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Hon. Sir Francis Bell.

COMPANIES AMENDMENT.

ANALYSIS.

Title.
1. Short Title.

2. Protection of mortgages secured on uncalled capital. Provisions of principal Act as to reserve capital not applicable to private companies. Retrospective operation of section.

A BILL INTITULED

AN ACT to amend the Companies Act, 1908.

Title.

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

1. This Act may be cited as the Companies Amendment Act, 1919, and shall be read together with and deemed part of the Companies Act, 1908 (hereinafter referred to as the principal Act).

Short Title.

2. (1.) Section thirty-seven of the principal Act is hereby amended by adding the following proviso:—

“ Provided that any mortgage or charge granted or created by a limited company on the whole or any part of its uncalled capital, whether before or after the passing of any such special resolution, shall have the same validity, force, and effect as if no such special resolution had been passed, save that, in the case of a mortgage or charge granted or created after the passing of such special resolution, the right of any person entitled by virtue of such mortgage or charge to require the calling-up of any uncalled capital affected by such special resolution shall be deferred until the event of the company being wound up.”

Protection of mortgages secured on uncalled capital.

(2.) Section thirty-seven of the principal Act shall not apply to private companies.

Provisions of principal Act as to reserve capital not applicable to private companies.

(3.) This section shall be deemed to have been in force as from the commencement of the principal Act.

Retrospective operation of section.

By Authority : MARCUS F. MARKS, Government Printer, Wellington.—1919.