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This PUBLIC BILL originated in the LEGISLATIVE COUNCIL, and having this day passed as now printed, is transmitted to the HOUSE OF REPRESENTATIVES for its concurrence.

*Legislative Council,
1st September, 1893.*

Hon. Sir P. A. Buckley.

COMPANIES ACTS AMENDMENT.

ANALYSIS.

<p>Title.</p> <p>1. Short Title. Construction of Act.</p> <p>2. Companies may increase capital by issue of preferential shares.</p> <p>3. Liquidator of British company may exercise powers under Part VIII. of said Act.</p> <p>4. Also powers under Imperial Companies' Seals Act.</p> <p>5. Declaration by liquidator as to company to be evidence.</p>	<p>6. Execution of instruments by seal.</p> <p>7. Protection of parties dealing with liquidator.</p> <p>8. Wages and salary to be preferential claims, and to rank equally.</p> <p>9. Liquidator to discharge same upon receipt of sufficient assets.</p> <p>10. Company which has lost or cancelled part of its capital may reinstate the same out of profits.</p>
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A BILL INTITULED

AN ACT to amend the Companies Acts.

Title.

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

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1. The Short Title of this Act is "The Companies Acts Amendment Act, 1893."

Short Title.

It shall, so far as is consistent with the terms thereof, be construed as one with "The Companies Act, 1882" (hereinafter referred to as "the said Act").

Construction of Act.

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2. Any company or corporate body incorporated under "The Companies Act, 1882," or any Act thereby repealed, or under any special Act of the General Assembly of New Zealand, may, though not authorised by its original constitution so to do, by special resolution create and issue preference shares upon such terms as shall be in such resolution mentioned: Provided that the nominal amount of the shares so created shall not exceed a sum equal to the nominal amount of the ordinary shares for the time being issued by the company.

Companies may increase capital by issue of preferential shares.

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3. The liquidator, liquidators, or Official Liquidator of any British company, as defined in Part VIII. of the said Act, now or hereafter being wound up, may exercise all or any of the powers thereby conferred on a company, and the provisions of the said Part VIII. shall apply accordingly.

Liquidator of British company may exercise powers under Part VIII. of said Act.

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4. A liquidator or Official Liquidator of a British company may exercise all or any of the powers conferred on a company by the Imperial Act (27 and 28 Vict., c. 19) known as "The Companies' Seals Act, 1864"; and such liquidator or Official Liquidator shall be deemed to have had, from the passing thereof, authority to exercise all or any of such powers.

Also powers under Imperial Companies' Seals Act.

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Declaration by liquidator as to company to be evidence.

5. In the case of a company incorporated outside the colony being wound up, a declaration in the form provided by an Act of the Imperial Parliament passed in the fifth and sixth years of His late Majesty King William the Fourth, chapter sixty-two (known as "The Statutory Declarations Act, 1835"), indorsed upon or annexed to any instrument appointing or purporting to appoint an attorney or attorneys, made or purported to be made by the liquidator or one of the liquidators, or Official Liquidator, of the company so appointing an attorney or attorneys, to the effect following, that is to say:—

- (1.) That the said company is incorporated in Great Britain or elsewhere under the style mentioned in the instrument ;
- (2.) That the seal thereto affixed is the common seal of the said company ; and
- (3.) That the seal has been so fixed and the instrument executed ;

And the powers and authorities purporting to be conferred by the said instrument upon the person or persons in the said instrument mentioned have been authorised, and that the person making the declaration is a liquidator or Official Liquidator of the company, shall be final and conclusive evidence of the facts set forth therein.

Execution of instruments by seal.

6. A company, whether incorporated within or outside the colony, may execute any deed, contract, or other instrument by affixing thereto the common seal of the company, or the official seal or official seal ; and such seal affixed to any such instrument shall be sufficient proof that the same was affixed under proper authority, and that such instrument is binding on the company whose seal it bears, unless in the case of fraud.

This section shall apply to instruments already executed as well as to those hereafter to be executed.

Protection of parties dealing with liquidator.

7. No person dealing *bonâ fide* with the liquidator or Official Liquidator of a company now or hereafter being wound up, whether within or outside the colony, shall be affected by any invalidity or irregularity in or about the winding-up of such company or the appointment of such liquidator or Official Liquidator.

Wages and salary to be preferential claims, and to rank equally.

8. Sections five and six of "The Companies Act Amendment Act, 1890," are hereby repealed, and the following substituted in lieu thereof:—

In the distribution of the assets of any company being wound up under "The Companies Act, 1882," or any amendment thereof, there shall be paid in priority to other debts,—

- (a.) All wages or salary of any clerk or servant, in respect of services rendered to the company during four months before the commencement of the winding-up, not exceeding fifty pounds ; and
- (b.) All wages of any labourer or workman, in respect of services rendered to the company during two months before the commencement of the winding-up.

The foregoing debts shall rank equally among themselves, and shall be paid in full, unless the assets of the company are insufficient to meet them, in which case they shall abate in equal proportions between themselves.

Companies Acts Amendment.

9. Subject to the retention of such sums as may be necessary for the costs of administration or otherwise, the liquidator or liquidators, or Official Liquidator, shall discharge the foregoing debts forthwith, so far as the assets of the company are and will be sufficient to meet them, as and when such assets come into the hands of such liquidator or liquidators, or Official Liquidator.

Liquidator to discharge same upon receipt of sufficient assets.

10. When a company, in manner provided by the said Act, has cancelled any part of its capital which has been lost, or any capital unrepresented by available assets, the company may from time to time, by special resolution, reinstate the whole or part of such lost capital, or capital unrepresented by available assets cancelled, by appropriating, in such manner as the company thinks fit, any of its profits for the purpose of such reinstatement, so that the capital of the company and the shares therein may be thereby reinstated to the extent provided by the special resolution:

Company which has lost or cancelled part of its capital may reinstate the same out of profits.

15. Provided that by such reinstatement shareholders shall not be liable to any further liability than they would have been liable to if such reinstatement had not been made, and the liability of any shareholder shall not be thereby diminished.