

DISTRIBUTED BY VERITAS TRUST

**Tel: [263] [4] 794478 Fax & Messages [263] [4] 793592
E-mail: veritas@mango.zw**

**VERITAS MAKES EVERY EFFORT TO ENSURE THE PROVISION OF RELIABLE INFORMATION,
BUT CANNOT TAKE LEGAL RESPONSIBILITY FOR INFORMATION SUPPLIED.**

H.B. 2, 2006

Gazetted Friday 31st March, 2006.

COMPANIES AMENDMENT BILL, 2006

MEMORANDUM

This Bill will amend the Companies Act [*Chapter 24:03*], by making provisions relating to the subscription to shares by minors and corporate bodies, lodging of further particulars by directors and secretaries of companies, replacement of lost or destroyed documents and incidental matters. A clause-by-clause analysis of the Bill is set out below:

Clause 1

Sets out the Bill's short title.

Clauses 2 and 3

These clauses provide that a guardian or director must sign the memorandum of the company or indicate the number of shares taken on behalf of a subscriber who is a minor or is a corporate body, as the case may be.

Clause 4

This clause provides that company directors and the company secretary must provide further identification particulars for inclusion in the register of their directors or secretaries. This is for the protection of the company and shareholders since it has been realised that the existing requirement of simply providing the residential address is inadequate as the address is subject to change.

Clause 5

This clause inserts a new section which provides for the procedure for replacing certain lost or destroyed documents. The purpose is to try to minimise fraudulent claims for the issue of duplicate certificates of incorporation or memoranda and articles of incorporation.

Clause 6

This clause provides for a period of twelve months within which existing companies are required to comply with the new requirements of furnishing to the Registrar further identification particulars concerning their directors and secretaries.

DISTRIBUTED BY VERITAS TRUST

**Tel: [263] [4] 794478 Fax & Messages [263] [4] 793592
E-mail: veritas@mango.zw**

**VERITAS MAKES EVERY EFFORT TO ENSURE THE PROVISION OF RELIABLE INFORMATION,
BUT CANNOT TAKE LEGAL RESPONSIBILITY FOR INFORMATION SUPPLIED.**

BILL

To amend the Companies Act [*Chapter 24:03*].

ENACTED by the President and the Parliament of Zimbabwe.

1 Short title

This Act may be cited as the Companies Amendment Act, 2006.

2 Amendment of section 8 of Cap. 24:03

Section 8 ("Memorandum of company") (3) of the Companies Act [*Chapter 24:03*] (hereinafter called the "principal Act") is amended by the insertion of the following proviso-

"Provided that where the subscriber is-

- (a) a company, association, syndicate or other corporate body, a director of the company or the authorised representative of any other corporate body; or
- (b) a partnership, one of the partners; or
- (c) a minor, the guardian;

as the case may be, shall indicate in their handwriting the number of shares taken."

3 Amendment of section 14 of Cap. 24:03

Section 14 ("Signing of memorandum") of the principal Act is amended by the insertion of the following proviso-

"Provided that where the subscriber is-

- (a) a company, association, syndicate or other corporate body, a director of the company or the authorised representative of any other corporate body; or
- (b) a partnership, one of the partners; or
- (c) a minor, the guardian;

as the case may be, shall sign the memorandum."

4 Amendment of section 187 of Cap. 24:03

Section 187 ("Registration of directors and secretaries") of the principal Act is amended-

- (a) by the insertion of the following subsection before subsection (1)-

"(a1) In this section-

"identity document" means-

- (i) a document issued to a person in terms of section 7(1) or (2) of the National Registration Act [*Chapter 10:17*] or a passport or drivers' licence issued by the Government of Zimbabwe; or
 - (ii) any passport, identity document or driver's licence issued by a foreign government.";
- (b) by the repeal of subsection (2) and the substitution of-
 - (2) The said register shall contain with respect to each director his or her present first name and surname, any former first name and surname, an identification reference number appearing in his or her identity document, his or her full residential or business address and postal address, his or her nationality and particulars of any other directorships held by him or her:

Provided that it shall not be necessary for the register to contain particulars of directorships held by a director in companies of which the company is the wholly owned subsidiary or which are the wholly owned subsidiaries either of the company or another company of which the company is the wholly owned subsidiary, and for the purposes of this proviso the expression "company" shall include any body corporate incorporated in Zimbabwe.";
- (c) in subsection (3) by the repeal of paragraph (a) and the substitution of-
 - "(a) in the case of an individual, his or her present first name and surname, any former first name and surname, an identification reference number appearing in his or her identity document and his or her full residential address or business and postal addresses; and";
- (d) in subsection (12) by the repeal of paragraph (c) and the substitution of-
 - "(c) references to a former first name or surname do not include-
 - (i) in the case of a peer or a person usually known by a British title different from his or her surname, the name by which he or she was known previous to the adoption of or succession to the title; or
 - (ii) in the case of any person, a former first name or surname where the name or surname was changed or disused before the person bearing the name attained the age of eighteen years;
 - (iii) in the case of a married woman, the name or surname by which she was known previous to the marriage.".

5 New section inserted in Cap. 24:03

The principal Act is amended by the insertion after section 357 of the following section-

"357A Replacement of lost or destroyed certificate of incorporation, memorandum or articles of association

(1) Subject to subsection (2), if a certificate of incorporation, memorandum or articles of association of a company has been lost or destroyed, the Registrar shall, on written application by a director or secretary of the company and upon payment of a prescribed fee, issue a certified copy of the certificate, memorandum or articles of association.

(2) Before issuing a certified copy of a certificate of incorporation, or the memorandum or articles of association, the Registrar shall, at the expense of the applicant, publish notice of intention to do so in the *Gazette* and invite any objections to the issue of the same within fourteen days from the date of publication of the notice.

(3) Where there is an objection to the issue of a certified copy of any of the documents referred to in subsection (2), and the Registrar is satisfied that the objection is valid, he or she shall refuse to issue the certified copy concerned."

76 Transitional provision

Every company existing on the date of commencement of this Act shall-

- (a) within three calendar months of such date, amend its register so that it contains all the particulars required by section 187(2) and (3) of the principal Act as amended by this Act; and
- (b) within twelve calendar months of such date, deliver to the Registrar of Companies a return referred to in section 187(4) of the principal Act containing the particulars of its register as amended in accordance with paragraph (a);

and any company that fails to do so shall be deemed to be in contravention of section 187(10) of the principal Act.