

HOUSE OF REPRESENTATIVES

Supplementary Order Paper

Thursday, 8 December 1988

INCOME TAX AMENDMENT BILL (NO. 6)

Proposed Amendments

Hon. T. A. de CLEENE, in Committee, to move the following amendments:

Clause 55, section 394E: To omit from subsection (1) (f) all the words in lines 39 to 41 on page 183, and substitute the following words:

“(f) Except in the case of a company specified in subsection (2A) of this section, the”.

To insert after line 12 on page 185 the following subsection:

“(2A) Subsection (1) (f) of this section shall not apply to—

“(a) Any company any of whose shares are quoted on the official list of the New Zealand Stock Exchange:

“(b) Any statutory producer board (as defined in section 197E of this Act):

“(c) Any wholly-owned subsidiary of a statutory producer board (as so defined):

“(d) Any co-operative company registered under the Co-operative Companies Act 1956, the Co-operative Dairy Companies Act 1949, the Co-operative Freezing Companies Act 1960, or the Co-operative Forestry Companies Act 1978:

“(e) Any private company (as defined in section 2 of the Companies Act 1955) that is included in a specified group (as defined in section 191 (4) of this Act) where shares of any member of the specified group are quoted on the official list of the New Zealand Stock Exchange, and either—

“(i) The company continues throughout the relevant shareholding continuity period to be in a specified group of which the member with the shares so quoted also continues to be a member; or

“(ii) During the relevant shareholding continuity period,—

“(A) The failure to meet the continuity of shareholding requirement was by reason only of the fact that the quoted shares of the other company that was a member of

the specified group had been sold in the ordinary course of trading on the share market; and

“(B) Not more than 10 percent of those shares in that other company had been acquired by any one person (including any nominee of that person as defined in section 7 (1) of this Act) or by any 2 or more persons who are associated persons.

To omit subsection (3) (a) (all the words in lines 30 to 39 on page 185 and lines 1 to 16 on page 186.

Section 394ZH: To omit from subsection (1) (f) all the words in lines 17 to 19 on page 243, and substitute the following words:

“(f) Except in the case of a company specified in subsection (2A) of this section, the”.

To insert after line 29 on page 244 the following subsection:

“(2A) Subsection (1) (f) of this section shall not apply to—

“(a) Any company any of whose shares are quoted on the official list of the New Zealand Stock Exchange:

“(b) Any statutory producer board (as defined in section 197E of this Act):

“(c) Any wholly-owned subsidiary of a statutory producer board (as so defined):

“(d) Any co-operative company registered under the Co-operative Companies Act 1956, the Co-operative Dairy Companies Act 1949, the Co-operative Freezing Companies Act 1960, or the Co-operative Forestry Companies Act 1978:

“(e) Any private company (as defined in section 2 of the Companies Act 1955) that is included in a specified group (as defined in section 191 (4) of this Act) where shares of any member of the specified group are quoted on the official list of the New Zealand Stock Exchange, and either—

“(i) The company continues throughout the relevant shareholding continuity period to be in a specified group of which the member with the shares so quoted also continues to be a member; or

“(ii) During the relevant shareholding continuity period,—

“(A) The failure to meet the continuity of shareholding requirement was by reason only of the fact that the quoted shares of the other company that was a member of the specified group had been sold in the ordinary course of trading on the share market; and

“(B) Not more than 10 percent of those shares in that other company had been acquired by any one person (including any nominee of that person as defined in section 7 (1) of this Act) or by any 2 or more persons who are associated persons.

To omit subsection (3) (a) (all the words in lines 7 to 31 on page 245.

Section 394ZZP: To omit from subsection (3) (d) all the words in lines 31 to 33 on page 266, and substitute the following words:

“(d) Except in the case of a company specified in subsection (2A) of this section”.

To insert after line 41 on page 267 the following subsection:

“(2A) Subsection (3) (d) of this section shall not apply to—

“(a) Any company any of whose shares are quoted on the official list of the New Zealand Stock Exchange:

“(b) Any statutory producer board (as defined in section 197E of this Act):

“(c) Any wholly-owned subsidiary of a statutory producer board (as so defined):

“(d) Any co-operative company registered under the Co-operative Companies Act 1956, the Co-operative Dairy Companies Act 1949, the Co-operative Freezing Companies Act 1960, or the Co-operative Forestry Companies Act 1978:

“(e) Any private company (as defined in section 2 of the Companies Act 1955) that is included in a specified group (as defined in section 191 (4) of this Act) where shares of any member of the specified group are quoted on the official list of the New Zealand Stock Exchange, and either—

“(i) The company continues throughout the relevant shareholding continuity period to be in a specified group of which the member with the shares so quoted also continues to be a member; or

“(ii) During the relevant shareholding continuity period,—

“(A) The failure to meet the continuity of shareholding requirement was by reason only of the fact that the quoted shares of the other company that was a member of the specified group had been sold in the ordinary course of trading on the share market; and

“(B) Not more than 10 percent of those shares in that other company had been acquired by any one person (including any nominee of that person as defined in section 7 (1) of this Act) or by any 2 or more persons who are associated persons.

To omit subsection (5) (a) (all the words in lines 18 to 39 on page 268 and lines 1 to 3 on page 269.

EXPLANATORY NOTE

This Supplementary Order Paper amends *sections 394E, 394ZW, and 394ZZP* of the Bill. The effect of the amendments is to exclude from the 75 percent continuity of shareholding requirement in those sections statutory producer boards, wholly-owned subsidiaries of statutory producer boards, and co-operative companies registered under the various co-operative company Acts.