

HOUSE OF REPRESENTATIVES

Supplementary Order Paper

Wednesday, 22 June 1994

COMPANY LAW REFORM (MISCELLANEOUS PROVISIONS) BILL

*Proposed Amendments*

Hon. D. A. M. GRAHAM, in Committee, to move as follows:

*Companies Act 1993*

*Clause 3E:* To omit this clause (lines 22 to 34 on page 4) and substitute the following clause:

**3E. Stock exchange acquisitions not subject to prior notice to shareholders—**(1) Section 65 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsections:

“(2) Within 10 working days after the shares are acquired, the company must send to each stock exchange on which the shares of the company are listed a notice containing the following particulars:

“(a) The class of shares acquired:

“(b) The number of shares acquired:

“(c) The consideration paid or payable for the shares acquired:

“(d) If known to the company, the identity of the seller and, if the seller was not the beneficial owner, the beneficial owner.

“(2A) Within 3 months after the shares are acquired, the company must send to each shareholder a notice containing the particulars referred to in subsection (2) of this section.

“(2B) Acquisitions may be made under subsection (1) of this section by any director or employee of the company who is authorised to do so by the resolution of the board under that subsection.”

(2) Section 65 (3) of the principal Act is hereby amended by inserting, after the expression “subsection (2)”, the expression “or subsection (2A)”.

*Companies Act 1955*

*Clause 44:* To omit the words “principal Act” (line 5 on page 26) and substitute the words “Companies Act 1955”.

*Financial Reporting*

*Clauses 59G and 59H:* To renumber these clauses as clauses 54G and 54H.

*Property Law*

*Clause 57B:* To omit from the proposed new section 92 (1AA) the words “that subsection”, and substitute the words “subsection (1) of this section”.

*New cross-heading and clauses inserted:* To insert, after clause 62B (after line 38 on page 36) the following cross-heading and clauses:

*ANZ Banking Group (New Zealand)*

**62C. Sections to be read with ANZ Banking Group (New Zealand) Act 1979**—This section and the next succeeding section shall be read together with and deemed part of the ANZ Banking Group (New Zealand) Act 1979\* (in that section referred to as the principal Act).

\*1979, No. 1

**62D. Removal of restriction on alteration of memorandum of association**—Section 4 of the principal Act is hereby amended by repealing subsection (2).

*First Schedule.*

The Judicature Act 1908:

To omit the item relating to section 261 (2) (b).

The Life Insurance Act 1908: To insert in the item relating to section 3A (5) (b), before the definition of the term “holding company”, the expression “(b)”.

The Partnership Act 1908: To omit from the item relating to section 4 (2) the expression “1933”, and substitute the expression “1993”.

The Corporations (Investigation and Management) Act 1989: To omit from the items relating to section 50 (2) (a), (b), and (c) the words “To omit” and the word “substitute”, and substitute the words “By omitting” and the word “substituting”.

The Sale of Liquor Act 1989: To insert in the proposed new section 219 (a) (iii), after the expression “section 158”, the expression “(5)”.

The New Zealand Railways Corporation Restructuring Act 1990: To omit from subsections (2) and (3) of the proposed new section 4 the word “Minister”, and substitute the word “Ministers”.

The Energy Companies Act 1992: To omit from the item relating to section 32 the expression “(2A)”, and substitute the expression “(1A)”.

To insert in the item relating to section 39, after the expression “(2)”, the expression “(i)”.

To insert in the proposed new section 39 (2) (i) (ii), after the words “subsections (3) and (4) of”, the words “section 2 of”.

## EXPLANATORY NOTE

This Supplementary Order Paper amends the Company Law Reform (Miscellaneous Provisions) Bill 1994.

The purpose of the new clause 3E is to amend section 65 of the Companies Act 1993 to require notice of share repurchases to be given to stock exchanges on which the shares are listed within 10 working days of purchase and, in addition, to be given to the company’s shareholders within 3 months of purchase. At present, notice must be given to shareholders within 10 working days of purchase and, in practice, could require some companies, where the repurchases take place over any length of time, to send out large numbers of notices to its shareholders.

The amendment to the ANZ Banking Group (New Zealand) Act 1979 removes the restriction contained in section 4 against altering the memorandum of association of ANZ Banking Group (New Zealand) Limited. Section 4 (2) prohibits any alteration to the bank's memorandum except with the consent of the Governor-General by Order in Council.

The remaining amendments are minor technical corrections to the Bill.