



CHAPTER 15.

An Act to amend the "Companies Act."

[Assented to 3rd April, 1947.]

R.S.B.C. 1936, c. 42;
 1937, c. 10; 1938, c. 7;
 1943, c. 6; 1944, c. 3;
 1945, c. 13; 1946,
 c. 14.

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

1. This Act may be cited as the "Companies Act Amendment Short title. Act, 1947."

2. Section 38 of the "Companies Act," being chapter 42 of Amends s. 38. the "Revised Statutes of British Columbia, 1936," is amended by striking out subsections (2) and (3).

3. (1.) Section 61 is repealed, and the following is substituted:— Re-enacts s. 61.

"61. (1.) Where a company has heretofore issued or hereafter issues any shares with any special rights attached thereto that may be purchased or redeemed, such shares may be purchased or redeemed on the terms and in the manner provided at the date of issue thereof or as subsequently varied, subject to the following provisions, namely:—

"(a.) No such shares shall be purchased or redeemed except out of the proceeds of a fresh issue of shares or an issue of debentures made wholly or in part for the purposes of the purchase or redemption, or out of moneys of the company that would otherwise be available for the payment of dividends in cash and representing accumulated profits or sums set aside or reserved out of gross earnings for the exhaustion, depletion, or writing-off of terminating or wasting assets; and

“(b.) Where the terms on which such shares are issued provide that the shares shall be purchased or redeemed on or before a certain date, no dividend other than a dividend on such shares shall be paid in any year unless there has been first transferred in each year out of profits to a reserve fund, to be called the ‘capital redemption fund,’ a sum equal to the total amount required to redeem such shares divided by the number of years at the expiration of which the shares must be redeemed; and if in any year the profits are not sufficient for the transfer of such sum, the deficiency shall be made good out of any profits remaining after the transfer of such sum in each succeeding year or years until the capital redemption fund is equal to the total amount required to purchase or redeem such shares:

“(c.) Where any such shares are redeemed or purchased otherwise than out of the proceeds of a fresh issue of shares or an issue of debentures, there shall be transferred to an appropriate account a sum equal to the amount applied in redeeming or purchasing the shares, and sections 62 and 63 shall apply with respect thereto as if it were paid-up capital of the company. Such account shall be so designated in the books of the company as to indicate that it is created pursuant to this section, and the distribution of the sum in that account is restricted as provided by this Act.

“(2.) The capital redemption fund shall be kept separate from the other funds of the company and shall be invested only in securities upon which trustees may by law invest trust-moneys or which are authorized by the terms on which the shares were issued, but the company may appropriate in such way as it thinks fit the income derived from any such investment.

“(3.) A company shall, within fifteen days after it purchases or redeems any shares under this section, file a notice with the Registrar stating that the shares have been purchased or redeemed and the terms of purchase or redemption, and the distinctive numbers of the shares purchased or redeemed.

“(4.) Every company which fails to comply with the requirements of subsections (2) and (3) shall be guilty of an offence against this Act.

“(5.) A redemption of shares under this section shall not be deemed to be a reduction of capital within the meaning of sections 62 and 63, and notwithstanding anything in the memorandum or articles the sanction of the Court shall not be necessary.

"(6.) In the absence of any provision to the contrary in the memorandum or articles the company may, as if the redeemed shares had never been issued, issue the same number of shares as the number redeemed with or without special rights and restrictions as the company may determine, but in the case of shares with a nominal or par value such shares shall have the same nominal or par value as the redeemed shares, unless that value is altered in pursuance of this Act.

"(7.) Subsection (6) shall relate back to and take effect from the first day of June, 1929.

"(8.) A company may by special resolution provide that shares that have been issued as a class with special rights or restrictions but that are not subject to be redeemed or purchased be subject to redemption or purchase if the holders of all such shares consent to the special resolution in writing or by a resolution passed unanimously at a separate meeting of all those holders. This section shall in other respects apply to the redemption or purchase of any such shares."

(2.) The amendment enacted by subsection (1) shall relate back to and shall be deemed to have had effect on, from, and after the eleventh day of April, 1946.

4. Section 69 is amended by striking out all the words after "public company" in the third line of subsection (4). Amends s. 69.

5. Section 84 is amended by striking out subsection (1), and substituting the following:— Amends s. 84.

"(1.) A company may, if so authorized by its articles, cause to be kept, within or outside the Province, one or more branch registers of members."

6. Section 84 is further amended by striking out the words "the register" in the second line of subsection (2), and substituting "each branch register." Further amends s. 84.

7. Section 84 is further amended by striking out subsection (3), and substituting the following:— Further amends s. 84.

"(3.) Each branch register shall:—

"(a.) Be deemed to be part of the company's register of members (hereinafter referred to as the 'principal register'), and entry in a branch register of the matters required to be entered in the principal register shall constitute compliance with the requirements of sections 76 and 77:

"(b.) Be kept in the same manner in which the principal register is required to be kept, except that the advertisement before closing a branch register shall be

inserted in a newspaper circulating in the district wherein such branch register is kept:

“(c.) Be prima facie evidence of any matters by this Act directed or authorized to be inserted therein.”

Further amends s. 84. 8. Section 84 is further amended by striking out the words “the register” in the first line of subsection (4), and substituting “a branch register.”

Further amends s. 84. 9. Section 84 is further amended by striking out the word “the” in the ninth line of subsection (4a), which subsection was inserted in section 84 by section 2 of chapter 10 of the Statutes of 1937, and substituting “such.”

Further amends s. 84. 10. Section 84 is further amended by striking out subsection (5), and substituting the following:—

“(5.) The company may discontinue to keep any branch register, and thereupon all entries in that register shall be transferred to another branch register or to the principal register.”

Further amends s. 84. 11. Section 84 is further amended by striking out the words “a register outside the Province” in the third line of subsection (6), and substituting “branch registers.”

Amends s. 134. 12. Section 134 is amended by striking out the words “the Registrar of the County Court in whose district the chattels are situate or the business to which the book accounts are related is carried on” in the eleventh, twelfth, thirteenth, and fourteenth lines of subsection (4), and substituting “such office of a Registrar of a County Court as is provided by sections 9 and 10 of the ‘Bills of Sale Act’ for the registration of bills of sale in respect of the district or place within which the company carries on the business to which the book accounts are related or the chattels are situate.”

Amends s. 168. 13. Section 168 is amended by adding to subsection (1) the following as clause (d):—

“(d.) A copy of every resolution, whether passed in general meeting or by the directors of a public company, authorizing the borrowing of money from a shareholder or director.”

Amends s. 176. 14. Section 176 is amended by striking out the word “one-twentieth” in the second line of subsection (1), and substituting “one-fifth”; and by striking out after the word “may” in the third line of said subsection (1) the following words: “for good reason, and upon proof that the applicants are not actuated by malicious motives.”

15. Section 206 is amended by inserting after "thereof," in the second line, the words "or any person to whom the company is under any legal obligation." Amends s. 206.

16. Section 241 is amended by striking out the words "the hour of half-past twelve o'clock in the afternoon," and substituting "noon." Amends s. 241.

17. Section 248 is amended by inserting the following as subsections (2), (3), (4), and (5) :— Amends s. 248.

"(2.) No person shall make or procure to be made a list of all or any of the shareholders of a company unless he has filed with the company or its agent an affidavit that the list is required only for purposes connected with the company and will be used for such purposes only, and where the person is a corporation, the affidavit shall be made by the president or other officer authorized by resolution of the board of directors of the corporation.

"(3.) Any person other than a company or its agent who uses a list of all or any of the shareholders of such company for the purpose of delivering or sending to all or any of such shareholders advertising or other printed matter relating to shares, bonds, debentures, or other securities other than the shares, bonds, debentures, or other securities of such company shall be guilty of an offence against this Act.

"(4.) Any person who offers for sale or sells or purchases or otherwise traffics in a list or copy of a list of all or any of the shareholders of any company shall be guilty of an offence against this Act.

"(5.) Subsections (2), (3), and (4) shall not apply to barristers and solicitors, but the Registrar may require proof to his satisfaction that a list of shareholders procured by a barrister or solicitor is not for the purpose of evading this section."

18. Section 248 is further amended by renumbering subsection (2) as subsection (6). Further amends s. 248.

19. The Third Schedule is amended by striking out "10 cents" in the first line of item 23, and substituting "15 cents." Amends Third Sch.

VICTORIA, B.C.:

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