by it in any accounts prepared by it in accordance with subsection (2).

(4) Subject to any provision in the articles of a cell of a cell company or of the company to the contrary–

(a) a member of the cell company who is not a member of the cell shall only be entitled to be provided with so much of the accounts of the company as is required by subsection (3), and

[233] Amended 28 October 2025
[234] Amended 28 October 2025

(b) a member of a cell of the company shall only be entitled to be provided with so much of the accounts as is mentioned in subsection (2) as relate to the cell of which the member is a member.

(5) If a cell company fails to comply with subsection (2) a contravention of these Regulations is committed by it and every officer of the company who is in default.

(6) It is a defence for an officer charged with such an offence to show that he acted honestly and that in the circumstances in which the cell company's business was carried on the default was excusable.

(7) ~~(3)~~ Section 421 (filing obligations of companies generally) shall not apply to any accounts required to be prepared in accordance with subsection (2).

(8) A person who commits the contravention referred to in subsection (5) shall be liable to a fine not exceeding level 5 on the Fines Scale.

1054. Incorporation of a cell independent of a cell company

(1) A cell of a cell company may apply to the Registrar to be incorporated as a company independent of that cell company.

(2) If the articles of the cell are silent or do not provide otherwise, the application must be approved by a special resolution of the members of the cell or, if the cell has more than one class of members, a special resolution of each class of members.

(3) The application must include the information that would be required under Part 2 (company formation) were the cell being incorporated under these Regulations otherwise than by virtue of this section.

(4) In respect of an application under this section the Registrar has all the powers given under Part 2.

(5) ~~(3)~~ Where a cell has made an application under this section, a member of the cell who objects to the cell being incorporated as a company independent of its cell company may apply to the Court for an order under section 858 (petition by company member) on the grounds that the incorporation or the terms of the incorporation unfairly prejudice his interests.

(6) ~~(4)~~ An application may not be made under subsection (~~3~~5) after the expiration of the period of 30 days following the application being made under subsection (1).

(7) ~~(5)~~ When a cell is registered as a separate company by virtue of this section, that separate company shall no longer be a cell of the cell company, subject always to the following–

(a) where the cell was a cell of an incorporated cell company, all property and rights to which the cell was entitled immediately before its registration remain the property and rights of the separate company,

(b) where the cell was a cell of a protected cell company, all property and rights of that company in respect of the cell immediately before its registration become by virtue of such registration the property and rights of the separate company,

(c) where the cell was a cell of an incorporated cell company, the separate company remains subject to all civil liabilities, and all contracts, debts and other obligations, to which the cell was subject immediately before its registration,

(d) where the cell was a cell of a protected cell company, all contracts, debts and other obligations of that company in respect of the cell, to which the protected cell company was subject immediately before the registration of the separate company, become by virtue of such registration the contracts, debts and other obligations of the separate company,

(e) where the cell was a cell of an incorporated cell company, all actions and other legal proceedings which, immediately before the registration of the separate company, were pending by or against the cell may be continued by or against the separate company, and

(f) where the cell was a cell of a protected cell company, all actions and other legal proceedings which, immediately before the registration of the separate company, were pending by or against the protected cell company in respect of the cell may by virtue of such registration be continued by or against the separate company.

(8) ~~(6)~~ The operation of subsection (~~5~~7)(b) and (d) shall not be regarded as giving rise to any–

(a) breach of contract or confidence or otherwise as a civil wrong,

(b) breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of rights or liabilities, or

(c) remedy by a party to a contract or other instrument, as an event of default under any contract or other instrument~~,~~ or as causing or permitting the termination of any contract or other instrument, or of any obligation or relationship.

1055. Transfer of cells of cell companies[235]

(1) A cell of a cell company may be transferred to another cell company.

(2) The cell companies shall enter into a written agreement that sets out the terms of the transfer (in this section referred to as the "transfer agreement").

(3) A transfer of a cell is approved when the directors of each cell company have approved the transfer agreement and the agreement is approved by a special resolution of the cell company to which the cell is being transferred and–

(a) when the transfer agreement is consented to by all the members of the cell being transferred and all the creditors (if any) of that cell, or

(b) if the agreement of all the creditors of the cell cannot be obtained, when the transfer is authorised by a special resolution of the cell and sanctioned by the Court on it being satisfied that no creditor of the cell will be materially prejudiced by the transfer.

(4) Within 14 calendar days of a transfer agreement being approved, the cell company to which the cell is being transferred must deliver to the Registrar in accordance with section 27 (resolutions or agreements to be forwarded to Registrar) a copy of the special resolution of that company approving the transfer agreement together with–

(a) a copy of the transfer agreement,

[235] Amended 28 October 2025
Amended 24 April 2026

(b) a copy of any new articles of the cell being transferred,

(c) such evidence as the Registrar may require that the transfer of such cell has been approved by the Financial Services Regulator, and

(d) a declaration made in accordance with subsection (5), signed by each director of the cell company transferring the cell.

(5) The declaration must state that each such director believes on reasonable grounds that–

(a) the cell being transferred is able to discharge its liabilities as they fall due,

(b) there are no creditors of the cell company from which the cell is being transferred whose interests will be unfairly prejudiced by the merger, and

(c) the transfer agreement has been approved in accordance with this section.

(6) If a cell company fails to deliver the documents set out in subsection (4) within the period mentioned in that subsection, a contravention of these Regulations is committed by it and every officer of it in default.

(7) A person who commits the contravention referred to in subsection (6) shall be liable to a fine not exceeding level 2 on the Fines Scale.

(8) If a director makes a declaration under subsection (5) without having the grounds to do so, a contravention of these Regulations is committed by him.

(9) A person who commits the contravention referred to in subsection (8) shall be liable to a fine not exceeding level 5 on the Fines Scale.

(10) Section 1049(2) shall apply in respect of the documents delivered to the Registrar in accordance with subsection (4) as if the documents were a special resolution filed in accordance with section 1049(1).

(11) Upon delivery to the Registrar of the documents referred to in subsection (4), the Registrar shall, if those documents comply with this section–

(a) register the transfer of the cell and any new articles of the cell,

(b) issue to the cell a new certificate of incorporation or recognition in accordance with section 1049(1), and

(c) record that the cell has ceased to be a cell of the company that transferred the cell.

(12) ~~(4)~~ Upon the issue of the new certificate of incorporation or recognition, by virtue of such issue–

(a) the cell ceases to be a cell of the cell company that transferred it,

(b) the cell becomes a cell of the company to which it has been transferred,

(c) the articles of the cell shall be as provided for in the transfer agreement,

(d) where the cell was a cell of an incorporated cell company, all property and rights to which the cell was entitled immediately before the issue of the new certificate remain the property and rights of the cell if the transfer is to an incorporated cell company or, if the transfer is to a protected cell company, become the property and rights of that company in respect of the cell,

(e) where the cell was a cell of an incorporated company, the liabilities, and all contracts, debts and other obligations to which the cell was subject immediately

before the issue of the new certificate remain the liabilities, contracts, debts and other obligations of the cell if the transfer is to an incorporated cell company or if the transfer is to a protected cell company, become the liabilities, contracts, debts and other obligations of that company in respect of the cell,

(f) where the cell was a cell of an incorporated cell company, all actions and other legal proceedings which, immediately before the issue of the new certificate were pending by or against the cell may be continued by or against the cell if the transfer is to an incorporated cell company or, if the transfer is to a protected cell company by or against that company in respect of the cell,

(g) where the cell was a cell of a protected cell company, all property and rights of that company in respect of the cell immediately before the issue of the new certificate become the property and rights of the cell if the transfer is to an incorporated cell company or, if the transfer is to a protected cell company, the property and rights of that company in respect of that cell,

(h) where the cell was a cell of a protected cell company, all liabilities, contracts, debts and other obligations of that company in respect of the cell, to which the protected cell company was subject immediately before the issue of the new certificate, become the liabilities, contracts, debts and other obligations of the cell if the transfer is to an incorporated cell company or, if the transfer is to a protected cell company, the liabilities, contracts, debts and other obligations of that company in respect of the cell, and

(i) where the cell was a cell of a protected cell company, all actions and other legal proceedings that, immediately before the issue of the new certificate, were pending by or against the protected cell company in respect of the cell may be continued by or against the cell if the transfer is to an incorporated cell company or, if the transfer is to a protected cell company, against that company is respect of the cell.

(13) ~~(5)~~ The operation of subsection (4<u>12</u>) shall not be regarded as giving rise to any –

(a) breach of contract or confidence or otherwise as a civil wrong,

(b) breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of rights or liabilities, or

(c) remedy by a party to a contract or other instrument, as an event of default under any contract or other instrument or as causing or permitting the termination of any contract or other instrument, or of any obligation or relationship.

(14) ~~(6)~~ A cell may not be transferred under this section if the transfer would be inconsistent with the articles of the cell, the cell company transferring the cell or the cell company to which it is to be transferred.

(15) ~~(7)~~ A company that is not a cell company and a cell company may enter into an agreement to provide that the company that is not a cell company shall become a cell of the cell company.

(16) ~~(8)~~ Where subsection (~~7~~15) applies–

(a) the agreement mentioned in that paragraph shall have effect for the purpose of this section as if it were a transfer agreement, and

(b) this section shall otherwise apply in respect of the transfer as if the company that is not a cell company were a cell of an incorporated cell company.

1056. Application of the Insolvency Regulations 2022 to cell companies

(1) Where a cell company with one or more cells is being wound up under the Insolvency Regulations 2022 the company shall not be taken to have no assets and no liabilities while the company continues to have any such cell.

(2) Accordingly, in the course of the winding up of the company, each cell of the company must–

(a) be transferred to another cell company,

(b) be wound up,

(c) be continued as a body corporate or cell under the law of another jurisdiction,

(d) be incorporated independently of the cell company, or

(e) be merged with another company.

1057. ~~[DELETED]~~Names of incorporated cell companies

(1) The name of an incorporated cell company must end with the words 'Incorporated Cell Company' or with the abbreviation 'ICC'.

(2) A company that is registered with a name that ends with the words 'Incorporated Cell Company' or the abbreviation 'ICC' may, in setting out or using its name for any purpose under these Regulations, do so in full or in abbreviation form, as it determines.

(3) An incorporated cell company must assign a distinctive name to each of its cells that–

(a) distinguishes the cell from any other cell of the company, and

(b) ends with the words 'Incorporated Cell' or with the abbreviation 'IC'.

(4) Sections 52 and 53 (specifying how the name of a limited company must end) shall not apply to a cell of an incorporated cell company where the cell is a limited company.

1058. Restriction on amendment of articles

(1) The powers conferred by sections 19 and 20 (relating to the alteration of articles) on a company to amend its articles shall not be exercisable by a company to provide for it to be a cell company unless–

(a) the amendment is consented to by all the members of the company and all the creditors of the company, or

(b) if the consent of all the creditors of the company cannot be obtained, the amendment is authorised by a special resolution of the company and sanctioned by the Court on it being satisfied that no creditor will be materially prejudiced by the amendment.

~~(2)~~ The powers conferred by sections 19 and 20 on a cell company to amend its articles shall not be exercisable by a cell company to -

~~(a)~~ provide for it to cease to be a cell company, or for it to ~~cease to be a cell company, or~~

~~(b)~~ convert from an incorporated cell company to a protected cell company or from a protected cell company to an incorporated cell company, unless–

~~unless~~

(a) ~~(i)~~ the amendment is consented to by all the members of the company, all the members of the each cell of the company, and all the creditors of the company and of each cell of the company, or

(b) ~~(ii)~~ where the consent of all the creditors of the company and of each cell of the company cannot be obtained, the amendment is authorised by a special resolution of the company and of each cell of the company, and sanctioned by the Court on it being satisfied that no such creditor will be materially prejudiced by the amendment.

(3) Where a company seeks to change its status in accordance with subsection (1) or subsection (2) the Registrar shall issue under section 12 (issue of certificate of incorporation) a certificate of incorporation that is appropriate to the amended status of the company if there is delivered to the Registrar–

(a) a copy of the special resolution that amends its constitution and its name, and

(b) evidence satisfactory to the Registrar that the requirements of subsection (1) or subsection (2), as appropriate, have been met.

(4) ~~(3) A change of status under~~Where a company changes its status in accordance with subsection (1) or subsection (2) ~~takes~~the change of status shall take effect when the Registrar issues ~~the appropriate~~a certificate of incorporation in accordance with subsection (3).

(5) ~~(4)~~ Where a company changes its status ~~under~~in accordance with subsection (1) or subsection (2)~~,~~ the special resolution and/or other provision ~~effecting the change~~required under sections 19 and/or 20 for it to do so must include any change of name ~~necessary for~~of the company necessary for it to comply with these Regulations.

(6) ~~(5)~~ Where, in accordance with subsection (2), a protected cell company changes its status to an incorporated cell company~~, each cell of the company becomes an incorporated cell and the legal effect of the change~~ –

(a) the Registrar shall, at the same time, issue in relation to each cell of the cell company a certificate of incorporation as if he had received an application for the creation of the cell under section 1049,

(b) the previous certificate of recognition issued to each cell of the cell company shall cease to have effect, and

(c) ~~in respect of~~section 1056(12) shall apply in relation to each cell ~~is the same~~ as if the cell had been transferred to the incorporated cell company under section 1056.

(7) ~~(6)~~ Where, in accordance with subsection (2), an incorporated cell company changes its status to a protected cell company~~, each cell of the company becomes a protected cell and the legal effect of the change~~ –

(a) the Registrar shall, at the same time, issue in relation to each cell of the cell company a certificate of recognition as if he had received an application for the creation of the cell under section 1049,

(b) the previous certificate of incorporation issued to each cell of the cell company shall cease to have effect, and

(c) ~~in respect of~~section 1056(12) shall apply in relation to each cell ~~is the same~~ as if the cell had been transferred to the protected cell company under section 1056.

(8) ~~(7)~~ A body that is incorporated outside the Abu Dhabi Global Market may, with the approval of the Board by resolution, change its status in ~~accordance with~~the manner set out in this section as part of the process of obtaining the issue of a certificate of continuance in accordance with Chapter 2 of Part 7 (continuance).

(9) ~~(8)~~ A change of status ~~under~~of a company to which subsection (~~7~~6) ~~takes~~applies shall have effect on the issue of the certificate of continuance in accordance with section 106 (certificate of continuance within the Abu Dhabi Global Market).

Chapter 2

PROTECTED CELL COMPANIES

1059. Status of cells of protected cell companies

(1) A cell of a protected cell company is not a body corporate and has no legal identity separate from that of its cell company.

(2) However, a cell of a protected cell company may enter into an agreement with its cell company or with another cell of the company that shall be enforceable as if each cell of the company were a body corporate that had a legal identity separate from that of its cell company.

1060. Membership of protected cell company

(1) In a protected cell company–

(a) its non-cell members are members of the company but are not, by virtue of being such members, members of any cell of the company, and

(b) the cell members of a cell created by the company are members of that cell but are not, by virtue of being such members, members of the company or of any other cell of the company.

(2) In subsection (1)–

"cell member", in respect of a protected cell company, means–

(a) a registered holder of a share in a cell of the company, or

(b) a guarantee member of a cell of the company,

"non-cell member", in respect of a protected cell company, means–

(a) a registered holder of a share in the company that is not a share in a cell of the company, or

(b) a guarantor member of the company who is not a guarantor member of the company by virtue of being a guarantee member of a cell of the company.

1061. Additional duties of directors of protected cell companies[236]

(1) A director of a protected cell company must exercise his powers and must discharge his duties in such a way as shall best ensure that–

(a) the cellular assets of the company are kept separate and are separately identifiable from the non-cellular assets of the company, and

(b) the cellular assets attributable to each cell of the company are kept separate and are separately identifiable from the cellular assets attributable to other cells of the company.

(2) A director of a protected cell company must ensure, when the company enters into an agreement in respect of a cell of the company–

(a) that the other party to the transaction knows or ought reasonably to know that the cell company is acting in respect of a particular cell, and

(b) that the minutes of any meeting of directors held with regard to the agreement clearly record the fact that the company was entering into the agreement in respect of the cell and that the obligation imposed by subsection (a) was or will be complied with.

(3) If a director fails to comply with the requirements of subsection (1) or subsection (2), a contravention of these Regulations is committed by him.

(4) A person who commits the contravention referred to in subsection (3) shall be liable to a fine not exceeding level 4 on the Fines Scale.

(5) The duties of a director of a protected cell company under this section are in addition to those under Chapters 2 and 3 of Part 10 (general duties of directors, etc.) of these Regulations.

1062. ~~[DELETED]~~Names of protected cell companies

(1) The name of a protected cell company must end with the words 'Protected Cell Company' or with the abbreviation 'PCC'.

(2) A company that is registered with a name that ends with the words 'Protected Cell Company' or the abbreviation 'PCC' may, in setting out or using its name for any purpose under these Regulations, do so in full or in the abbreviated form, as it determines.

(3) A protected cell company must assign a distinctive name to each of its cells that–

(a) distinguishes the cell from any other cell of the company, and

(b) ends with the words 'Protected Cell' or with the abbreviation 'PC'.

(4) Sections 52 and 53 (specifying how the name of a limited company must end) shall not apply to a cell of a protected cell company where the cell has the features of a limited company.

[236] Amended 28 October 2025

1063. Liability of protected cell company and its cells[237]

(1) Except as provided by subsections (2) and (4), a protected cell company has no power–

(a) to meet any liability attributable to a particular cell of the company from the non-cellular assets of the company, or

(b) to meet any liability, whether attributable to a particular cell or not, from the cellular assets of another cell of the company.

(2) If–

(a) a protected cell company is permitted to do so under its articles, and

(b) the requirement set out in subsection (3) is satisfied,

the company may meet any liability attributable to a particular cell of the company from the company's non-cellular assets.

(3) The requirement mentioned in subsection (2)(b) is that prior to the protected cell company meeting any liability attributable to the particular cell from the company's non-cellular assets the directors who are to authorise the liability being met in such a way must make a statement that, having made full enquiry into the affairs and prospects of the company, they reasonably believe–

(a) that the company will be able to discharge its liabilities as they fall due, and

(b) that, having regard to–

(i) the prospects of the company,

(ii) the intentions of the directors with respect to the management of the company's business, and

(iii) the amount and character of the financial resources that will in the directors' view be available to the company,

the company will be able to–

A. continue to carry on business, and

B. discharge its liabilities as they fall due,

until the expiry of the period of 12 months immediately following the date on which the statement is signed.

(4) A protected cell company may meet any liability, whether attributable to a particular cell or not, from the cellular assets of another cell if–

(a) it is permitted to do so by the articles of that other cell, and

(b) the requirement set out in subsection (5) is satisfied.

(5) The requirement mentioned in subsection (4)(b) is that prior to the protected cell company meeting any liability from the cellular assets of that other cell the directors who are to authorise the liability being met in such a way must make a statement that, having made full enquiry into the affairs and prospects of that cell, they reasonably believe–

[237] Amended 28 October 2025

(a) that the cell will be able to discharge its liabilities as they fall due, and

(b) that, having regard to–

(i) the prospects of the cell,

(ii) the intentions of the directors with respect to the management of the cell's business, and

(iii) the amount and character of the financial resources that will in the directors' view be available to the cell,

the company will be able to–

A. continue to carry on business, and

B. discharge its liabilities as they fall due,

until the expiry of the period of 12 months immediately following the date on which the statement is signed.

(6) If a director makes a statement under subsection (3) or subsection (5) without having reasonable grounds for the opinion expressed in the statement, a contravention of these Regulations is committed by him.

(7) A person who commits the contravention referred to in subsection (6) shall be liable to a fine not exceeding level 4 on the Fines Scale.

1064. Protection of cellular and non-cellular assets of protected cell companies[238]

(1) Where a creditor of a protected cell company has a claim against the company in respect of a particular cell of the company (in this section called "the relevant cell") by virtue of a transaction to which section 1050(10) applies, only the cellular assets of the company held by it in respect of the relevant cell shall be available to the creditor.

(2) Where a creditor of a protected cell company has a claim against the company by virtue of a transaction to which section 1050(10) does not apply, the cellular assets of the company shall not be available to the creditor.

(3) Accordingly–

(a) a creditor of the company to whom subsection (1) applies only has the right to seek by proceedings or by any other means, whether in the Abu Dhabi Global Market or elsewhere, to make or attempt to make the cellular assets of the company held by it in respect of the relevant cell available for all or any part of the amount owed to the creditor, and

(b) a creditor of the company to whom subsection (2) applies has no right to seek by proceedings or by any other means, whether in the Abu Dhabi Global Market or elsewhere, to make or attempt to make the cellular assets of the company available for all or any part of the amount owed to the creditor.

(4) If a creditor of a protected cell company to whom subsection (1) applies succeeds, whether in the Abu Dhabi Global Market or elsewhere, in making available for all or any part of the amount owed to the creditor any assets of the company that are not its

[238] Amended 28 October 2025

cellular assets held by it in respect of the relevant cell, the creditor shall be liable to pay to the company an amount equal to the benefit so obtained.

(5) If a creditor of a protected cell company to whom subsection (2) applies succeeds, whether in the Abu Dhabi Global Market or elsewhere, in making available for all or any part of the amount owed to the creditor any cellular assets of the company, the creditor shall be liable to pay to the company an amount equal to the benefit so obtained.

(6) Any amount recovered by a protected cell company in respect of a cell of the company by virtue of subsection (4) or subsection (5), and the right to claim that amount, shall form part of the cellular assets of the company held by it in respect of the cell.

(7) If a creditor of a protected cell company to whom subsection (1) applies succeeds, whether in the Abu Dhabi Global Market or elsewhere in seizing or attaching or otherwise levying execution against any assets of the company, that are not its cellular assets held by it in respect of the relevant cell, for all or any part of the amount owed to the creditor, the creditor shall hold those assets or their proceeds on trust for the company or, as the case may be, the cell of the company whose cellular assets were wrongfully seized or attached.

(8) If a creditor of a protected cell company to whom subsection (2) applies succeeds, whether in the Abu Dhabi Global Market or elsewhere in seizing or attaching or otherwise levying execution against any cellular assets of the company for all or any part of the amount owed to the creditor, the creditor shall hold those assets or their proceeds on trust for the cell of the company whose cellular assets were wrongfully seized or attached.

(9) Where subsection (7) or subsection (8) applies, the creditor must–

(a) keep the assets so held on trust separated and identifiable as trust property, and

(b) pay or return them on demand to the protected cell company.

(10) If a creditor fails to comply with the provisions of subsection (9), a contravention of these Regulations is committed by him.

(11) A person who commits the contravention referred to in subsection (10) shall be liable to a fine not exceeding level 3 on the Fines Scale.

(12) Any amount recovered by a protected cell company by virtue of a trust mentioned in subsection (7) shall form part of the non-cellular assets of the company or, as the case may be, the cellular assets of the cell of the company whose cellular assets were wrongfully seized or attached.

(13) Any amount recovered by a protected cell company by virtue of a trust mentioned in subsection (8) shall form part of the cellular assets of the cell of the company whose cellular assets were wrongfully seized or attached.

(14) If a creditor becomes liable to pay an amount or to return assets to a protected cell company under subsection (4), subsection (5) or subsection (9)(b) and no amount or an insufficient amount is received, or no assets or less than all the assets are recovered, the company must cause or procure an auditor, acting as an expert and not as an arbitrator, to certify the loss suffered by the company and then, as the case may be–

(a) transfer to the company from the cellular assets of the relevant cell, if the liability was attributable to it, an amount sufficient to make good the loss suffered by the company's cellular or non-cellular assets, as the case may be, or

(b) transfer from its non-cellular assets, if the liability was attributable to them an amount sufficient to make good the loss suffered by its the cellular assets.

(15) Where an amount transferred by virtue of subsection (14)(a) was in respect of a loss suffered by the company's cellular assets, the amount transferred shall be transferred to the cell of the company whose cellular assets were wrongfully made available to a creditor or seized, attached or executed against.

(16) An amount transferred by virtue of subsection (14)(b) shall be transferred to the cell of the company whose cellular assets were wrongfully made available to a creditor or seized, attached or executed against.

(17) If a company fails to comply with subsection (14), (15) or (16), a contravention of these Regulations is committed by the company and every officer of it who is in default.

(18) A person who commits the contravention referred to in subsection (17) shall be liable to a fine not exceeding level 3 on the Fines Scale.

(19) Subsections (4) to (16) do not apply to any payment made to a creditor by a protected cell company in accordance with section 1064(2) or section 1064(4).

1065. Effect of commencement of summary winding up of protected cell company

(1) Where a protected cell company is being wound up, section 195(1) (effect on business and status of company) of the Insolvency Regulations 2022 (effect on business and status of company) shall not apply in respect of any cell of the company.

(2) Where a cell of a protected cell company is being wound up, section 195(1) (effect on business and status of company) of the Insolvency Regulations 2022 shall not apply in respect of the company or any other cell of the company.

1066. Court may determine liability of protected cells companies

The Court, on the application of a protected cell company, may determine, in accordance with this Part, if a liability of the company is to be met by its non-cellular assets, by the cellular assets of a specific cell of the company or by a combination of those assets.

1067. Definitions relevant to this Part

In this Part:

"cell" means a cell of a cell company,

"cell company" means a company that is an incorporated cell company or a protected cell company,

"cellular assets", in respect of a protected cell company, means the assets of the company attributable solely to the cell or cells of the company,

"cellular liabilities", in respect of a protected cell company, means the liabilities of the company attributable solely to a cell or cells of the company,

"class of members", in respect of a protected cell company, includes–

(a) the members of a cell of the company, and

(b) any class of members of a cell of the company,

"incorporated cell company" means a company to which section 1047(1) applies,

"non-cellular assets", in respect of a protected cell company, means its assets that are not its cellular assets,

"non-cellular liabilities", in respect of a protected cell company, means its liabilities that are not its cellular liabilities.

"protected cell company" means a company to which section 1047(2) applies.

Part 36A

INVESTMENT COMPANIES

1068A. Application and interpretation, powers of the Board

(1) Without limiting the generality of subsection (2) below, the provisions of this Part are additional to any other legislation which may apply to the incorporation, operation, or winding up of an investment company.

(2) Except as far as otherwise provided by this Part, any provision of any Rules made by the Financial Services Regulator relating to Collective Investment Funds, or any other enactment, the provisions of these Regulations shall apply in their entirety to investment companies.

(3) The Board shall have authority from time to time to make, issue, amend and rescind such Rules as are necessary or appropriate in relation to the incorporation, operation or winding up of investment companies.

1068B. Formation of investment companies[239]

(1) A company is an investment company if its articles provide that it is an investment company, and it has been established for the purpose of collective investment and, if applicable, the management of the collective investment it holds.

(2) An investment company may be either a public or private company and may take the form of -

(a) a company limited by shares, or

(b) a cell company (or a cell of a cell company).

(3) An investment company cannot be a restricted scope company and a restricted scope company cannot be or become an investment company.

1068C. Names of investment companies

(1) The name of an investment company must include the words 'Close-Ended Investment Company' or the abbreviation 'CEIC', if it is a closed-ended investment company, or

[239] Amended 23 February 2023

must include the words ‘Open-Ended Investment Company’ or the abbreviation ‘OEIC’ if it is an open-ended investment company.

(2) A company that is registered with a name that includes the words 'Close-Ended Investment Company' ‘Open-Ended Investment Company’ or the abbreviations 'CEIC' or OEIC may, in setting out or using its name for any purpose under these Regulations, do so in full or in abbreviation form, as it determines.

1068D. Directors[240]

(1) Sections 144 and 145 of these Regulations shall not apply to investment companies.

(2) An investment company must have at least one director.

(3) The directors of an investment company must be fit and proper persons to act as such.

(4) If an investment company has only one director, that director must be a body corporate which is an Authorised Person and which holds the Financial Services Permission in the Abu Dhabi Global Market or in a jurisdiction acceptable to the Financial Services Regulator authorising it to carry on the Regulated Activity of Managing a Collective Investment Fund.

(5) If an investment company has two or more directors, they must ensure that, at all times, either:

(a) there is appointed to the board of the investment company, an entity which holds the Financial Services Permission in the Abu Dhabi Global Market, or in a jurisdiction acceptable to the Financial Services Regulator, authorising it to carry on the Regulated Activity of Managing a Collective Investment Fund; or

(b) the investment company holds a Financial Services Permission authorising it to carry on the Regulated Activity of Managing a Collective Investment Fund.

1068E. Statutory pre-emption rights

(1) Sections 519 to 537 of these Regulations shall not apply to investment companies.

1068F. Issue and allotment of shares

(1) Sections 508 to 512 of these Regulations shall not apply to investment companies.

(2) The directors of an investment company may exercise any power of the investment company to-

(a) allot shares in the investment company; or

(b) grant rights to subscribe for or to convert any security into shares in the investment company,

to the extent permitted by the investment company's articles.

[240] Amended 23 February 2023
Amended 24 April 2026

1068G. Share transfers

(1) The articles of an investment company may contain provision as to share transfers in respect of any matter for which provision is not made in these Regulations or any other enactment.

1068H. Redemptions

(1) Sections 623 to 628 of these Regulations shall not apply to investment companies.

(2) The directors of an investment company may exercise any power of the investment company to-

(a) issue shares that are redeemable at the option of the investment company or the shareholder; and

(b) determine the terms, conditions and manner of the redemption of such shares, to the extent permitted by the investment company's articles.

(3) Any redemption of shares of an investment company is also subject to the provisions of any Rules made by the Financial Services Regulator regarding Collective Investment Funds.

(4) No closed-ended investment company shall purchase any shares of any class of which it is the issuer except by a market purchase on a Recognised Investment Exchange or such other open market as the Financial Services Regulator may prescribe.

1068I. Definitions relevant to this Part

In this Part-

"body corporate" means any body corporate, including limited liability partnership and a body corporate constituted under the law of a country or territory outside of the Abu Dhabi Global Market,

"cell" has the meaning given in section 1068 of these Regulations,

"cell company" has the meaning given in section 1068 of these Regulations,

"incorporated cell company" means a company to which section 1047(1) of these Regulations applies,

"investment company" means an open or closed ended company established for the sole purpose of collective investment (and any such cell of such company) which is incorporated under these Regulations,

"limited liability partnership" means a partnership incorporated under the Limited Liability Partnership Regulations 2015 or under the law of a country, jurisdiction or territory outside the Abu Dhabi Global Market,

"market purchase" has the meaning given to it in section 632(4) of these Regulations,

"partnership" means any partnership, including a partnership constituted under the law of a country, jurisdiction or territory outside the Abu Dhabi Global Market, but not including a limited liability partnership, and

"protected cell company" means a company to which section 1047(2) of these Regulations applies.

Part 37

GENERAL SUPPLEMENTARY PROVISIONS

Resolutions

1068. Resolutions and subordinate legislation

(1) The Board shall have a general power to make rules amending any of the provisions of these Regulations by adding, altering or repealing provisions.

(2) The Board may make rules, containing such terms and conditions as the Board may in its discretion specify, delegating to the Registrar or the Financial Services Regulator any power that the Board has under any Part of these Regulations to make or issue any rules or other subordinate legislation.

(3) Any power or powers delegated by the Board under subsection (2) shall be exercised by the Registrar or the Financial Services Regulator by means of subordinate legislation made or issued by the Registrar or Financial Services Regulator (as the case may be).

(4) Any subordinate legislation made or issued by the Registrar or the Financial Services Regulator (as the case may be) under subsection (3) shall have the same force and effect as if it were and shall otherwise be treated under these Regulations as being rules made by the Board.

(5) Subordinate legislation under these Regulations may-

(a) make different provision for different cases or circumstances,

(b) include supplementary, incidental and consequential provision,

(c) make transitional provision and savings, and

(d) revoke or amend any rules or other subordinate legislation, provided that, unless the Board specifies otherwise in accordance with section 1069(2), only the Board may revoke or amend by rules any previous rules or any other subordinate legislation made or issued by the Board.

Consequential and transitional provisions

1069. Power to make consequential amendments and provide relief[241]

(1) The Board may make rules which make provision for the amendment, repeal or revocation of any provision of these Regulations or of any subordinate legislation made under these Regulations as it considers necessary or expedient in consequence of any provision made by or under these Regulations.

[241] Amended on 9 July 2020