

Company (Minority Buy-Out Rights) Amendment Bill

9 October 2007

Attorney-General

LEGAL ADVICE

CONSISTENCY WITH THE NEW ZEALAND BILL OF RIGHTS ACT 1990: COMPANY (MINORITY BUY-OUT RIGHTS) AMENDMENT BILL

1. We have considered whether the Companies (Minority Buy-out Rights) Amendment Bill ('the Bill') (PCO 8101/8) is consistent with the New Zealand Bill of Rights Act 1990 ('the Bill of Rights Act'). We understand that this Bill is likely to be considered by the Cabinet Legislation Committee at its meeting on 18 October 2007.
2. This Bill amends the Companies Act 1993. The Companies Act 1993 provides a mechanism whereby a minority shareholder may require that the company purchase their shares if the company has passed certain resolutions despite the opposition of the minority shareholder. This Bill proposes to modify the existing procedures, rights and obligations governing a minority buy out situation.
3. We have concluded that the Bill appears to be consistent with the rights and freedoms affirmed by the Bill of Rights Act.

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