



## CHAPTER 60

### An Act to amend the Quebec Companies Act.

[Assented to, the 24th of March, 1926]

**H**IS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

**1.** Section 46 of the Quebec Companies' Act (Revised R. S., c. 223, Statutes, 1925, chapter 223) is amended by replacing sub-section 1 thereof, by the following:

**"46. 1.** The directors of the company may, at any time, make a by-law:

Conversion  
of shares.

*a.* To subdivide the existing shares into shares of a smaller amount;

*b.* To change the authorized shares with a par value, whether issued or not, into shares without par value, save in the case of preferred shares having preferential rights as to the principal;

*c.* To change the authorized shares without par value, whether issued or not, into shares with a par value."

**2.** The said act is amended by inserting therein, after section 46 thereof, the following section:

R. S., c. 223,  
s. 46a,  
added.

**"46a. 1.** The by-law ordering the changing of shares with a par value into shares without par value shall state with what amount the company will thereafter carry on its operations, and such amount shall be determined in accordance with the provisions of sub-paragraph *b* of subsection 1 of section 13 of this act. All other provisions of this act concerning companies whose capital comprises shares without par value, which are not inconsistent with section 46 and with this section, shall apply to companies availing themselves of the provisions of sub-paragraph *b* of subsection 1 of section 46.

Statement  
in by-law  
changing  
shares.

Provisions  
applicable.

Statement  
of capital.

2. The by-law ordering the change contemplated by subparagraph *c* of subsection 1 of section 46 must mention what the capital of the company shall be in future. For such purpose, the shares issued without par value and replaced by shares with a par value shall be considered as fully paid, but their aggregate par value shall not exceed the value of the net assets of the company as represented by the shares without par value issued before the change."

R. S., c. 223,  
s. 53, am.

3. Section 53 of the said act is amended by replacing the words: "No by-law for increasing or reducing the capital stock of the company, or for subdividing the shares, or consolidating them into shares of a greater par value", in the first, second and third lines thereof, by the words: "No by-law enacting one of the operations contemplated by the provisions of sections 46, 47 and 48 of this act".

Id., s. 54,  
am.

4. Section 54 of the said act is amended by replacing the words: "increase or reduction of capital or subdivision or consolidation of shares, as the case may be", in the sixth, seventh and eighth lines of subsection 2 thereof, by the words: "operation or operations".

Id., s. 55,  
am.

5. Section 55 of the said act is amended by replacing the words: "increased or reduced, or the shares shall be subdivided, or consolidated into shares of a greater par value, as the case may be", in the seventh, eighth and ninth lines thereof, by the word: "changed".

Id., s. 69a,  
added.

6. The said act is amended by inserting therein, after section 69, the following section:

Dividend  
declared or  
paid by  
mining co.,  
ete.

"69a. The provisions of subsection 1 of section 69 shall not prevent a mining company or a company whose assets are wholly or in part composed of goods which are consumed by the use made of them from declaring or paying a dividend out of the funds derived from such use.

Exercise of  
powers.

The powers conferred by the preceding paragraph may be exercised, although the value of the net assets of the company may thereby be reduced to a sum less than the value of its issued capital stock, provided that, after payment of the dividend, the remaining assets be sufficient to meet all the obligations of the company apart from the paid-up capital.

Proviso.

Divident.

Such company may pay a dividend by distributing, in species or in kind, part of its property; but the real value of such property shall not exceed the amount of the dividend declared."

**7.** Section 136 of the said act is amended by replacing subsection 1 thereof by the following: R. S., c. 223, s. 136, am.

**"136.** 1. The directors of the company may, at any time, make a by-law: Conversion of shares.

*a.* To subdivide the existing shares into shares of a smaller amount;

*b.* To change the authorized shares with a par value, whether issued or not, into shares without par value, save in the case of preferred shares having preferential rights as to the principal;

*c.* To change the authorized shares without par value, whether issued or not, into shares with a par value."

**8.** The said act is amended by adding thereto, after section 136, the following section: R. S., c. 223, s. 136a, added.

**"136a.** 1. The by-law ordering the changing of shares with a par value into shares without par value shall state with what amount the company will thereafter carry on its operations, and such amount shall be determined in accordance with the provisions of sub-paragraph *b* of subsection 1 of section 13 of this act. All other provisions of this act concerning shares without par value, which are not inconsistent with the provisions of this Part, shall apply to companies availing themselves of the provisions of sub-paragraph *b* of subsection 1 of section 136. Statement in by-law changing shares. Provisions applicable.

2. The by-law ordering the change contemplated by sub-paragraph *c* of subsection 1 of section 136 must mention what the capital of the company shall be in future. For such purpose, the shares issued without par value and replaced by shares with a par value shall be considered as fully paid, but their aggregate par value shall not exceed the value of the net assets of the company as represented by the shares without par value issued before the change." Statement of capital.

**9.** Section 137 of the said act is amended by replacing the words "No by-law for subdividing the shares, or consolidating them into shares of a greater par value", in the first and second lines thereof, by the words: "No by-law enacting one of the operations contemplated by the provisions of section 136 of this act" R. S., c. 223, s. 137, am.

**10.** Section 138 of the said act is amended by replacing the words: "subdivision or consolidation of shares, as the case may be", in the sixth and seventh lines of subsection 2 thereof, by the words: "operation or operations" Idem, s. 138, am.

**11.** Section 139 of the said act is amended by replacing Idem, s. 139, am.

the words: "the shares of the company shall be subdivided, or consolidated into shares of a greater par value, as the case may be", in the sixth, seventh and eighth lines thereof, by the words: "the capital of the company shall be changed".

R. S., c. 223, s. 153a, added. **12.** The said act is amended by inserting therein, after section 153 thereof, the following section;

Dividend declared or paid by mining co., etc. **"153a.** The provisions of subsection 1 of section 153 shall not prevent a mining company or a company whose assets are wholly or in part composed of goods which are consumed by the use made of them from declaring or paying a dividend out of the funds derived from such use.

Exercise of powers. The powers conferred by the preceding paragraph may be exercised, although the value of the net assets of the company may thereby be reduced to a sum less than the value of its issued capital stock, provided that, after payment of the dividend, the remaining assets be sufficient to meet all the obligations of the company apart from the paid-up capital.

Proviso. Dividend. Such company may pay a dividend by distributing, in species or in kind, part of its property; but the real value of such property shall not exceed the amount of the dividend declared."

Coming into force. **13.** This act shall come into force on the day of its sanction.