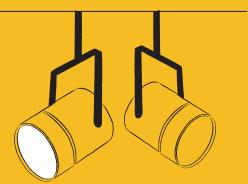
BEDELLCRISTIN.COM LEGAL SERVICES

# Spotlight

## **Duties of a Guernsey Company director**



Guernsey companies are used in a wide variety of ways for international investment and wealth structuring – but whatever the company was formed to do, its directors owe certain duties to it.

The customary law of Guernsey essentially imports the English common law relating to directors' duties as it stood prior to the incorporation of the common law duties into the UK Companies Act 2006.

The Companies Law provides that, if in proceedings for breach of duty it appears that a director is or may be liable but that he acted honestly and reasonably, and having regard to all the circumstances of the case, he ought fairly to be excused, the Court may relieve the director, either wholly or in part, from liability on such terms and conditions as it thinks fit.

### **DUTIES EFFECTIVELY MIRROR ENGLISH LAW**











Act bona fide in the best interests of the company

Act for proper purposes

Exercise independent judgment

Avoid conflicts of interest

Exercise reasonable skill and care

#### KEY FEATURES OF THE REGIME



Duties are owed to the company, not to its shareholders



Conflicts of interest must be declared to the board, subject to certain exceptions



The reasonably expected level of diligence and skill is informed by a director's role, skills, remuneration and the size and nature of the business



Duties can be owed by individuals not called "directors"



Breaches of duties may lead to damages or compensation orders, injunctions or declarations, and recissions of contracts

### Team



JON BARCLAY
Partner | Guernsey
jon.barclay@bedellcristin.com
+44 (0)1481 812818



ALASDAIR DAVIDSON
Partner | Guernsey | BVI
alasdair.davidson@bedellcristin.com
+44 (0)1481 812819



JOHN SCANLAN
Partner | Guernsey
john.scanlan@bedellcristin.com
+44 (0)1481 812803

The information contained in this document is intended to provide a brief update in relation to the topics covered. The information and opinions expressed do not purport to be definitive or comprehensive and are not intended to provide legal advice and should not be acted or relied upon as doing so. Professional advice appropriate to the specific situation should always be obtained. No responsibility or liability is accepted in connection with the content of any websites to which you may gain access from this briefing.