



ANALYSIS

Title
1. Short Title

2. Grant to shareholder of right to
occupy land or building not a
return of capital

1965, No. 129

An Act to amend the Companies Act 1955

[29 October 1965]

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—This Act may be cited as the Companies Amendment Act (No. 2) 1965, and shall be read together with and deemed part of the Companies Act 1955 (hereinafter referred to as the principal Act).

2. Grant to shareholder of right to occupy land or building not a return of capital—The principal Act is hereby amended by inserting, after section 80, the following section:

“80A. (1) Notwithstanding anything in this Act or in any rule of law, any grant (whether made before or after the commencement of this section) by a company to a shareholder of the right to occupy or use any specified land owned by the company or any specified building or part of a building owned by the company pursuant to a provision in the articles of the company entitling him as the registered holder of specified shares in the company to that occupation or use shall be deemed not to be and never to have been a return of capital by the company to the shareholder.

“(2) It shall be an implied term of every such grant (whether made before or after the commencement of this section), being a grant that, but for the provisions of this section, would have been invalid, that on the winding-up of the company the liquidator or any creditor who has proved in the winding-up may apply to the Court for an order granting to the liquidator leave to forfeit the grant at the expiration of not less than thirty days’ notice thereof to the shareholder, and the Court may grant leave accordingly subject to such conditions as the Court thinks fit.

“(3) The provisions of this section shall apply whether the grant is by way of lease or licence or otherwise, and whether or not the grant is registrable under the Land Transfer Act 1952, and whether or not, in the case of a grant in respect of a building or part of a building, the grant also entitles the shareholder to any right of user of any garage, outbuilding, or other structure, or of any passages, stairways, or other appurtenances, services, or conveniences of any building, or of any land appurtenant to the building or part of a building.”

This Act is administered in the Department of Justice.
