



CHAPTER 12.

An Act to amend the "Companies Act."

RSBC 1911, c. 9
1912 c. 3; 1914
c. 10; 1914 c. 12

[6th March, 1915.]

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, 1915."

2 Section 3 of the "Companies Act," being chapter 39 of the "Revised Statutes of British Columbia, 1911," is hereby repealed and the following is substituted therefor:—

"3. This Act is divided into twelve parts, relating to the following subjects:—

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PART.

SECTIONS.

XI.—Companies authorized to register under this

Act 274-289

XII.—Miscellaneous and Supplemental 290-310 "

3. Said chapter 39 is hereby further amended by adding the following as section 27A:—

Cancellation of
certificate.

" 27A. On sufficient cause being shown, and upon such conditions and subject to such provisions as may be deemed proper, the Lieutenant-Governor in Council may revoke and cancel the certificate of incorporation of a company and declare the company to be dissolved."

4. Section 64 of said chapter 39 is hereby repealed, and the following is substituted therefor:—

Reduction of capital
by certain land
companies.

" 64. (1.) Without prejudice to any other power of reducing its share capital conferred by this Act, a company limited by shares and incorporated under this or any former Act of the Province whose principal business is to acquire tracts of land with the object of subdividing the same into lots and selling such lots may reduce its share capital by the declaration and payment of dividends out of the moneys being the net proceeds of the sale of such lots: Provided that —

"(a.) The company shall first establish to the satisfaction of the Registrar that it is a company to which this section applies, and shall file with the Registrar a full and correct account of its liabilities and assets, showing that ample provision has been made to pay and satisfy its debts and liabilities and verified by a statutory declaration made by the secretary and auditor of the company; and

"(b.) A resolution for the declaration and payment of any such dividend shall be passed by the holders of at least two thirds of the paid-up share capital of the company at a general meeting of the company held after an interval of not less than ten days nor more than one month from the filing of the account; and

"(c.) The company shall file with the Registrar within ten days after the passing of the resolution a copy thereof certified by the secretary under its common seal.

"(2.) The Registrar shall register the account and resolution and shall issue a certificate under his seal of office that such dividend may be paid and that the share capital of the company will be thereby reduced, showing the amount of the share capital as altered, the number of shares into which it is divided, the amount of each share, and the amount (if any) deemed to be paid up on each share, and shall at the cost of the company publish a copy of the certificate for four weeks in the Gazette.

"(3.) Upon the issue of the certificate the company may pay the dividend therein mentioned.

"(4.) The certificate issued by the Registrar shall be conclusive evidence that all the requirements of this section have been complied with and that the share capital of the company is such as is stated in the certificate:

"Provided that where a debt or claim in respect of which the company is liable at the date of the account required to be filed under this section is omitted from or not truly stated in such account, and after the reduction of share capital the company is unable to pay the amount thereof,—

"(a.) Every person who was a member of the company at the date of such account shall be liable to contribute for the payment of that 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 before that date; and

"(b.) If the company is wound up, the Court, on the application of any such creditor and proof of such omission or untrue statement, may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding up.

"Nothing in this subsection shall affect the rights of the contributories among themselves.

"(5.) The rights and duties of shareholders and directors as members of the company shall not be affected by reason only of a reduction of share capital under this section."

5. Section 77 of said chapter 39 is hereby amended by adding thereto the following as subsection (7) :—

s. 77 amended
Subsec. (7) added

"(7.) Notwithstanding anything hereinbefore contained, a special resolution may be passed, in the case of a private company, at any general meeting of the company upon a unanimous vote of all the shareholders of the company:

"Provided that all such shareholders shall be present in person or by proxy (where proxies are allowed) and otherwise entitled according to the articles to vote:

"Provided further that the notice specifying the intention to propose the resolution states that in case of an unanimous vote no subsequent general meeting to confirm the resolution will be necessary."

6. Said chapter 39 is hereby further amended by adding the following as section 83A.

"83A. (1.) The register of directors shall at all reasonable times be open to the inspection of any member gratis, and to the inspection

Inspection of register of directors

of any other person on payment of twenty-five cents, or such less sum as the company may prescribe, for each inspection.

"(2.) If inspection of the register is refused, the company shall be liable for each refusal to a fine not exceeding ten dollars, and to a further fine not exceeding ten dollars for every day during which the refusal continues, and every director and manager of the company who knowingly authorizes or permits the refusal shall be liable to the like penalty; and any Judge of the Supreme Court may by order compel an immediate inspection of the register."

Re-enacts subsec.
(2), s. 96.

7. Subsection (2) of section 96 of said chapter 39 is hereby repealed, and the following is substituted therefor:--

"(2.) The Registrar may, on the filing of this statutory declaration, certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled:

"Provided that in case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the Registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him."

8. Subsections (1) and (2) of section 97 of said chapter 39 are hereby repealed, and the following are substituted therefor:

Return as to allotments

"97. (1.) Whenever a company limited by shares makes any allotment of its shares, the company shall within one month thereafter file with the Registrar--

"(a.) A return of the allotments, stating in respect of each share the date of allotment, the number, nominal amount, and kind of share, the name, address, and description of the allottee, the amount paid and the amount (if any) due or payable on each share, and the amount (if any) of commission paid or agreed to be paid under section 98 of this Act; and

"(b.) In the case of shares allotted as fully or partly paid up otherwise than in cash, a return stating the number and nominal amount of such shares, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted, together with any contract in writing constituting the title of the allottee to the allotment, and any contract of sale or for services or other consideration in respect of which that allotment was made, or, where such a contract as above mentioned is not reduced to writing, full and exact particulars of the contract.

"(2.) Where the company has allotted any shares payable in cash and subsequently agrees by such a contract as above mentioned to accept payment otherwise than in cash, the contract or (if the con-

tract is not reduced to writing) full and exact particulars thereof shall be filed with the Registrar within one month from the date thereof."

9. Said chapter 39 is hereby further amended by adding thereto the following as section 100A:—

"100A. (1.) No company shall take or acquire by purchase or otherwise any shares in any other company or corporation unless expressly authorized in each such case by an extraordinary resolution of the company. Purchase of shares in other companies.

"(2.) This section shall not apply to a private company or to a company whose principal business consists in buying, selling, and dealing in shares."

10. Said chapter 39 is hereby further amended by adding thereto the following as section 100B:—

"100B. (1.) No loan shall be made by a company to any share holder or director. Loans to shareholders or directors.

"(2.) This section shall not apply to a private company or to a company which carries on the business of a loan company."

11. Subsection (1) of section 103 of said chapter 39 is hereby repealed, and the following is substituted therefor:—

"103. (1.) If any person obtains an order for the appointment of a receiver or manager of the property of a company, or appoints such a receiver or manager under any powers contained in any instrument, he shall, within seven days from the date of the order or of the appointment under the powers contained in the instrument, file with the Registrar a notice of the fact, and the Registrar shall enter the fact in the register of mortgages and charges." Registration of enforcement of security.

12. Said chapter 39 is hereby further amended by adding thereto the following as section 105A:—

"105A. (1.) Where a mortgage or charge created by a company has been registered pursuant to the 'Land Registry Act' or the 'Bills of Sale Act,' but has not been registered as required by said chapter 39, and after the date thereof the company (a) has created another mortgage or charge affecting the same property or some portion thereof which is duly registered under said chapter, or (b) has commenced to wind up, the Judge may, notwithstanding anything to the contrary in said chapter contained, on the application of the company or any person interested, and after notice to all parties concerned, and on such terms and conditions as seem to the Judge just, order that such first mentioned mortgage or charge be registered under said chapter as of a date prior to any such subsequent mortgage or charge or to the commencement of the winding-up, as the case may be, and that it be deemed to confer Judge may order mortgages or charges to be registered

Court in whose office any order for the winding-up or dissolution of the company or for the appointment of a liquidator of the company is entered or filed shall forthwith notify the Registrar thereof, and shall furnish such other information concerning the proceedings as he may from time to time require."

19. Section 268 of said chapter 39 is hereby amended by adding the following as subsection (7):—

"(7.) If any person or persons carry on or attempt to carry on the business of a company which has been dissolved pursuant to this section, or of an extra-provincial company which is deemed under this section to have ceased to do business in the Province under its licence or certificate of registration, and the name of such company or extra-provincial company has not been restored to the register, that person or those persons shall be liable to a fine not exceeding twenty-five dollars for every day upon which he or they so carry on or attempt to carry on business."

Penalty where business carried on after dissolution of company.

20. Said chapter 39 is hereby further amended by adding thereto the following as section 269A:—

"269A. (1.) All documents purporting to be orders or certificates made or issued by the Registrar for the purposes of this Act, and to be under his hand or sealed with his seal of office, shall be received in evidence and deemed to be such orders or certificates without further proof, unless the contrary is shown."

Proceedings of Registrar.

"(2.) A certificate purporting to be signed by the Provincial Secretary that any order made, certificate issued, or act done is the order, certificate, or act of the Lieutenant-Governor in Council shall be conclusive evidence of the fact so certified."

21. Paragraphs 11 and 12 of Table B in the First Schedule to said chapter 39, as amended by section 32 of chapter 3 of the Statutes of 1912, are hereby repealed, and the following is substituted therefor:—

Fees on registration of mortgages

11. Where the amount of the mortgage or charge or the total amount secured by a series of debentures—	
(a.) Does not exceed \$1,000	\$ 5 00
(b.) Exceeds \$1,000	10 00
Provided that where the mortgage or charge or a trust deed securing an issue of debentures or any debenture also requires registration under the "Land Registry Act" or the "Bills of Sale Act," the fee shall be	1 00

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