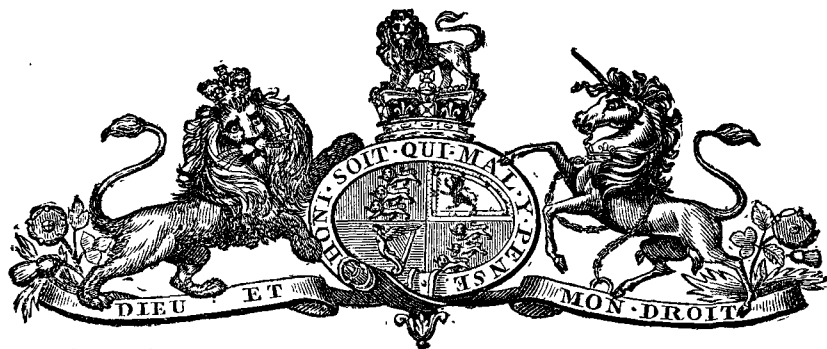


NEW ZEALAND.



ANNO TRICESIMO SECUNDO

VICTORIÆ REGINÆ.

No. XXVII.

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## ANALYSIS.

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| <p>Title.</p> <p>1. Short Title.</p> <p>2. "Joint Stock Companies Act 1860" and this Act to be construed together.</p> <p>3. Interpretation.</p> <p>4. Power of limited Company to reduce its capital.</p> <p>5. Name and style of such reduced Company.</p> <p>6. Reduction to be subject to an order of Court.</p> <p>7. Existing creditors may object to proposed reduction.</p> <p>8. Limitation of time for objections.</p> | <p>9. Procedure in the case of an objecting creditor.</p> <p>10. Registration consequent upon such reduction of capital.</p> <p>11. Liability of members of Company subsequent to reduction of capital.</p> <p>12. Saving of rights of absentee or uninformed creditors.</p> <p>13. Minute and memorandum of association to be embodied together.</p> <p>14. Penalty for concealing the name of any creditor entitled to object.</p> |
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AN ACT to amend "The Joint Stock Companies Act 1860." Title.  
[15th October 1868.]

**B**E 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 shall be "The Companies Act 1868." Short Title.
2. "The Joint Stock Companies Act 1860" is hereinafter referred to as "the principal Act" and the principal Act and "The Joint Stock Companies Amendment Act 1862" and this Act are hereinafter distinguished as and may be cited for all purposes as "The Companies Acts 1860 1862 and 1868" and this Act shall so far as is consistent with the tenor thereof be construed as one with the principal Act and the expression "this Act" in the principal Act and any expression referring to the principal Act which occurs in any Act or other document shall be construed to mean the principal Act as amended by this Act. "Joint Stock Companies Act 1860" and this Act to be construed together.
3. The expression "the Court" shall in this Act mean the Court which has jurisdiction to make an order for winding up the petitioning Company. Interpretation.
4. Any Company limited by shares may by special resolution so far modify the conditions contained in its memorandum of association if authorized so to do by its regulations as originally framed or altered Power of limited Company to reduce its capital.

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by special resolution as to reduce its capital but no such resolution for reducing the capital of any Company shall come into operation until an order of the Court is registered by the Registrar of Joint Stock Companies as is hereinafter mentioned.

Name and style of such reduced Company.

5. The Company shall after the date of the passing of any special resolution for reducing its capital add to its name until such date as the Court may fix the words "and reduced" as the last words in its name and those words shall until such date be deemed to be part of the name of the Company within the meaning of the principal Act.

Reduction to be subject to an order of Court.

6. A Company which has passed a special resolution for reducing its capital may apply to the Court by petition for an order confirming the reduction and on the hearing of the petition the Court if satisfied that with respect to every creditor of the Company who under the provisions of this Act is entitled to object to the reduction either his consent to the reduction has been obtained or his debt or claim has been discharged or has determined or has been secured as hereinafter provided may make an order confirming the reduction on such terms and subject to such conditions as it seems fit.

Existing creditors may object to proposed reduction.

7. Where a Company proposes to reduce its capital every creditor of the Company who at the date fixed by the Court is entitled to any debt or claim which if that date were the commencement of the winding-up of the Company would be admissible in proof against the company shall be entitled to object to the proposed reduction and to be entered in the list of creditors who are so entitled to object.

Limitation of time for objections.

8. The Court shall settle a list of such creditors and for that purpose shall ascertain as far as possible without requiring an application from any creditor the names of such creditors and the nature and amount of their debts or claims and may publish notices fixing a certain day or days within which creditors of the Company who are not entered on the list are to claim to be entered or to be excluded from the right of objecting to the proposed reduction.

Procedure in the case of an objecting creditor.

9. Where a creditor whose name is entered on the list of creditors and whose debt or claim is not discharged or determined does not consent to the proposed reduction the Court may (if it think fit) dispense with such consent on the Company securing the payment of the debt or claim of such creditor by setting apart and appropriating in such manner as the Court may direct a sum of such amount as is hereinafter mentioned—that is to say

- (1.) If the full amount of the debt or claim of the creditor is admitted by the Company or though not admitted is such as the Company are willing to set apart and appropriate then the full amount of the debt or claim shall be set apart and appropriated.
- (2.) If the full amount of the debt or claim of the creditor is not admitted by the Company and is not such as the Company are willing to set apart and appropriate or if the amount is contingent or not ascertained then the Court may (if it think fit) inquire into and adjudicate upon the validity of such debt or claim and the amount for which the Company may be liable in respect thereof in the same manner as if the Company were being wound up by the Court and the amount fixed by the Court on such inquiry and adjudication shall be set apart and appropriated.

Registration consequent upon such reduction of capital.

10. The Registrar of Joint Stock Companies upon the production to him of an order of the Court confirming the reduction of the capital of the Company and the delivery to him of a copy of the order and of a minute (approved by the Court) showing with respect to the capital of the Company as altered by the order the amount of such capital the

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number of shares into which it is to be divided and the amount of each share shall register the order and minute and on the registration the special resolution confirmed by the order so registered shall take effect Notice of such registration shall be published in such manner as the Court may direct The Registrar shall certify under his hand the registration of the order and minute and his certificate shall be conclusive evidence that all the requisitions of this Act with respect to the reduction of capital have been complied with and that the capital of the Company is such as stated in the minute.

**11.** The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of association of the Company and shall be of the same validity and subject to the same alterations as if it had been originally contained in the memorandum of association and subject as in this Act mentioned No member of the Company whether past or present shall be liable in respect of any share to any call or contribution exceeding in amount the difference (if any) between the amount which has been paid on such share and the amount of the share as fixed by the minute.

Liability of members of Company subsequent to reduction of capital.

**12.** If any creditor who is entitled in respect of any debt or claim to object to the reduction of the capital of a Company under this Act is in consequence of his ignorance of the proceedings taken with a view to such reduction or of their nature and effect with respect to his claim not entered on the list of creditors and after such reduction the Company is unable within the meaning of the seventy-first section of the principal Act to pay to the creditor the amount of such debt or claim every person who was a member of the Company at the date of the registration of the order and minute relating to the reduction of the capital of the Company shall be liable to contribute for the payment of such debt or claim an amount not exceeding the amount which he would have been liable to contribute if the Company had commenced to be wound up on the day prior to such registration and on the Company being wound up the Court on the application of such creditor and on proof that he was ignorant of the proceedings taken with a view to the reduction or of their nature and effect with respect to his claim may if it think fit settle a list of such contributories accordingly and make and enforce calls and orders on the contributories settled on such list in the same manner in all respects as if they were ordinary contributories in a winding up but the provisions of this section shall not affect the rights of the contributories of the Company among themselves.

Saving of rights of absentee or uninformed creditors.

**13.** A minute when registered shall be embodied in every copy of the memorandum of association issued after its registration and if any Company makes default in complying with the provisions of this section it shall incur a penalty not exceeding one pound for each copy in respect of which such default is made and every director and manager of the Company who shall knowingly and wilfully authorize or permit such default shall incur the like penalty.

Minute and memorandum of association to be embodied together.

**14.** If any director manager or officer of the Company wilfully conceals the name of any creditor of the Company who is entitled to object to the proposed reduction or wilfully misrepresents the nature or amount of the debt or claim of any creditor of the Company or if any director or manager of the Company aids or abets in or is privy to any such concealment or misrepresentation as aforesaid every such director manager or officer shall be guilty of a misdemeanor.

Penalty for concealing the name of any creditor entitled to object.