

AUSTRALIAN CAPITAL TERRITORY

COMPANIES (REGISTERED SOCIETIES) ORDINANCE 1990

EXPLANATORY STATEMENT

No. 12, 1990

The purpose of the Ordinance is to clarify the application of Commonwealth companies and securities legislation to bodies which convert from co-operative societies to companies under section 38A of the Co-operative Societies Act 1939 (ACT). Section 38A purports to apply the provisions of the Companies Act 1981 to bodies registered as companies under the section, as if they were companies registered under the Companies Act. The terms of section 38A are not, however, entirely clear on the way in which certain provisions of the Companies Act and other laws in force in the Australian Capital Territory apply to a section 38A "company".

The Ordinance will clarify the application of all such laws to bodies converting under section 38A by applying those provisions in the Companies Act which currently apply when foreign companies transfer their incorporation to the ACT. These provisions will result in the full range of laws in force in the Australian Capital Territory being applied to section 38A "companies", thus ensuring that they are regulated under the same regime as other companies.

Details of the sections in the Ordinance are set out in the attachment.

Authorised by the
Attorney-General

ATTACHMENT

Section 1 provides for the citation of the Ordinance.

Section 2 defines the terms used in the Ordinance. The definition of "prescribed time" will have the effect that the laws applied by the Ordinance will apply to a company registered under s.38A from the day when the company was so registered, or from the commencement of the Ordinance, whichever is the later.

Section 3 applies the provisions of sections 87, 88, 90, 91 and 92 of the Companies Act 1981 to societies which have registered under section 38A.

Section 87, as applied, sets out the legal effect of registration, applying the Companies Act to the body and defining its rights and liabilities as a legal entity.

Section 88, as applied, imposes requirements with regard to the constituent documents of the body, in order to ensure that those documents conform with the requirements imposed on bodies registered as companies under the Companies Act.

Section 90 provides for application/non application of certain sections of the Companies' Act in relation to meetings, inter alia.

Section 91, as applied, provides for the establishment of registers and minute books within 14 days of the Ordinance applying to a body registered under s.38A.

Section 92 provides for surrender of share warrants.

Section 4 provides for the imposition of penalties on bodies registered under section 38A as if they were companies duly incorporated under the Companies Act.

Section 5 provides for consequential amendment of the Reserved Laws (Administration) Ordinance 1989.