

PARLIAMENT OFFICE,
Public Buildings,
Georgetown,
Guyana.

5th December, 1996.

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. 18 of 1996

FINANCIAL INSTITUTIONS (PROVISION FOR CONVERSION INTO PUBLIC COMPANIES) BILL 1996

ARRANGEMENT OF SECTIONS

SECTION

1. Short title.
2. Interpretation.
3. Conversion of financial institution into public company.
4. Transfer of shares held in financial institution
5. Transitional provisions.
6. Power to make regulations.

A Bill

Intituled

AN ACT to make provision for converting financial institutions into public companies and for matters connected therewith.

A. D: 1996 Enacted by the Parliament of Guyana:—

Short title. 1. This Act may be cited as the Financial Institutions
— (Provision for Conversion into Public Companies) Act 1996.

Interpre-
tation.

2. In this Act —

(a) “appointed day”, in relation to a financial institution, means the day specified by the Minister by order under section 3(1);

Cap. 88:01

(b) “co-operative society” means a co-operative society registered under the Co-operative Societies Act;

Cap. 75:01

(c) “financial institution” has the same meaning as in the Co-operative Financial Institutions Act.

Conversion
of financial
institution
into public
company.

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

(2) The appointed day shall not be earlier than thirty days from the date on which the order specifying the day is made by the Minister.

(3) The financial institution, 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 1991 for the purpose of its incorporation.

No. 29 of
1991

(4) Where an aforesaid order has been made in respect of a financial institution the share capital, number of shares and shareholders of the financial institution shall, notwithstanding anything in the Companies Act 1991, remain the same as on the date immediately before the appointed day unless and until any change is effected thereto in accordance with the Companies Act 1991, this Act and the articles of incorporation of the company.

(5) Where in respect of any financial institution 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 Co-operative Financial Institutions Act shall cease to apply to that financial institution; Cap. 75:01
- (b) all the persons who were directors of the financial institution immediately before such date shall cease to be directors of the financial institution; and
- (c) the adaptations, exceptions, modifications and qualifications, specified by order made under section 51 (2) of the Co-operative Financial Institutions Act, in any written law referred to therein, in its application to the financial institution, shall cease to have effect. Cap. 75:01

(6) Subject to the other provisions of this Act, notwithstanding the incorporation of a financial institution as a public company, for all purposes including for the purposes of licences granted, contracts entered into prior to the date on which it is so incorporated and subsisting on that date, and its 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 financial institution.

4. Notwithstanding anything contained in the Co-operative Financial Institutions Act, the Government, or any co-operative society or other body corporate, may transfer any share held by it or by any other person on behalf of it, in any financial institution to any other person (including an individual) and the directors of the financial institution shall accept the transferee of the share and register the transfer of the share in the books of the financial institution:

Transfer of shares held in financial institution.

Provided that any provision contained in any written law, other than the Co-operative Financial Institutions Act, regulating, restricting or prohibiting the transfer of shares in a public company shall apply to the transfer of shares in a financial institution under this subsection in the same manner as that provision applies to the transfer of shares of a public company.

Cap. 75:01

5.(1) The Minister may, after a financial institution has been incorporated as a public company pursuant to section 3, at the

Transitional provisions.

request of the Directors of the company or after consultation with such Directors, by order, make such provisions as appear to him to be necessary or expedient to facilitate the transition of the financial institution, which is subject to the provisions of the Co-operative Financial Institutions Act, to a public company limited by shares subject to the provisions of the Companies Act 1991:

Cap. 75:01
No. 29 of
1991.

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

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

Power to
make regu-
lations.

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

EXPLANATORY MEMORANDUM

The Bill seeks to make provisions to enable the conversion of financial institutions established or continued under the Co-operative Financial Institutions Act, Cap. 75:01, into public companies limited by shares under the Companies Act 1991.

B. Jagdeo,
Senior Minister of Finance.