

**PARLIAMENT OFFICE,
Public Buildings,
Georgetown,
Guyana.**

89—06—30.

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

F. A. Narain,
Clerk of the National Assembly



GUYANA

BILL No. 11 of 1989

CORPORATE BODIES (AVOIDANCE OF DELAY IN

DIVESTMENT OF ASSETS) BILL 1989

ARRANGEMENT OF SECTIONS

SECTION

1. Short title.
2. **Interpretation.**
3. Avoidance of delay in divestment of assets of Government **owned or controlled corporate bodies.**
4. Court to order sale or negotiations for sale to proceed.

A BILL

Intituled

AN ACT to provide for the avoidance of delay in the implementation of the policy of divestment of assets of Government owned or controlled corporate bodies.

A.D. 1989 Enacted by the Parliament of Guyana :-

Short title. 1. This Act may be cited as the Corporate Bodies (Avoidance of Delay in Divestment of Assets) Act 1989.

Interpretation,

2. In this Act —

(a) “claim” includes action, motion, complaint or other proceedings;

Cap. 89:01 (b) “company” has the meaning assigned to it by section 2 of the Companies Act;

Act No. 21 of 1988 (c) “corporation” has the meaning assigned to it by section 2(d) of the Public Corporations Act.

Avoidance of delay in divestment of assets of Government owned or controlled corporate bodies.

3.(1) Where the State or any agency on behalf of the State or a corporation holds the majority of the shares in a company carrying voting rights and the State or any agency on behalf of the State or a corporation is selling those shares or is engaged in negotiations for the sale thereof, such sale or such negotiations shall not be held up or delayed on account of any claim brought by any person in a court of law in respect of such shares if the State or agency on behalf of the State or corporation complies with this section (2).

(2) Where such claim is made in respect of such shares the State or agency on behalf of the State or the corporation, as the case may be, shall lodge such sum as the court may deem sufficient to satisfy the judgment inclusive of damages and costs which may be awarded in the event that the claim shall succeed.

(3) Where the State or any agency on behalf of the State or a corporation is selling the assets of such company or is engaged in negotiations for the sale thereof, or where a corporation is selling its assets or is engaged in negotiations for the sale thereof, such sale or such negotiations shall not be held up or delayed on account of any claim brought by any person in a court of law against such company or corporation, if, in respect of a claim brought against the company, the State or agency on

behalf of the State or corporation, or in respect of a claim brought against a corporation, the corporation, complies with subsection (4).

(4) Where such a claim is made against such company, then on behalf of the company, the State or such agency on behalf of the State or corporation, and where the claim is against a corporation, shall lodge such sum as the Court may deem sufficient to satisfy the judgment, inclusive of any damages and costs which may be awarded in the event that the claim shall succeed.

4. Where there is a claim before the court in respect of the sale or negotiations for the sale of —

- (a) the shares of a company under section 3 (1), and there is compliance with section 3(2); or
- (b) the assets of a company or a corporation under section 3(3), and there is compliance with section 3(4),

Court to order sale or negotiations for sale to proceed.

the court shall take all expedient means that accord with justice to facilitate the operation of section 3(1) and (3) by —

- (i) not restraining;
- (ii) declaring that there is no hindrance to,

the sale or negotiations in respect of the sale of the shares of the company or assets of the company or the corporation, and by ordering that such sale or negotiations can proceed notwithstanding the claim before the court, and the court shall proceed with the action relating to such claim, unless the person making the claim withdraws or discontinues such claim.

EXPLANATORY MEMORANDUM

This Bill seeks to provide that a sale of the majority of shares carrying voting rights of a company in which the controlling interests is vested in the State or in any agency on behalf of the State or a corporation or of the assets of a corporation or such company or negotiations in progress relative to such sale shall not be delayed or held up by any claim in a court of law where the State or any agency on behalf of the State or a corporation lodges such sum as the court may deem sufficient to satisfy the judgment, inclusive of damages and costs, which may be awarded in the event that the claim shall succeed.

K. S. Massiah,
Attorney-General
and Minister of Legal Affairs.