

Hon. W. C. Walker.

MINING COMPANIES ACTS AMENDMENT.

ANALYSIS.

Title.	
1. Short Title.	<i>As to No-Liability Companies.</i>
	5. Provisions as to forfeiture and sale of shares in no-liability companies.
<i>As to Foreign Companies.</i>	6. Directors by whose authority debt incurred liable.
2. Provisions relating to foreign mining companies. Registration of transfers of shares. Colonial registers. Attorney. Entries in or transfers from registers. Fees. Provisions applied. Report or balance-sheet to be filed. Penalty on default.	<i>General Provisions.</i>
3. Repeal.	7. Scrip certificates to be issued in respect of shares and lodged with company before any transfer.
<i>As to Sale of Forfeited Shares in other than No-Liability Companies.</i>	8. Section 32 of principal Act amended.
4. Notice that share forfeited, and when same may be sold by auction.	9. Remuneration of Deputy Official Assignee.
	10. Regulations.

A BILL INTITULED

AN ACT to amend the Law relating to Mining Companies.

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 Mining Companies Acts Amendment Act, 1897," and it shall be read with and form part of "The Mining Companies Act, 1894" (hereinafter called "the principal Act").

Short Title.

2. Every company or corporation duly registered or incorporated elsewhere than in New Zealand and formed for mining purposes within the meaning of the principal Act, or "The Mining Act, 1891," or having such purposes amongst its objects, shall be deemed to be a foreign company within the meaning and for all the purposes of "The Foreign Companies Act, 1884"; and with respect to every such foreign company the following provisions shall apply:—

Provisions relating to foreign mining companies.

(1.) Such company, whilst carrying on in New Zealand any mining operations within the meaning of "The Mining Act, 1891," or any business relating to mining within the meaning of the principal Act, shall at all times make adequate provision for the registration in New Zealand of transfers of its shares, and for the execution and issue in New Zealand of scrip certificates or other documents of title in respect of such shares (hereinafter referred to as "scrip certificates"), and for that purpose,—

Registration of transfers of shares.

No. 5—1.

- Colonial registers. (2.) Shall duly cause to be kept at its registered office in New Zealand a branch register (to be called "the Colonial Register"), wherein shall be entered the name, address, and, if known, the occupation of every shareholder who makes application in writing to be entered therein, as also the numbers and other necessary particulars of the shares to which his application relates; and also 5
- Attorney. (3.) Shall duly appoint and empower an attorney in New Zealand to there register transfers of shares entered in the colonial register, and execute and issue on behalf of the company the scrip certificates in respect of such shares; and also 10
- Entries in or transfers from registers. (4.) May prescribe the mode in which a shareholder shall apply to be entered in the colonial register, or to be removed from the colonial register to the register (if any) kept abroad (hereinafter called "the Foreign Register"), and, generally, from one register to the other: 15
 Provided that it shall not be lawful for any shareholder to be entered on both the colonial and the foreign registers at the same time in respect of the same shares; and also 20
- Fees. (5.) May prescribe reasonable fees (not exceeding *one* shilling) to be paid on each application for entry in the colonial register or removal from one register to another, and a reasonable time (not exceeding four months) to elapse between the application being made and the entry or removal being effected. 25
- Provisions applied. (6.) The provisions of sections forty-three to fifty-two of the principal Act shall apply to every colonial register, and to every shareholder and share entered therein, and to every transfer of any such share. 30
- Report or balance-sheet to be filed. (7.) Every such company shall, within three months after any report or balance-sheet is submitted to any meeting of its shareholders held out of New Zealand, file in its registered office in New Zealand a true copy of such report or balance-sheet, and shall also permit the same to be inspected at all reasonable times by any shareholder in New Zealand without fee. 35
- Penalty on default. (8.) If any default is made in duly complying with any of the provisions of this section, or of "The Foreign Companies Act, 1884," the defaulting company, and every director, attorney, secretary, and manager thereof, are severally liable to a penalty not exceeding *five* pounds for every day during which such default continues; and, in addition thereto, if such default continues for the space of three months, the company shall be incapable thereafter of carrying on business in New Zealand: 45
 Provided that no such attorney shall be punished both under this Act and "The Foreign Companies Act, 1884," in respect of the same offence.
- Repeal. 3. The provisions of the last preceding section hereof are in substitution of those contained in section one hundred and thirty-three of the principal Act, and the latter section is accordingly hereby repealed. 50

As to Sale of Forfeited Shares in other than No-Liability Companies.

4. In lieu of the provisions of the last paragraph of section fifty-seven and the first paragraph of section fifty-nine of the principal Act relating to the sale of forfeited shares, the following provisions shall apply :—

Notice that share forfeited, and when same may be sold by auction.

- 5 (1.) Not later than *seven* days after any share is forfeited, the manager or secretary of the company shall send to the holder thereof notice of such forfeiture, and of the time and place of the intended sale thereof under the provisions of the next succeeding subsection. Such notice shall be sent by registered letter posted to such holder, and addressed to him at his address appearing in the register.
- 10
- 15 (2.) The manager or secretary of the company shall cause every forfeited share to be offered for sale by public auction, without reserve, not earlier than twenty-eight nor more than forty-two days after the forfeiture, and the date and place appointed for such auction shall be advertised by him not less than seven nor more than fourteen days before such date in a newspaper circulating in the locality where the registered office of the company is situated or its mining operations are carried on.
- 20

As to No-Liability Companies.

5. Subsection five of section one hundred and thirty of the principal Act (relating to the forfeiture and sale of shares in no-liability companies) is hereby repealed, and in lieu thereof the following provisions shall apply to every such company :—

Provisions as to forfeiture and sale of shares in no-liability companies.

- 25 (1.) Any share upon which a call remains unpaid at the expiration of fourteen days after the day for its payment shall thereupon be deemed to be absolutely forfeited, without any resolution of the directors or other proceeding.
- 30
- (2.) Every forfeited share shall be offered for sale by public auction at the time, in the manner, and subject to the provisions as to notice, advertisement, and otherwise prescribed by subsections *one* and *two* of section *four* hereof, both of which subsections shall apply :
- 35
- Provided that if at such auction the forfeited share cannot be sold for a sum sufficient to pay the unpaid call, the directors may in their discretion withdraw such share from sale.
- 40
- (3.) Every forfeited share which is so withdrawn from sale, or for which there is no bid, shall be forthwith registered in the name of the company, and until reissued shall be the property of the company.
- 45
- (4.) If such share is sold at auction as aforesaid, the proceeds of sale shall be applied in or towards payment of the unpaid call, and of the expenses of advertising and conducting the sale, and the surplus (if any) shall be paid to the person owning such share at the time of forfeiture upon his delivering up to the company the scrip certificate in respect of such share.
- 50

(5.) If the manager or secretary of the company fails to duly comply with any of the provisions of subsection *two* of this section he is liable to a penalty not exceeding *ten* pounds.

Directors by whose authority debt incurred liable.

6. In every case where a debt is incurred by a no-liability company, the directors by whose authority such debt was incurred shall jointly and severally be personally responsible for the payment thereof: 5

Provided that no director shall be liable under this section in respect of any debt which he proves was incurred without his knowledge, or, if with his knowledge, then without his consent and in spite of his protest made in writing at the time. 10

General Provisions.

Scrip certificates to be issued in respect of shares and lodged with company before any transfer.

7. The following provisions shall apply in the case of every company:— 15

(1.) It shall be the duty of the company within *three* months after the coming into operation of this Act to issue to every shareholder scrip certificates in respect of his shares.

(2.) It shall not be lawful for any company to transfer any shares unless the scrip certificates in respect thereof are lodged in the registered office of the company before the transfer is registered. 20

(3.) No fee shall be payable in respect of any scrip certificate issued originally or pursuant to any transfer.

(4.) If default is made in duly complying with any of the provisions of this section, the defaulting company and every director, secretary, and manager thereof are severally liable to a penalty not exceeding *five* pounds, and in the case of a continuing default to an additional penalty, not exceeding *five* pounds for every day after the first, during which such default continues. 25 30

Section 32 of principal Act amended.

Remuneration of Deputy Official Assignee.

8. Section thirty-two of the principal Act is hereby amended by omitting the word "printed."

9. Notwithstanding anything to the contrary contained in the principal Act, it is hereby declared that in any case where in the winding-up of a company the Liquidator is the Deputy Official Assignee, he shall be entitled to receive out of moneys to be appropriated by Parliament such remuneration as the Governor in Council from time to time directs. 35

Regulations.

10. (1.) The Governor may from time to time make such regulations as he deems necessary for the purpose of giving fuller effect to any of the purposes or provisions of the principal Act or of any amendment thereof (including this Act), and in and by such regulations he may impose any penalty not exceeding *five* pounds in respect of any breach thereof. 40 45

(2.) In and by such regulations the Governor may alter the form of the Fourth Schedule to the principal Act (relating to statements of affairs of companies), and may prescribe special forms of statements to be made in respect of the affairs of foreign companies.

(3.) Every such alteration or special form of statement shall be deemed to be included in the said Fourth Schedule, and the provision of section thirty-six of the principal Act shall apply accordingly. 50