



COVERSHEET

Minister	Hon Scott Simpson	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Companies Act 1993 modernisation: further policy decisions	Date to be published	29 April 2025

List of documents that have been proactively released

Date	Title	Author
March 2025	Companies Act 1993 modernisation: further policy decisions	Office of the Minister of Commerce and Consumer Affairs
March 2025	Appendix 1: Additional minor issues to 'modernise, simplify and digitise' the Act	MBIE
26 March 2025	Companies Act 1993 modernisation: further policy decisions ECO-25-MIN-0032 Minute	Cabinet Office
20 February 2025	Regulatory Impact Statement: Companies Act 1993 modernisation – further policy decisions	MBIE

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of confidential advice to Government.



Cabinet Economic Policy Committee

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.

Companies Act 1993 Modernisation: Further Policy Decisions

Portfolio **Commerce and Consumer Affairs**

On 26 March 2025, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that in August 2024, ECO agreed to a package of reforms to New Zealand's corporate governance legislation [ECO-24-MIN-0149];
- 2 **noted** that work has been progressed towards introduction of the legislation and the Minister of Commerce and Consumer Affairs (the Minister) has had further conversations with stakeholders resulting in five additional proposals to amend the Companies Act 1993 (the Act) consistent with the objectives of the original package;
- 3 **agreed** that for matters other than solvency that currently require both a resolution and a subsequent certificate, the matters the Act requires directors to certify are instead included in the original resolution to save time and cost;
- 4 **agreed** that the changes to the thresholds defining a 'large' company or 'large' overseas company (other than to adjust for inflation) can be made through regulations, subject to:
 - 4.1 consultation with the External Reporting Board and persons affected by the adjustments (or their representatives); and
 - 4.2 statutory criteria that capture the need to have regard for the objective of balancing the need for transparency when a company is of a certain size with not wanting to impose unnecessary compliance on private companies;
- 5 **agreed** to remove the requirement for a disclosure document for a selective share redemption because the terms and conditions are agreed at the time of issue;
- 6 **agreed** that the administrator can exercise the casting vote when the supermajority by value is met but the majority by number is not;
- 7 **agreed** that the process for commencing actions to recover money related to transactions at undervalue and transactions with related parties for inadequate or excessive consideration is aligned with that for voidable transactions, so that recovery can be commenced by way of a notice;
- 8 **noted** that Appendix 1 to the paper under ECO-25-SUB-0032 sets out a number of additional minor amendments consistent with Cabinet's previous agreement to make further minor amendments to the Act [ECO-24-MIN-0149];

- 9 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decisions in the paper under ECO-25-SUB-0032;

Confidential advice to Government



- 12 **noted** that the Minister will engage with the Attorney-General during the drafting process on the changes described in paragraph 4 above;
- 13 **authorised** the Minister to further clarify and develop policy matters and make decisions relating to the matters in the paper under ECO-25-SUB-0032 in a manner not inconsistent with the policy recommendations contained in the paper, including on any matters that might arise during the drafting process.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis (Chair)
Hon Brooke van Velden
Hon Shane Jones
Hon Louise Upston
Hon Todd McClay
Hon Tama Potaka
Hon Chris Penk
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Mark Patterson
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of the Prime Minister
Officials Committee for ECO