

IN THE HIGH COURT OF BELIZE, A.D. 2023

CLAIM No. 793 of 2021

BETWEEN

PETER DAVID ECCLESTON

CLAIMANT

AND

**THE REGISTRAR OF INTERNATIONAL
BUSINESS COMPANIES**

DEFENDANT

ORDER OF THE HONOURABLE MADAM JUSTICE PATRICIA FARNESE

HEARING DATE:

14th February, 2023

APPEARANCES

Ms. Priscilla J. Banner, Counsel for the Claimant.

Ms. Kimberly Wallace, Counsel for the Defendant.

**REASONS FOLLOWING ORAL JUDGMENT GRANTING ORDERS TO RESTORE
CLAIMANT TO THE REGISTRAR AND APPOINT LIQUIDATOR**

Introduction:

[1] Mr. Eccleston is the sole shareholder by virtue of bearer shares, and ultimate beneficial owner, director, and creditor of the International Business Company, Deanside Administration SA (Deanside). Deanside is dissolved and has been struck from the Register of International Business

Companies. Since being struck, Mr. Eccleston has discovered that Deanside holds Title to Property in the United Kingdom. Having been dissolved, Deanside cannot deal with the Property.

[2] When the Claim was filed, the Parties were not clear how best to proceed. The Claimant presented two options – proceed as creditor or as a shareholder. The former would allow Deanside to temporarily be restored to the Registry, pursuant to Sections 108 (4), 109, 110 of the *International Business Companies Act*, for the sole purpose of appointing a liquidator. The Defendant indicated at the first hearing on this matter that it would not oppose this approach although both parties recognized that there is conflicting case law within the jurisdiction regarding the Court’s ability to appoint a liquidator after a company has been struck from the Registry.

[3] The second approach, however, also posed challenges because Belize no longer recognizes bearer shares. Those who held interests in International Business Companies by virtue of bearer shares were required to convert those shares to standard shares. Failure to convert shares resulted in companies being struck from the Registry. As a result, Mr. Eccleston’s shares are no longer recognized in Belize.

[4] I adjourned the hearing to decide how best to proceed but indicated that if I decided to appoint a liquidator, I would contact Counsel and have a consent order drafted. The Parties agreed that if a liquidator was appointed, the Claim as shareholder would be withdrawn.

[5] When oral judgment was granted, Counsel for the Defendant asked that I rule on the issue of whether a shareholder by virtue of bearer shares could request that a company be restored to the Register. She justified this request on the basis that this issue is likely to arise again, and the Registrar would benefit from the Court’s direction. I declined to rule on the issue.

[6] The principal reason for declining to rule arises from the fact that having decided to proceed by way of appointing a liquidator, the Claimant had withdrawn his claim as shareholder. That issue, therefore, was no longer a live issue before the Court. I was mindful of the concern, raised by the Defendant, that Belize faces international scrutiny for how it regulates International Business Corporations. Perceptions of the adequacy and transparency of the regulatory framework for International Business Corporations may have an impact on Belize’s ability to access credit

and investment. Counsel argued that this scrutiny highlights the need for the Court to give direction to the Registrar. I, however, reached the opposite conclusion. A decision in the absence of a live issue risks unforeseen consequences.

DATED the 24th day of February, 2023.

Patricia Farnese
Justice of the Supreme Court of Belize