

Hon. Mr. A. L. Smith.

COMPANIES ACT 1882 AMENDMENT.

ANALYSIS.

- Title.
1. Short Title.
2. Promoters' shares.

3. Copy of prospectus to be filed.
4. Transfer of promoters' shares.

A BILL INTITULED

AN ACT to amend "The Companies Act, 1882."

Title.

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

1. The Short Title of this Act is "The Companies Act 1882 Amendment Act, 1899." Short Title.

2. In every prospectus issued for the purpose of inviting subscriptions to the share capital of any company proposed to be registered under "The Companies Act, 1882" (hereinafter referred to as "the principal Act"), there shall be fully set out the names and addresses of all persons, whether provisional directors or otherwise, to whom any shares are allocated, or intended to be allocated, otherwise than upon payment of the full amount represented by such shares, which shares shall be specified and described as "promoters' shares"; and such prospectus shall also set out clearly and fully any special conditions attaching to or connected with the allocation of such promoters' shares. Promoters' shares.

3. A certified copy of any such prospectus shall be delivered to the Registrar prior to the registration of any joint-stock company, and any person who shall apply to the Registrar for the registration of any such company, and shall fail to comply with the provisions of this section, shall be liable to a penalty of Copy of prospectus to be filed.

4. No promoter's share or shares, as defined in section two hereof, shall be capable of being transferred until after the expiration of twelve months from the date of the registration of the company; and if the company be wound up or go into liquidation within such period of twelve months, then no holder or holders of a promoter's share or shares shall be entitled to participate in any distribution of the assets of such company. Transfer of promoters' shares.

Power of Registrar
to strike defunct
companies off
register.

New clause.

4. (1.) When the Registrar of Joint-stock Companies has reasonable cause to believe that a company, whether registered before or after the passing of this Act, is not carrying on business or in operation, he shall send to the company by post a letter inquiring 5 whether the company is carrying on business or in operation.

(2.) If the Registrar does not within one month of sending the letter receive any answer thereto he shall, within fourteen days after the expiration of the month, send to the company by post a registered letter referring to the first letter, and stating that no answer thereto 10 has been received by the Registrar, and that if an answer is not received to the second letter within one month from the date thereof a notice will be published in the *Gazette* with a view to striking the name of the company off the register.

(3.) If the Registrar either receives an answer from the company 15 to the effect that it is not carrying on business or in operation, or does not within one month after sending the second letter receive any answer thereto, the Registrar may publish in the *Gazette*, and send to the company, a notice that, at the expiration of three months from the date of that notice, the name of the company mentioned 20 therein will, unless cause is shown to the contrary, be struck off the register, and the company will be dissolved.

(4.) At the expiration of the time mentioned in the notice the Registrar may, unless cause to the contrary is previously shown by such company, strike the name of such company off the register, 25 and shall publish notice thereof in the *Gazette*, and on the publication in the *Gazette* of such last-mentioned notice the company whose name is so struck off shall be dissolved: Provided that the liability (if any) of every director, managing officer, and member of the company shall continue, and may be enforced as if the company had 30 not been dissolved.

(5.) If any company or member thereof feels aggrieved by the name of such company having been struck off the register in pursuance of this section, such company or member may apply to a Judge of the Supreme Court, and such Judge, if satisfied that the company 35 was at the time of the striking-off carrying on business or in operation, and that it is just so to do, may order the name of the company to be restored to the register, and thereupon the company shall be deemed to have continued in existence as if the name thereof had never been struck off; and the Court may by the order give such 40 directions and make such provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had never been struck off.

(6.) A letter or notice authorised or required for the purposes of this section to be sent to a company may be sent by post addressed 45 to the company at its registered office; or, if no office has been registered, addressed to the care of some director or officer of the company; or, if there be no director or officer of the company whose name and address are known to the Registrar, the letter or notice (in identical form) may be sent to each of the persons who subscribed 50 the memorandum of association, addressed to him at the address mentioned in that memorandum.

[NOTE.—The foregoing provisions are practically identical with those of the Imperial statute—viz., “The Companies Act, 1880,” 43 Vict., chap. 19.]