

Reprint
as at 1 July 2021



Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2020

(LI 2020/259)

Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2020: revoked, on the close of 30 June 2021, by clause 5.

Patsy Reddy, Governor-General

Order in Council

At Wellington this 21st day of September 2020

Present:

The Right Hon Jacinda Ardern presiding in Council

This order is made under section 218B(3) of the Contract and Commercial Law Act 2017—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister of Finance and the Minister of Commerce and Consumer Affairs made in accordance with section 218C(1) of that Act.

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Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint. Note 4 at the end of this reprint provides a list of the amendments incorporated.

This order is administered by the Ministry of Business, Innovation, and Employment.

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Order

1 Title

This order is the Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2020.

2 Commencement

This order comes into force on 15 November 2020.

3 Interpretation

In this order,—

Act means the Contract and Commercial Law Act 2017

initial period has the meaning set out in section 218B(6) of the Act.

4 Modification in section 218A(1) applies for further 6 months

The modification in section 218A(1) of the Act applies for a further period of 6 months that starts immediately after the expiry of the initial period.

5 Revocation

This order is revoked on the close of 30 June 2021.

Michael Webster,
Clerk of the Executive Council.

Explanatory note

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

This order, which comes into force on 15 November 2020, relates to section 218A(1) of the Contract and Commercial Law Act 2017 (the **Act**). That section temporarily applies subpart 3 of Part 4 of the Act (relating to the application of legal requirements to electronic transactions) to deeds that create powers of attorney in connection with security interests and that are made during a specified period. That period is due to expire on the close of 15 November 2020. This order extends that period by 6 months, to the close of 15 May 2021.

Note that section 218B(5) of the Act allows for an order to reduce this extension if the Minister of Finance and the Minister of Commerce and Consumer Affairs (the **Ministers**) are satisfied that the modification in section 218A(1) (the **modification**) is no longer necessary or desirable to address the effects of COVID-19 (*see* section 218C(4) of the Act).

The period for which the modification applies cannot be further extended by Order in Council (*see* section 218B(4) of the Act).

Clause 5 revokes this order on the close of 30 June 2021, which is the same date and time that section 218D of the Act repeals section 218A.

Statement of reasons

The Ministers are satisfied that the extension to the application of the modification set out in this order is desirable to address the effects of COVID-19, and is no longer than is reasonably necessary to address those effects, because it guards against the effects of, or a re-escalation to, alert level 3 or 4. If the modification expires, a sudden change in alert level, as happened in August in Auckland, could create a technical legal barrier to businesses getting financial support from lenders. This support could be vital to a business remaining viable during any alert level 3 or 4 period.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 24 September 2020.

Reprints notes

1 *General*

This is a reprint of the Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2020 that incorporates all the amendments to that order as at the date of the last amendment to it.

2 *Legal status*

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

3 *Editorial and format changes*

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

4 *Amendments incorporated in this reprint*

Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2020 (LI 2020/259): clause 5