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1966, No. 105

An Act to amend the Companies Act 1955

[*20 October 1966*

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. Short Title and commencement—(1) This Act may be cited as the Companies Amendment Act 1966, and shall be read together with and deemed part of the Companies Act 1955 (hereinafter referred to as the principal Act).

(2) This Act shall come into force on the first day of January, nineteen hundred and sixty-seven.

2. Matters to be stated in prospectus—(1) Section 48 of the principal Act is hereby amended by repealing subsection (3), and substituting the following subsection:

"(3) It shall not be lawful to issue to any person any form of application for shares in or debentures of a company unless the form is issued with a prospectus whose date of publication is a date within the period of six months immediately preceding the date on which the form of application was issued to him, and the prospectus complies with the requirements of this section:

"Provided that this subsection shall not apply if it is shown that the form of application was issued either—

"(a) In connection with a bona fide invitation to a person to enter into an underwriting agreement with respect to the shares or debentures; or

"(b) In relation to shares or debentures which were not offered to the public."

(2) The said section 48 is hereby further amended by repealing subsection (6), and substituting the following subsections:

"(6) This section shall not apply to—

"(a) The issue to any existing member of a company of a prospectus or form of application relating to shares in the company of the same class as any shares already held by the member; or

"(b) The issue to any existing debenture holder of a company of a prospectus or form of application relating to debentures of the company of the same class as any debentures already held by the debenture holder; or

"(c) The issue to any existing debenture holder of a company of a prospectus or form of application relating to any class of shares in the company, pursuant to any provision of a trust deed relating to the debentures whereby shares of that class shall be offered to the debenture holders if offered to members of the company—

whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons; but, subject as aforesaid, this section shall apply to a prospectus or a form of application whether issued on or with reference to the formation of a company or subsequently.

"(6A) This section shall not apply to the issue by a company for the time being authorised by the Reserve Bank of New Zealand to receive money on deposit as a short-term money market dealer of a prospectus or form of application relating to deposits with or loans to the company."

3. Invitation to deposit money with or lend money to company—(1) The principal Act is hereby amended by repealing section 48A (as inserted by section 2 of the Companies Amendment Act 1960), and substituting the following section:

"48A. (1) In this section, unless the context otherwise requires,—

" 'Advertisement' includes any notice, circular, or other document:

" 'Issued', in relation to any invitation or advertisement, includes published, circulated, or distributed.

"(2) Where any invitation is issued to the public to deposit money with or lend money to any company—

"(a) The invitation shall, in whatever form it is issued, be deemed for the purposes of this Act to be an invitation to subscribe for debentures of the company; and

"(b) Any advertisement by which the invitation is made, in whatever manner it is published or disseminated, shall, except as otherwise provided by subsection (1) of section 48B of this Act, be deemed for the purposes of this Act to be a prospectus issued by the company inviting persons to subscribe for debentures of the company—

and all the provisions of this Act and all other enactments and rules of law as to debentures, and as to the contents of prospectuses and liability in respect of statements in and omissions from prospectuses or otherwise relating to prospectuses, shall apply and have effect accordingly, so far as they are applicable.

"(3) In every prospectus by which any such invitation is made there shall be included—

"(a) A statement that neither the repayment of the amounts of the deposits or loans nor the payment of interest thereon is guaranteed by the trustee for the debenture holders:

"(b) A statement as to the amount of subscriptions that are being sought:

"(c) A statement as to whether or not the company reserves the right to accept or retain over-subscriptions and, if it does, the limit, if any, on the right so reserved expressed as a sum of money.

"(4) Where any such invitation or advertisement is issued, and the deposits or loans to which it relates are not to be secured by a charge or charges on the company's undertaking or on any of the company's assets, any statement in the

invitation or advertisement relating to documents to be issued evidencing such deposits or loans shall refer to those documents as unsecured deposit notes or unsecured notes, or by some other description that includes the word 'unsecured', and shall not—

"(a) Refer to the documents as debentures; or

"(b) Refer to them by any description that includes the word 'registered'.

"(5) In any invitation or advertisement to which this section applies, no statement relating to documents to be issued evidencing deposits or loans shall refer to those documents as mortgage debentures or registered mortgage debentures unless—

"(a) The repayment of all money deposited with or lent to the company in response to the invitation or advertisement is secured by a first mortgage given to the trustee for the debenture holders over land vested in the company; and

"(b) The mortgage has been registered, or is a registrable mortgage that has been lodged for registration, in accordance with the law in force relating to the registration of mortgages of land in the place where the land is situated; and

"(c) The aggregate amount of such money and of all other liabilities, if any, secured by the mortgage and ranking *pari passu* with the liability to repay such money does not exceed sixty percent of the value of the company's interest in the land, as shown in the copy of the valuation included in the prospectus; and

"(d) There is included in the prospectus a copy of a written valuation of the company's interest in the land made not more than six months before the date of the prospectus by a person competent and qualified to make the valuation in the place where the land is situated, being a person who is not an officer or employee of the company or any of its subsidiaries or, where the company is a subsidiary, its holding company or any of the holding company's subsidiaries.

"(6) Subject to subsection (10) of this section, no company shall accept a deposit or loan of money from any person unless—

"(a) The deposit or loan is accompanied by a form of application or offer signed by that person; and

"(b) The form was supplied to him with a prospectus which complies with the requirements of this Act; and

"(c) The date of publication of the prospectus so supplied was a date within the period of six months immediately preceding the date on which the form of application or offer was supplied to him.

"(7) Subject as aforesaid, where any company accepts any deposit or loan of money from any person, and the repayment of the money is not to be secured by a charge on the company's undertaking or on any of the company's assets, the company shall issue to him as evidence thereof a document acknowledging the company's indebtedness in respect of the deposit or loan. The document shall be described on its face as an unsecured deposit note or an unsecured note, or shall bear on its face some other description that includes the word 'unsecured', and shall not—

"(a) Be described in any part of it as a debenture; or

"(b) Bear on any part of it the word 'registered'.

"(8) No document issued by a company evidencing any deposit with or loan to it, being a deposit or loan made in response to an invitation or advertisement to which this section applies, shall be described in any part of it as a mortgage debenture or registered mortgage debenture unless the provisions of paragraphs (a) to (d) of subsection (5) of this section have been complied with.

"(9) For the purposes of this Act,—

"(a) Every offer to deposit money with or to lend money to any company, being an offer made in response to an invitation or advertisement to which this section applies, shall be deemed to be an application for debentures of the company; and

"(b) Without limiting the generality of the definition of the term 'debenture' in subsection (1) of section 2 of this Act, every document issued by a company evidencing any deposit with or loan to it, being a deposit or loan made in response to any such invitation or advertisement as aforesaid, is hereby declared to be a debenture, notwithstanding that the document may not be so described in any part of it; and references in this Act to debenture holders shall be read as including references to the holders of such documents.

"(10) This section shall not apply to—

"(a) Any deposit with or loan to a company for the time being authorised by the Reserve Bank of New

Zealand to receive money on deposit as a short-term money market dealer:

"(b) Any deposit with or loan to any company if it is shown that the deposit or loan was not made in response to an invitation issued to the public, and was not made in response to an advertisement designed to make the public aware of any such invitation or of an opportunity to deposit money with or lend money to the company.

"(11) If any invitation or advertisement or document is issued in contravention of this section, or if any company acts in contravention of or fails to comply in any respect with any of the provisions of this section, the company and every person who is knowingly a party to the contravention or non-compliance shall be liable to a fine not exceeding five hundred pounds."

(2) Section 2 of the Companies Amendment Act 1960 is hereby consequentially repealed.

4. Certain advertisements deemed to be prospectuses—The principal Act is hereby amended by inserting, after section 48A (as substituted by section 3 of this Act), the following section:

"48B. (1) For the purposes of this Act, an advertisement (including any notice, circular, or other document) issued by or on behalf of a company, or by or on behalf of a person who is or has been engaged or interested in the formation of a company, offering or calling attention to an offer or intended offer of shares in or debentures of the company or proposed company to the public for subscription or purchase shall not be deemed to be a prospectus if it contains no information or matter other than any or all of the following matters, namely:

"(a) The number and description of the shares or debentures offered or intended to be offered, the terms of the offer, and a brief description of any rights or privileges attached thereto:

"(b) The name or proposed name of the company and, in the case of a registered company, the date of its registration and the amount of its paid up share capital:

"(c) A statement of the general nature of the main business or proposed main business of the company:

"(d) The names, addresses, and occupations of—

"(i) The directors or proposed directors:

"(ii) The brokers or underwriters to the issue:

"(iii) In the case of debentures, the trustee for the debenture holders:

"(e) Particulars of the opening and closing dates of the offer:

"(f) A coupon or coupons, to be filled in by any person who wishes to be sent a prospectus—

and if it states that applications for shares or debentures will proceed only on one of the forms of application referred to in and issued with a printed copy of the prospectus and also specifies the place at which forms of application and copies of the prospectus may be obtained.

"(2) Without limiting any of the provisions of section 48A of this Act, every such advertisement as aforesaid that does not conform to the requirements of subsection (1) of this section shall be deemed for the purposes of this Act to be a prospectus, and all the provisions of this Act and all other enactments and rules of law as to the contents of prospectuses and as to liability in respect of statements in and omissions from prospectuses, or otherwise relating to prospectuses, shall apply and have effect accordingly.

"(3) No statement that, or to the effect that, the advertisement is not a prospectus shall affect the operation of this section.

"(4) This section shall apply to advertisements published or disseminated by newspaper, broadcasting, television, cinematograph, or any other means whatsoever.

"(5) If an advertisement that is deemed to be a prospectus by virtue of subsection (2) of this section does not conform to the requirements of this Act as to prospectuses, the company by which or on whose behalf the advertisement was published or disseminated, and every officer of the company who knowingly and wilfully authorised or permitted the publication or dissemination, or, in the case of a proposed company, every person, being a promoter of the company, who authorised or permitted the publication or dissemination, shall be liable to a fine not exceeding five hundred pounds.

"(6) For the purposes of subsection (5) of this section, the term 'promoter' does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company.

"(7) Nothing in this section shall limit or affect any liability that any person may incur under any rule of law or under any other provision of this Act."

5. New sections inserted—The principal Act is hereby further amended by inserting, after section 95, the following sections:

"95A. **Trustee for debenture holders**—(1) No company (other than a company for the time being authorised by the Reserve Bank of New Zealand to receive money on deposit as a short-term money market dealer) shall accept a deposit or loan of money from any person in response to an invitation to the public issued, whether before or after the commencement of this section, by or on behalf of the company, or issue or cause to be issued any invitation to any of its debenture holders to renew or vary the terms of any deposit with or loan to the company (in this section and in sections 95B to 95D of this Act referred to as the borrowing company) unless—

"(a) Provision has been made in a deed for the appointment of a trustee for the debenture holders, being a body corporate eligible for appointment as such under subsection (2) of this section; and

"(b) Such a body corporate as aforesaid has accepted appointment as the trustee and has executed the trust deed; and

"(c) The trustee is satisfied that the prospectus relating to the issue does not contain any matter that is inconsistent with the terms and conditions of the deposits or loans or with the terms of the trust deed; and

"(d) The borrowing company has filed a copy of the trust deed with the Registrar.

"(2) No person shall accept appointment as trustee for the purposes of this section except a body corporate of any of the following kinds, namely:

"(a) A trustee corporation within the meaning of the Trustee Act 1936:

"(b) A bank within the meaning of the Banking Act 1908:

"(c) A body corporate carrying on in New Zealand any class of insurance business, being a body corporate, or a body corporate of a specified class, for the time being approved in writing by the Minister for the purposes of this section, either generally or in respect of any particular issue:

"(d) A body corporate approved in writing by the Minister for the purposes of this section, either generally or in respect of a particular issue:

"(e) A company (in this paragraph referred to as the subsidiary) the whole of whose issued shares are

held beneficially by a body corporate or bodies corporate of any of the foregoing kinds (in this paragraph referred to as the holding company), if—

"(i) The holding company is liable for all liabilities incurred or to be incurred by the subsidiary as trustee for the debenture holders; or

"(ii) The holding company has subscribed for and beneficially holds shares in the subsidiary in respect of which shares there is a liability of not less than two hundred thousand pounds (or its equivalent in the currency of the country or state in which the subsidiary is incorporated) which has not been called up and which the subsidiary has resolved by special resolution shall not be capable of being called up except in the event and for the purposes of a winding up of the subsidiary.

"(3) The Minister may at any time, in writing, revoke any approval given by him of any body corporate for the purposes of paragraph (c) or paragraph (d) of subsection (2) of this section; but in any such case the revocation shall not affect any appointment of that body corporate as trustee before the date of the revocation, or the powers, duties, or obligations of the trustee under or by virtue of that appointment.

"(4) Notice of any approval given by the Minister as aforesaid, and of the revocation of any such approval, shall be published in the *Gazette*.

"(5) No body corporate shall accept appointment or act as a trustee in respect of any issue to which this section applies, and no company shall accept any deposit or loan or issue or cause to be issued any invitation to which this section applies, if, under section 3 of the Land and Income Tax Act 1954, the borrowing company and the body corporate are deemed to be under the control of substantially the same persons or to consist of substantially the same shareholders.

"(6) Notwithstanding anything to the contrary in the trust deed, the trustee shall not, without the consent of the Court, be discharged or retire from the trust until another trustee eligible for appointment as such under this section has been appointed to and taken office in accordance with the provisions of the trust deed or of the Trustee Act 1956.

"(7) If any company or person contravenes any provision of this section, the company or person, and every officer of the company who is in default, shall be liable to a fine not exceeding five hundred pounds.

"95B. **Duty of auditors to report to trustee for debenture holders**—(1) Whenever the auditors of the borrowing company furnish to the company or to its members any report, statement of accounts, certificate, or other document that is required by this Act or by the trust deed to be so furnished, they shall forthwith send a copy thereof by post to the trustee for the debenture holders.

"(2) Whenever, in the performance of their duties as auditors, the auditors of the borrowing company become aware of any matter which in their opinion is relevant to the exercise or performance of the powers or duties conferred or imposed on the trustee for the debenture holders by this Act or by the trust deed or by law, they shall, within seven days after becoming aware of the matter, send by post—

"(a) To the borrowing company, a report in writing on the matter; and

"(b) To the trustee, a copy of that report.

"(3) The auditors of the borrowing company shall from time to time, at the request of the trustee for the debenture holders, furnish to the trustee such further information or particulars relating to the borrowing company as are within their knowledge and are in their opinion relevant to the exercise or performance of the powers or duties conferred or imposed on the trustee by this Act or by the trust deed or by law.

"95C. **Right of trustee for debenture holders to obtain information, etc.**—(1) The trustee for the debenture holders shall be entitled to receive all notices of and other communications relating to any general meeting of the borrowing company which any member of that company is entitled to receive.

"(2) Any representative of the trustee, being a person authorised to act for the purposes of this section by resolution of the directors or other governing body of the trustee, shall be entitled to attend any general meeting of the borrowing company, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns the trustee as such or the debenture holders for whom it is trustee.

"(3) The borrowing company shall from time to time—

"(a) At the request in writing of the trustee for the debenture holders, make available for its inspection the whole of the accounting and other records of the borrowing company:

"(b) Give to the trustee such information as it requires with respect to all matters relating to such records:

"(c) At the request in writing of the trustee, or of persons holding not less than one-tenth in nominal value of the issued debentures to which the trust deed relates, summon a meeting of the holders of those debentures for the purpose of considering the accounts and balance sheet of the borrowing company for its last preceding financial year and of giving directions to the trustee in relation to the exercise of its powers.

"(4) Every meeting summoned pursuant to paragraph (c) of subsection (3) of this section shall be summoned by sending by post a notice, specifying the time and place of the meeting, to every holder of such debentures at his last known address not later than fourteen days before the date of the proposed meeting. The meeting shall be held under the chairmanship of a person nominated by the trustee or such other person as may be appointed in that behalf by the debenture holders present at the meeting.

"95D. **Duties of trustee for debenture holders**—(1) The trustee for the debenture holders shall exercise reasonable diligence to ascertain whether or not the borrowing company has committed any breach of the terms of the trust deed or of the terms or conditions of the deposits or loans, and, except where it is satisfied that the breach will not materially prejudice the security (if any) of the debentures or the interests of the debenture holders, shall do all such things as it is empowered to do to cause the borrowing company to remedy any breach of those terms or conditions.

"(2) The trustee for the debenture holders shall exercise reasonable diligence to ascertain whether or not the assets of the borrowing company that are or may be available, whether by way of security or otherwise, are sufficient or likely to be sufficient to discharge the amounts of the debentures as they become due.

"(3) If at any time, after due inquiry, the trustee is of the opinion that such assets as aforesaid are insufficient or likely to be insufficient to discharge the amounts of the debentures as they become due, the trustee, having regard to any other powers or remedies available to it, under the trust deed or any enactment or rule of law, for the protection of the interests of the debenture holders, and to the availability (by way of security or otherwise) of any assets of any body corporate that has guaranteed or agreed to guarantee the repayment of the amounts of the debentures, and to the possible effects on the borrowing company's affairs

of any application to the Court under this subsection, and to all other relevant circumstances, may in its discretion apply to the Court for an order under subsection (4) of this section.

"(4) On any such application the Court in its discretion, after giving the borrowing company an opportunity of being heard, and having regard to the rights of all creditors of the borrowing company, may by order give such directions as the Court thinks necessary to protect the interests of the debenture holders, the members of the borrowing company, or the public, whether by way of staying any action or proceeding by or against the borrowing company, restraining the payment by it of any money to any holders of debentures or to any class of such holders, appointing a receiver of such of its property as constitutes the security (if any) for the debentures, or otherwise.

"(5) The Court may at any time rescind any such order or vary it as the Court thinks fit.

"(6) The trustee's duties and powers under this section shall not limit any duties, obligations, or powers imposed or conferred on it by the trust deed or by the terms and conditions of the deposits or loans or by law.

"(7) Without limiting the generality of section 96 of this Act, that section shall apply to any provision in any trust deed to which section 95A of this Act applies, whether or not security is given for the debentures; and in determining, for the purposes of the application of the said section 96 as aforesaid, the degree of care and diligence required of the trustee regard shall be had to the provisions of this section as well as to the provisions of the trust deed.

"(8) The trustee may rely upon any certificate or report given or statement made by any person who is solicitor to or auditor or officer of the borrowing company, if it has reasonable grounds for believing that the person was competent to give the certificate or report or to make the statement."

6. Application of sections 48A and 95A to 95D of principal Act to overseas companies—(1) The principal Act is hereby further amended by repealing section 410A (as inserted by section 4 of the Companies Amendment Act 1960), and substituting the following section:

"410A. Section 48A of this Act (which was substituted by section 3 of the Companies Amendment Act 1966) and sections 95A to 95D of this Act (which were inserted by section 5 of the Companies Amendment Act 1966) shall apply in respect of every company incorporated outside New Zealand

as if the references in those sections to a company were references to a company incorporated outside New Zealand, and as if the references in those sections to this Act were references to this Part of this Act."

(2) Section 4 of the Companies Amendment Act 1960 is hereby repealed.

7. New sections not to apply to banks or savings bank companies—(1) Section 458 of the principal Act is hereby amended by repealing the proviso to subsection (4) (as added by section 5 of the Companies Amendment Act 1960), and substituting the following proviso:

"Provided that sections 48A and 95A to 95D of this Act (as applied by section 410A of this Act) shall not apply to any bank or any other such company as aforesaid."

(2) Section 24 of the Private Savings Banks Act 1964 is hereby amended by omitting from subsection (2) the words "section 48A (as inserted by section 2 of the Companies Amendment Act 1960)", and substituting the words "section 48A (as substituted by section 3 of the Companies Amendment Act 1966), sections 48B and 95A to 95D (which were inserted by sections 4 and 5 of the Companies Amendment Act 1966)".

(3) Section 5 of the Companies Amendment Act 1960 is hereby repealed.

8. Power to exempt certain companies from sections 48A and 95A to 95D of principal Act—(1) The Minister may from time to time, by notice in the *Gazette*, if he is satisfied that any company carrying on the business of accepting money on deposit from the public complies with, and has undertaken in writing to continue at all times to comply with, the requirements of subsection (2) of this section, exempt the company from the provisions of sections 48A and 95A to 95D of the principal Act (as enacted by sections 3 and 5 of this Act).

(2) The requirements referred to in subsection (1) of this section are that—

(a) The total amount of money for the time being deposited with the company shall not exceed twice the amount of shareholders' funds:

(b) The aggregate amount of money for the time being held by the company in cash or on current account or deposit with or loan to a bank or in liquid funds, together with money for the time being advanced by the company on the security of mortgages of land on which dwellinghouses or residential flats are erected or being erected, shall be not less than

seventy-five percent of the total amount of money for the time being deposited with the company:

(c) The company shall not issue any invitation to the public to subscribe for debentures of or to deposit money with or lend money to it except by means of circulars distributed only to its existing shareholders and existing debenture holders or depositors and to members of the legal and accountancy professions, or by means of advertisements in periodical publications of a technical character solely or mainly intended for circulation among members of the said professions.

(3) It shall be a condition of every such exemption that the company shall, within two months after the end of each financial year of the company, file with the Registrar—

(a) A statutory declaration, made by not less than two of its directors, stating that at all times during that financial year the company has complied with the said requirements; and

(b) A certificate, signed by its auditors, as to the correctness of the statements in the declaration:

Provided that if by reason of special circumstances that could not reasonably have been foreseen by the company it has at any time during that financial year been unable to comply with any one or more of the requirements of paragraphs (a) and (b) of subsection (2) of this section the declaration shall specify what requirements have not been complied with, the nature and extent of the non-compliance, the reasons therefor, and the steps (if any) taken or being taken by the company to ensure that those requirements will be complied with in the financial year in which the declaration is made.

(4) If the declaration and certificate are not filed with the Registrar within the said period of two months the company and every officer of the company who is in default shall be liable to a fine not exceeding five hundred pounds.

(5) The Minister may in his discretion revoke any exemption granted under this section if he is satisfied that the company so exempted has at any time contravened or failed to comply with any of the provisions of subsection (2) or subsection (3) of this section.

(6) For the purposes of this section, the term "bank" has the same meaning as in the Banking Act 1908; and includes the Post Office Savings Bank, a trustee savings bank established under the Trustee Savings Banks Act 1948, and a

private savings bank established under the Private Savings Banks Act 1964.

(7) For the purposes of this section, the expressions "liquid funds" and "shareholders' funds", in relation to a company, shall have the meanings assigned to them by the Minister in the notice of exemption relating to that company; and the Minister may from time to time vary that notice for the purpose of defining or redefining those expressions.

9. Transitional provisions as to trustees for debenture holders—Where at any time before the eighth day of July, nineteen hundred and sixty-six,—

(a) A company has entered into a deed providing for the appointment of a trustee for debenture holders in respect of the acceptance of deposits with or loans to the company; and

(b) At the commencement of this Act there is a trustee for the debenture holders in office under the trust deed—

section 95A of the principal Act (as inserted by section 5 of this Act) shall not apply, until the first day of April, nineteen hundred and sixty-seven, to the acceptance of any deposits or loans contemplated by the terms of the trust deed:

Provided that subsection (6) and (so far as applicable) subsection (7) of the said section 95A, and sections 95B to 95D of the principal Act (as so inserted), shall apply with respect to the trustee for the debenture holders and the company and its auditors from the commencement of this Act.

10. Financial year of holding company and subsidiary—Section 157 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsections:

"(1) Where any holding company or any subsidiary thereof is indebted to any person in respect of any deposit or loan to which section 48A of this Act applies, the holding company's directors shall secure that the financial year of each of its subsidiaries shall coincide with the holding company's own financial year:

"Provided that the Registrar may from time to time, in writing, exempt any holding company from compliance with this subsection, either wholly or in respect of any specified subsidiary or class of subsidiaries and on and subject to such terms and conditions as he thinks fit, and may at any time, in writing, revoke any such exemption or vary any such terms or conditions. While any such exemption continues in force a note stating the fact of the exemption shall be added to

every balance sheet of every subsidiary to which the exemption applies or, as the case may require, every consolidated balance sheet included in the group accounts of the holding company and its subsidiaries.

"(1A) In any other case a holding company's directors shall secure that, except where in their opinion there are good reasons against it, the financial year of each of its subsidiaries shall coincide with the company's own financial year."

11. Register of directors' shareholdings, etc.—Section 195 of the principal Act is hereby amended by repealing subsections (5) and (6), and substituting the following subsection:

"(5) The said register shall, subject to the provisions of this section, be kept at the company's registered office and shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day shall be allowed for inspection) be open to the inspection of—

"(a) Any member or holder of debentures of the company; and

"(b) Any person acting on behalf of the Registrar."

12. Limitation on number of members of partnership—Section 456 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

"(1) Except as provided in subsection (2) of this section, no company, association, or partnership consisting of—

"(a) More than fifty persons in the case of a company, association, or partnership formed for the purpose of carrying on any profession or calling declared by the Governor-General by Order in Council to be a profession or calling that is not customarily carried on by a body corporate; or

"(b) More than twenty-five persons in any other case—

shall be formed for the purpose of carrying on any business that has for its object the acquisition of gain by the company, association, or partnership, or by its individual members, unless it is registered as a company under this Act or is formed in pursuance of some other Act of the General Assembly."

This Act is administered in the Department of Justice.