



COVERSHEET

Minister	Hon Dr David Clark	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Extending COVID-19 related corporate governance relief for businesses and other legal entities	Date to be published	31 May 2022

List of documents that have been proactively released

Date	Title	Author
31 March 2022	Extending COVID-19 related corporate governance relief for businesses and other legal entities	Office of the Minister of Commerce and Consumer Affairs
4 April 2022	CAB-22-MIN-0108.01 - Extending COVID-19 related Corporate Governance Relief for Businesses and other Legal Entities	Cabinet Office

Information redacted

NO

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Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Extending COVID-19 related Corporate Governance Relief for Businesses and other Legal Entities

Portfolio Commerce and Consumer Affairs

On 4 April 2022, following reference from the Cabinet Legislation Committee, Cabinet:

- 1 **noted** that in November 2021, in response to the uncertainty and challenges arising from the 2021 COVID-19 outbreak, the Government reinstated temporary modifications to legislation to help businesses and other entities continue to function effectively and meet their legal and compliance obligations [CAB-21-MIN-0353];
- 2 **noted** that these corporate governance relief provisions in the COVID-19 Response (Requirements for Entities – Modifications and Exemptions) Act 2020 (“Modifications and Exemptions Act”) and the Contract and Commercial Law Act 2017 (“Contract and Commercial Law Act”) are currently set to expire on 30 April and 2 May 2022 respectively;
- 3 **noted** that this relief can be extended for up to six months by Orders in Council if the Minister of Finance and the Minister of Commerce and Consumer Affairs (the “Joint Ministers”) consider that it is necessary or desirable to do so and the extension period is reasonable for the matters they seek to address;
- 4 **noted** that the Joint Ministers consider that the test for extending Parts 2 and 3 of the Modifications and Exemptions Act until the close of 30 October 2022 has been met and they recommend doing so;
- 5 **noted** that the Joint Ministers consider the test for extending the modification in the Contract and Commercial Law Act until the close of 2 November 2022 has been met and they recommend doing so;
- 6 **noted** that other Ministers whose portfolios are affected by the proposals – the Minister for Māori Crown Relations, the Minister for Māori Development, the Minister of Justice and the Minister of Oceans and Fisheries – have been consulted as required by the legislation and each is supportive of these proposals and the joint decisions;
- 7 **noted** that a waiver of the 28-day rule is sought for the COVID-19 Response (Requirements For Entities—Modifications and Exemptions) (Extension) Order 2022, and the Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2022 (the Orders) because the empowering legislation requires that the Orders come into force before the expiry of the current legislation;
- 8 **noted** that the waiver of 28-day rule is sought on the basis that:

- 8.1 early commencement is needed to avoid the purpose of the regulations being defeated (clause 7.97(d) of the Cabinet Manual)
- 8.2 the Orders will have little or no effect on the public, or will confer only benefits on the public (clause 7.97(a) of the Cabinet Manual);
- 9 **agreed** to a waiver of the 28-day rule;
- 10 **authorised** the submission to the Executive Council of the:
- 10.1 COVID-19 Response (Requirements For Entities—Modifications and Exemptions) (Extension) Order 2022 [PCO 24600/2.0];
- 10.2 Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2022 [PCO 24672/2.0];
- 11 **noted** that the:
- 11.1 COVID-19 Response (Requirements For Entities—Modifications and Exemptions) (Extension) Order 2022 comes into force on 30 April 2022;
- 11.2 Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2022 comes into force on 2 May 2022;
- 12 **noted** that, by authorising submission to the Executive Council of the two Orders, agreement is given to give effect to the decisions of the Joint Ministers to extend the relief in Parts 2 and 3 of the Modifications and Exemptions Act and the modification in the Contract and Commercial Law Act for six months.

Michael Webster
Secretary of the Cabinet

Secretary's Note: This minute replaces LEG-22-MIN-0043. Cabinet agreed to waivers of the 28-day rule.
