COMPANIES (ACQUISITION OF SHARES) AMENDMENT BILL
(NO. 2) 1981

Date Introduced: 30 April 1981
House: House of Representatives
Presented by: Hon. John Moore, M.P., Minister for Business and Consumer Affairs

Short Digest of Bill

Purpose

To amend the Companies (Acquisition of Shares) Act 1980 consequent upon the enactment of the proposed Companies Bill 1981 and also to make various other amendments.

Background

The Companies (Acquisition of Shares) Act 1980 enacts a new take-over code which is part of a national scheme for uniform company and securities industry law. (For background information on the scheme, see Bills Digest on Companies Bill 1981).

Once the Companies Bill 1981 becomes law there are several matters and references in the Companies (Acquisition of Shares) Act 1980 that require amendment since that Act at present relies on the Companies Ordinance 1962 as the basis of company law in the ACT. The Bill makes these required changes.

The Bill also implements several independent amendments.

Main Provisions

Part IV of the Bill enacts the changes which are consequential on the enactment of the proposed Companies Act 1981. These amendments replace references to the "Companies Ordinance 1962" with references to the "Companies Act 1981" and make other minor changes to parts of the Companies (Acquisition of Shares) Act 1980 which are affected by the new company law provisions. This Part of the Bill will come into operation on the same day that the proposed Companies Act 1981 comes into operation (clause 2).
Part II of the Bill makes various technical changes to the Companies (Acquisition of Shares) Act 1980. This Part of the Bill is to come into operation on a date to be fixed by proclamation (clause 2). The areas affected include provisions dealing with Part A, B, C, and D statements where additional information will now be required (clause 9). The types of commercial relationships which are excluded from being "associated persons" for the purposes of the Act have been extended (clause 4). Clause 7 of the Bill refines the drafting of the principal Act in relation to conditions prohibited in take-over offers. Clause 8 provides for the regulations to prescribe threshold levels for acquisition in relation to section 39 of the principal Act. At present, the levels are fixed as set out in section 39.

Part III of the Bill relates to crossings. Clause 10 removes paragraph 8(9)(a) of the principal Act so that crossings will be part of the ordinary course of trading on the stock market. As a consequence crossings transactions will not need to comply with the threshold provisions of section 11 of the Act provided that the other requirements of section 13 are complied with. Clause 11 makes a similar amendment to sub-section 17(1) of the principal Act to allow crossings transactions for the purposes of that section.

This Part of the Act will come into operation on a date to be fixed by proclamation (clause 2).

For further information, if required, contact:

12 May 1981

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