

PARLIAMENT OFFICE,  
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Georgetown,  
Guyana.

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The following Bill which was introduced in the National Assembly is published for general information.

*F. A. Narain*  
Clerk of the National Assembly.



**GUYANA**

**BILL No. 4 OF 1999**

**CORPORATIONS (PROVISION FOR CONVERSION INTO  
PUBLIC COMPANIES) BILL 1999**

**ARRANGEMENT OF SECTIONS**

**SECTION**

1. Short title.
2. Interpretation.
3. Conversion of corporations into public companies.
4. Transitional provisions.
5. Power to make regulations.

A BILL  
Intituled

AN ACT to make provision for converting corporations under the Public Corporations Act 1988 into public companies and for matters connected therewith.

Enacted by the Parliament of Guyana:-

A.D. 1999.

Short title.

1. (1) This Act may be cited as the Corporations (Provision for Conversion into Public Companies) Act 1999.

2. In this Act -

Interpretation.

(a) "appointed day," in relation to a corporation, means the day specified by the Minister by order under section 3 (1);

No. 29 of 1991.

(b) "company" and "public company" have the same meanings as in section 2 (1) (b) and (h), respectively, of the Companies Act 1991;

No. 21 of 1988.

(c) "corporation" has the same meaning as in section 2 (d) of the Public Corporations Act 1988;

Conversion of corporations into public companies.

3. (1) With effect from such date as may be specified by the Minister, by order, in relation to any corporation, that corporation shall be deemed to be a public company limited by shares.

(2) The appointed date shall not be earlier than ten days, or such longer period not being more than thirty days, from the date on which the order specifying the day is made by the Minister.

(3) The corporation, in respect of which an order has been made under subsection (1), shall before the appointed day submit to the Registrar of Companies with the articles of incorporation the other documents that are required to be filed by a company under sections 67 (1), 188 (1), and 479 of the Companies Act for the purpose of its incorporation.

(4) The stock and equity interest (if any) in a corporation in relation to which an order has been made under subsection (1) shall, notwithstanding anything in the Companies Act, remain the same as on the date immediately before the appointed day, except any change is effected thereto pursuant to this Act. the

Companies Act or the articles of incorporation of the company.

- (5) Where in respect of any corporation an order has been made under subsection (1), from the appointed day the word "incorporated" or the abbreviation "inc." shall be part of its name and -
- (a) the Public Corporations Act shall cease to apply to that corporation, except for section 8 of that Act or any other provision thereof that may be utilized to facilitate the operation of this Act; and No 21 of 1988.
- (b) all the persons who were directors of the corporation immediately before such date shall cease to be directors.
- (6) Notwithstanding anything in the Companies Act or the articles of incorporation of the company, the Minister may issue or transfer shares in the company to the State or a person, and, in the case of an issuance of shares, a memorandum from the Minister to the Registrar of Companies regarding the consideration for the shares shall be accepted by the Registrar as valid; and the directors of the company shall accept the issuance or transfer of the shares and register the same in the books of the company.
- (7) Subject to the other provisions of this Act and notwithstanding the incorporation of a corporation as a public company, for all purposes including for the purposes of assets and liabilities, licences granted, contracts entered into prior to the date on which it is so incorporated and subsisting on that date, continuation of employment and all other rights and obligations, and the continuation of legal proceedings instituted by or against it and pending on such date, it shall be deemed that the company is the same corporate body as the corporation.
- (8) In respect of a corporation for which an order has been made under subsection (1), nothing effected or authorised by this Act -
- (a) shall be regarded as placing the corporation or the public company into which it has been converted or any

4

other person in breach of contract or confidence or as otherwise making any of them liable for a civil wrong;

- (b) shall be regarded as giving rise to a right for any person to terminate or cancel any contract or arrangement or to accelerate the performance of any obligation;
- (c) shall be regarded as placing the public company or any other person in breach of any enactment or rule of law or contractual provision prohibiting, restricting, or regulating the assignment or transfer of any property or the disclosure of any information;
- (d) shall release any surety wholly or in part from any obligation; or
- (e) shall invalidate or discharge any contract or security.

Transitional provisions

4. (1) The Minister may, after a corporation has been incorporated as a public company pursuant to section 3, at the request of the Directors of the company or after consultation with such Directors, by order, make such provisions, including provisions relating to the assets of the corporation transferred to the public company, as appear to him to be necessary or expedient to facilitate the transition of the corporation to a public company limited by shares under the Companies Act:

Provided that no such order shall be made after the expiry of two years from the date on which the corporation was registered as a public company.

- (2) An order made under subsection (1) shall be subject to negative resolution of the National Assembly.

Power to make regulations

5. The Minister may make regulations to carry out the purposes of this Act.

### EXPLANATORY MEMORANDUM

The Corporations (Conversion into Public Companies) Bill 1999 provides for the regularisation of state-owned enterprises to be governed by the Companies Act 1991. The Bill is modelled closely on the Financial Institutions (Conversion into Public Companies) Act 1996 and other recent legislation reorganising various departments and functions of the Government.

Following preliminary provisions that give the short title and the definitions of terms utilised, section 3 provides for the conversion of any corporation under the Public Corporations Act 1988 into a public company governed by the Companies Act 1991 by Ministerial order. The public company into which the corporation will be converted is required to file articles of incorporation and other documents required by the Companies Act 1991 with the Registrar of Companies. The articles of incorporation and other documents are to be filed before the appointed date referred to in section 3 (2). To the extent that a corporation may have issued share capital prior to the appointed day, that share capital will remain the same until varied by the Minister by an order issued under this Act or in accordance with the Companies Act and the company's articles of incorporation. Section 3 (5) also permits the Minister to issue or transfer shares in the company to the Government or any other person (which would include the Government's designee). In keeping with the entity's new status as a public company, section 3 also provides for the addition of the word "incorporated" or the abbreviation "inc." after the previous name of the corporation, and clarifies that the Public Corporations Act 1988 does not apply to the company (except in certain circumstances). The directors of the corporation shall cease to be directors on the appointed day, after which new directors will be appointed in accordance with the Companies Act 1991 and the new company's articles of incorporation.

Section 4 provides authority for the issuance of additional Ministerial orders, at the request of or after consultation with the board of directors of the company, during the two year period following conversion, to the extent that such orders are necessary or expedient to facilitate the conversion.

Section 5 provides the Minister with the authority to make regulations to carry out the purposes of the Act.

B. Jagdeo  
Minister of Finance