



REPUBLIC OF NAURU

CORPORATIONS (AMENDMENT) BILL No. 2 2016

No. 21 of 2016

A Bill for an Act to amend the *Corporations Act 1972*

Certified: []

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Enacted by the Parliament of Nauru as follows:

1 Short title

This Act may be cited as the *Corporations (Amendment) Act No. 2 2016*.

2 Commencement

This Act commences upon certification by the Speaker.

3 Amendment of the *Corporations Act 1972*

The *Corporations Act 1972* is amended by the provisions of this Act.

4 Amendment of section 2 (Interpretation)

The term 'Nauruan corporation' is omitted and substituted with the following:

'Nauruan corporation' means a corporation which does not issue any debenture to which the provisions of section 66 (12) of this Act relate and of which all shares issued are held beneficially by one or more Nauruan citizens and by no other person or persons and are not subject to any options to purchase them;

5 Amendment of section 15 (Registration and incorporation)

Section 15 is amended as follows:

(a) section 15(1) is amended by omitting the numerals '(10) to (23)' and substituting with the following:

'(10) to (12) and (15) to (23)'

(b) repeal of section 15 (13) and section 15 (14);

(c) section 15(15) is amended by omitting the words 'pursuant to subsection (14) has been issued' as they appear throughout the provision.

(d) section 15 (17) is amended by:

(i) repealing section 15 (17) (b); and

(ii) omitting the words 'referred to in paragraph (b) of this subsection' as they appear throughout section 15 (17).

(e) section 15 (20) is amended by omitting the words 'and in subsection (13)' as they appear.

(f) amend section 15 (23) by omitting the words 'notwithstanding the issue of a bearer debenture by the corporation under subsection (13),' as they appear in the subsection.

6 Amendment of section 29 (Restrictions on membership in holding corporations)

Section 29 (1) is amended by omitting the current subsection and substituting with the following:

(1) A holding corporation shall not have more than twenty members, counting joint holders of any one share as one person and excluding the holders of share warrants.

7 Amendment of section 43 (Return as to allotments)

Section 43 (1) (e) is amended by omitting the current provision and substituting with the following:

(e) subject to subsection (2) of this section, in the case of a trading corporation, the full name and the address of each of the allottees and the number and class of shares allotted to him.

8 Amendment of section 44 (Calls and forfeiture)

Section 44(2) is amended by omitting the current subsection and substituting with the following:

(2) A holding corporation may forfeit shares whether fully paid up or not on the happening of a specified event in accordance with the terms of issue of those shares but without releasing the member from present uncalled liability and, if any such shares are not reissued, without releasing him from future uncalled liability.

9 Repeal and substitution of section 45

Section 45 is repealed and substituted with the following:

45 Reserve liability

A corporation may by special resolution determine that any portion of its share capital which has not been already called up is not capable of being called up except in the event and for the purposes of the corporation being wound up, and thereupon that portion of its share capital is not capable of being called up except in the event and for the purposes of the corporation being wound up, but no such resolution must prejudice the rights of any person acquired before the passing of the resolution.