

THE COMPANIES (FOREIGN INTERESTS) ACT, 1918

ACT NO. XX OF 1918

[26th September, 1918]

An Act to take power to prohibit the alteration, except with the sanction of the Government, of articles of association which restrict foreign interests in certain companies, and to provide for other purposes connected therewith. *

WHEREAS, it is expedient to take power to prohibit the alteration, except with the sanction of the Government, of articles of association which restrict foreign interests in certain companies, and to provide for other purposes connected therewith;

It is hereby enacted as follows:-

1. This Act may be called the Companies (Foreign Interests) Act, 1918. Short title

2. (1) In this Act-

Definitions

- (a) the expression "Commonwealth citizen" has the same meaning as in section 1 of the British Nationality Act, 1948, but shall include any association incorporated in any part of the Commonwealth, including ¹[Bangladesh];
- (b) the expression "restrictive provision" means any provision in the articles of association of a company which, in the opinion of the Government, is designed to restrict or limit or has the effect or restricting or limiting the share or shares or interest which may be held, or the rights, powers or authority which may be conferred upon or exercised

* Throughout this Act, except otherwise provided, the word "Government" was substituted, for the words "Central Government" by section 3 and 2nd Schedule of the Bangladesh Laws (Revision and Declaration) Act, 1973 (Act No. VIII of 1973).

¹ The word "Bangladesh" was substituted, for the word "Pakistan" by section 3 and 2nd Schedule of the Bangladesh Laws (Revision and Declaration) Act, 1973 (Act No. VIII of 1973).

by or on behalf of persons other than Commonwealth citizens in the company, or in respect of the control, management or direction of the affairs thereof.

(2) All words and expressions used in this Act and defined in the Companies Act, 1913, shall be deemed to have the meanings respectively attributed to them by that Act.

Application of Act

3. This Act shall apply to such companies as the Government may, by notification in the official Gazette, declare to be companies with restrictive provisions, and any such notification shall specify the restrictive provisions.

Alterations in restrictive provisions and winding up

4. So long as a notification issued under section 3 is in force in respect of any company, notwithstanding anything to the contrary in any other Act-

- (1) no alteration of the articles of association of the company affecting either directly or indirectly any restrictive provision shall be of any effect until it has received the consent in writing of the Government;
 - (2) a resolution for the voluntary winding up of the company shall be of no effect unless the Government authorizes or ratifies it by a written consent;
 - (3) any Court which has jurisdiction to wind up the company may in its discretion refuse to make a winding up order. In the exercise of its discretion, the Court shall be guided by the consideration whether the winding up is *bona fide* with a view to the discontinuance of the undertaking or is with a view to continuing the undertaking freed either wholly or in part from any restrictive provision;
 - (4) the Government in giving consent, or the Court in making a winding up order, as the case may be, may impose such terms or conditions for giving effect to the purposes of this Act as it thinks fit.
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