

AUSTRALIAN CAPITAL TERRITORY

Regulations under the Companies Ordinance 1962-1972

EXPLANATORY MEMORANDUM

No. 3 of 1972

The purpose of these Regulations is to amend the Companies Regulations of the Australian Capital Territory so as to give effect to the provisions relating to disclosure of substantial shareholdings and takeover provisions in the Companies Ordinance, 1971. The amendments relate mainly to the forms to be used and to procedural requirements.

Disclosure of Substantial Shareholdings

The Ordinance, (in section 6A(9.)) requires that, when ascertaining whether a person has a substantial shareholding in a company, certain shareholdings shall be disregarded. Among others, it requires that where shares are held by a person by reason of his holding a prescribed office or where the interest of a person in those shares is a prescribed interest, then that shareholding, or prescribed interest, is to be disregarded in deciding whether the disclosure required by the Ordinance should be made.

The regulations prescribe for this purpose certain offices, which include the Registrar of Companies, the Registrar of the Supreme Court and other Commonwealth and State functionaries. The interest of the Official Receiver in Bankruptcy is made a prescribed interest. (see Clause 3, regulations 22 and 23).

Takeovers

The takeover provisions of the Ordinance are designed to ensure that takeovers proceed only in accordance with procedures that safeguard the interests of all parties and also to close gaps in the take-over code.

The new code applies to a person seeking to gain control of fifteen per cent or more of the voting power of a company. An invitation to make an offer to sell is to be treated in the same way as an offer to buy.

The regulations provide for the lodging of the documents prescribed in sub-section (2.) of regulation 24A with the Registrar and the Stock Exchange. The forms of notices to be given to the various categories of shareholders by offerors pursuant to the provisions of section 180, and by transferees pursuant to the provisions of section 185 of the Ordinance are prescribed.