

REPUBLIC OF NAURU
CORPORATIONS (AMENDMENT) BILL 2016

EXPLANATORY MEMORANDUM

The *Corporations (Amendment) Bill 2016* is a Bill for the *Corporations (Amendment) Act 2016*.

EXPLANATION OF CLAUSES

Clause 1 provides that, once enacted, the short title of the Bill will be the *Corporations (Amendment) Act 2016*.

Clause 2 sets out when the Bill's provisions will commence.

Clause 3 is the enabling provision for the amendment of the *Corporations Act 1972*.

Clause 4 makes TWO amendments to section 45. The first is to omit the current subsection (1) and replace with a new subsection that completely prohibits the issuing of bearer shares or share warrants. The second change is to completely omit subsection (2) as it is redundant.

Clause 5 repeals section 47 through to section 50 as they are now redundant sections considering that bearer shares and share warrants are no longer to be issued under the Act.

Clause 6 amends section 66 by repealing subsections (7) to (11) inclusive.

Clause 7 amends section 85 by firstly deleting the words referring to bearer shares and debentures as they are no longer applicable. The new clause reads 'A corporation shall not register a transfer of shares or debentures unless a proper instrument of transfer has been delivered to the corporation, but this subsection shall not prejudice any power to register as a shareholder or debenture holder any person to whom the right to any shares in or debentures of the corporation has been transmitted by operation of law.'

Subsections (4) and (5) are deleted and repealed.

Clause 8 amends section 86 by repealing subsection (7).

Clause 9 amends section 87 by deleting the words 'other than a bearer share or debenture' as they appear.

The clause will now read:

'On the request in writing of the transferor of a share or debenture the corporation shall by notice in writing require the person having the possession, custody or control of the share

certificate or debenture and the instrument of transfer thereof or either of them to bring it or them into the office of the corporation within a stated period, being not less than fourteen and not more than forty-two days after the date of the notice, to have the share certificate or debenture cancelled or ratified and the transfer registered or otherwise dealt with.'

Clause 10 amends Table B of the Second Schedule by omitting language referring to bearer shares and share warrants as they are no longer applicable in Nauru.