EXTRAORDINARY

OFFICIAL GAZETTE
THE BAHAMAS
PUBLISHED BY AUTHORITY

NASSAU | 31st March, 2025 | (A)

COMPANIES (AMENDMENT) ACT, 2025

Arrangement of Sections

Section

1. Short title and commencement....2
2. Repeal and replacement of section 31 of the principal Act....2
3. Amendment of section 111 of the principal Act. 3
4. Amendment of section 151 of the principal Act....3
5. Amendment of section 228 of the principal Act....4
6. Amendment of section 242 of the principal Act....4
7. Amendment of section 254 of the principal Act....4

No. 7 of 2025

COMPANIES (AMENDMENT) ACT, 2025

AN ACT TO AMEND THE COMPANIES ACT

[Date of Assent - 31st March, 2025]

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

(1) This Act, which amends the Companies Act (*Ch. 308*), shall be cited as the Companies (Amendment) Act, 2025.

(2) This Act shall come into operation on the date the Minister appoints, by notice published in the *Gazette*.

2. Repeal and replacement of section 31 of the principal Act.

Section 31 of the principal Act is repealed and replaced as follows —

"**31. Prohibited loans.**

(1) When circumstances prejudicial to the company exist, the company or any company to which it is affiliated shall not, except as permitted by section 30, directly or indirectly give financial assistance, by means of a loan, guarantee or otherwise —

(a) to a member, director, officer, or employee of the company or affiliated company, or to an associate of any such person for any purpose; or

(b) to any person for the purpose of, or in connection with, a purchase of a share issued or to be issued by the company or a company with which it is affiliated.

(2) Circumstances prejudicial to the company exist in respect of financial assistance referred to in subsection (1), when there are reasonable grounds for believing that —

(a) the company is unable or would, after giving the financial assistance, be unable to pay its liabilities as they become due; or

(b) the realizable value of the company's assets, excluding the amount of any financial assistance in the form of-

(i) a loan;

(ii) assets pledged or encumbered to secure a guarantee; or

(iii) a security interest,

would, after giving the financial assistance, be less than the aggregate of the company's liabilities and issued share capital of all classes.".

3. Amendment of section 111 of the principal Act.

Section 111 of the principal Act is amended by the deletion of subsection (1) and the substitution of the following —

"(1) Unless the articles or any unanimous shareholder agreement relating to the company otherwise provides, the articles are presumed to provide that the directors of the company may, on behalf of the company, without authorization of the members —

(a) borrow money upon the credit of the company;

(b) issue, re-issue, sell or pledge debentures of the company;

(c) give a guarantee to secure performance of an obligation of any person; and

(d) mortgage, charge, pledge, or otherwise create a security interest to secure any obligation in all or any property of the company owned or subsequently acquired by the company.".

4. Amendment of section 151 of the principal Act.

Section 151 of the principal Act is amended by the deletion of subsection (1) and the substitution of the following —

"(1) (1) The statement as to the affairs of a company required by section 150 to be submitted to the receiver or successor shall show, as at the date of the receiver's appointment —

(a) the particulars of the company's assets, debts and liabilities;

(b) the particulars of any security interests created against the company;

(c) the names, addresses and occupations of the company's creditors;

(d) the security interests held by the company's creditors respectively;

(e) the dates when the security interests were respectively created; and

(f) such further information as may required by the receiver.".

5. Amendment of section 228 of the principal Act.

Section 228 of the principal Act is amended in paragraph (f) of subsection (1)—

(a) by the insertion, immediately after the word "pledged" of the words ", create a security interest in"; and

(b) by the insertion, immediately after the word "pledging" of the words "creation of the security interest".

6. Amendment of section 242 of the principal Act.

Section 242 of the principal Act is amended in subsection (1), by the deletion of the word "disposition" and its definition and by the substitution of the following —

""**disposition"** means every form of conveyance, transfer, assignment, lease, mortgage, pledge, creation of a security interest or other transaction by which any legal or equitable interest in property is created, transferred or extinguished;".

7. Amendment of section 254 of the principal Act.

Section 254 of the principal Act is amended by the deletion of subsection (3) and the substitution of the following —

"(3) An ancillary order shall not affect the right of a secured creditor to take possession of and realize or otherwise deal with property of the debtor over which the creditor has a security interest.".