



THE COMPANIES (PREFERENTIAL PAYMENTS) ORDER 1988

PAUL REEVES, Governor-General

ORDER IN COUNCIL

At Wellington this 6th day of September 1988

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to section 308 (2) of the Companies Act 1955, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

ORDER

1. Title and commencement—(1) This order may be cited as the Companies (Preferential Payments) Order 1988.

(2) This order shall come into force on the 10th day of October 1988.

2. Preferential payments to employees in a winding up—The amount of \$6,000 is hereby prescribed for the purposes of subsection (2) of section 308 of the Companies Act 1955 as the maximum sum to which priority is to be given, in the case of any one employee, under any of paragraphs (a), (b), and (ca) of subsection (1) of that section.

MARIE SHROFF,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the order, but is intended to indicate its general effect.

Section 308 of the Companies Act 1955 specifies the priority to be given in a winding up to payment of certain debts owing in respect of employees' wages and other specified matters.

That section currently provides that the total sum to which priority is to be given in respect of certain of those debts shall not, in the case of any one employee, exceed \$2,000.

This order, which comes into force on 10 October 1988, increases that sum to \$6,000.

The increased sum will not apply, by reason of section 308 (8) of the Companies Act 1955,—

- (a) In the case of a winding up, if the relevant date (e.g. the date of the winding-up order) occurred before 10 October 1988; or
- (b) In the case of a receivership or other similar situation, if the date referred to in section 101 (3) of the Companies Act 1955 (e.g. the date of the appointment of the receiver) occurred before 10 October 1988.

Issued under the authority of the Regulations Act 1936.
Date of notification in *Gazette*: 8 September 1988.
This order is administered in the Department of Justice.