



Tonga

**COMPANIES (LIQUIDATION)
REGULATIONS 1999**

GS 1A of 1999



COMPANIES (LIQUIDATION) REGULATIONS 1999

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Tonga

COMPANIES (LIQUIDATION) REGULATIONS 1999

GS 1A of 1999

COMPANY ACT 1995

[1st April 1999]

IN EXERCISE of the powers conferred by section 399 of the Companies Act 1995, His Majesty in Council makes the following regulations.

PRELIMINARY

1 Title and commencement

- (1) These regulations may be cited as the Companies (Liquidation) Regulations 1999.
- (2) These regulations shall come into force on a day proclaimed by His Majesty in Council, and different provisions may be brought into force on different days.

2 Interpretation

- (1) In these regulations, unless the context otherwise requires —
“**the Act**” means the Companies Act 1995;
“**company**” means a company that is in liquidation;

“**Supreme Court Rules**” means the rules from time to time made pursuant to the Supreme Court Act (Cap. 10); and

“**bank**” has the same meaning as in the National Reserve Bank of Tonga Act (Cap. 102).

- (2) Unless the context otherwise requires, words or expressions in these regulations have the same meaning as in the Act.

3 Application of regulations

- (1) These regulations shall apply, so far as they are relevant, to the conduct of every company that is in liquidation.
- (2) These regulations shall not apply to any Court proceedings including —
- (a) proceedings for an order to put a company into liquidation;
 - (b) proceedings for the appointment of an interim liquidator; or
 - (c) proceedings for an order under section 183 of the Act.
- (3) The Supreme Court Rules shall apply to the proceedings referred to in subregulation (2).

4 Forms

A form in the Schedule may be varied as the circumstances of any particular case may require.

STATUTORY DEMAND

5 Prescribed amount for statutory demand

The sum of \$1,000 is the amount prescribed for the purposes of section 298(2) (a) of the Act.

CLAIMS

6 Claim by unsecured creditor

A claim by an unsecured creditor under section 313(1) of the Act shall be in Form 1 in the Schedule.

7 Secured creditor valuing security and claiming as unsecured creditor for balance due

A valuation and claim by a secured creditor under section 314(4) of the Act shall be in Form 2 in the Schedule.

8 Amendment of liquidator's decision in relation to claim

Where a liquidator, under section 313(3) or section 314 of the Act, revokes or amends his decision to admit or reject a claim in whole or in part, the liquidator must record his amended decision in writing.

9 Trade discounts

A creditor making his claim shall deduct all trade discounts which he would otherwise have given if the company had not gone into liquidation.

10 Periodical payments

- (1) When any payment (including rent) falls due at stated periods, and liquidation commences at any time other than at the beginning of one of those periods, the persons entitled to the payment may claim up to the date of commencement of liquidation as if the payment accrued on a daily basis.
- (2) Nothing in subregulation (1) shall affect the right of the lessor of the property to claim rent that accrues on or after the commencement of liquidation.

11 Employees' claims

- (1) A person may make a claim on behalf of all or a number of employees of the company.
- (2) A schedule setting out the names of the employees, and the amounts severally due to them, shall be attached to the claim.
- (3) Any claim made in compliance with this regulation shall have the same effect as if separate claims had been made by each of the employees.

12 Notice to creditors to claim

- (1) Subject to the provisions of the Act, and unless otherwise ordered by the Court, the liquidator may fix a certain day, which shall not be less than 10 working days from the date of the notice, on or before which the creditors

of the company are to make their claims, and to establish any priority their claims may have under section 321 of the Act.

- (2) The liquidator shall give public notice of the day fixed in accordance with subregulation (1).

13 Failure to claim by day fixed for claims

- (1) Subject to subregulation (2), any creditor who fails to make his claim on or before the day fixed in accordance with regulation 12 shall be excluded from the benefit of any distribution made before his claim is made.
- (2) A creditor who makes a claim after the day fixed in accordance with regulation 12 and whose claim is admitted shall be entitled to receive the benefit of any distribution from which the creditor was previously excluded if any assets remain, or, in the opinion of the liquidator, are likely to remain, available for distribution.

14 Failure to establish priority by day fixed for claims

- (1) Subject to subregulation (2), any creditor who fails to establish any priority that his claim may have on or before the day fixed in accordance with regulation 12 shall be excluded from objecting to any distribution made before the priority of his claim is established.
- (2) The liquidator may, in making any distribution after the claim is admitted, make an assumption as to the priority that the claim may have and accord the creditor the benefit of the distribution accordingly.
- (3) A creditor who establishes the priority of his claim after the day fixed in accordance with regulation 12 shall be entitled to receive the benefit of any distribution from which the creditor was previously excluded (if any) if any assets remain, or, in the opinion of the liquidator, are likely to remain, available for distribution.

15 Dividends in respect of rejected claims

- (1) Where any creditor applies to the Court under section 293(1)(b) of the Act for an order reversing or modifying the decision of a liquidator to reject the creditor's claim, the liquidator may in any such case make provision for the dividend upon the claim, and the probable cost of the application in the event of the claim being admitted.
- (2) No application to the Court under section 293(1)(b) of the Act for an order reversing or modifying the decision of a liquidator to reject a creditor's claim may be commenced more than 10 working days after the liquidator has notified the creditor of the rejection of the claim.

- (3) Where no notice of an application under section 293(1)(b) of the Act has been given within the time specified in subregulation (2), the liquidator shall exclude the claim which has been rejected from participation in the dividend.

16 Costs of proceedings relating to a liquidator's decision on claim

Where any creditor applies to the Court under section 293(1)(b) of the Act for an order reversing or modifying the decision of a liquidator to reject the creditor's claim, the Court may, if it thinks fit —

- (a) allow any costs of any creditor to be added to his claim;
- (b) allow any costs of any party to be paid out of the assets of the company, such costs being deemed to be expenses of the liquidator; and
- (c) order any costs to be paid by any party to the proceedings other than the liquidator.

PROCEEDINGS AT MEETINGS

17 Place of meetings

Every meeting of creditors or shareholders called under Part XVI of the Act shall be held at such place as is, in the opinion of the person convening the meeting, most convenient for the majority of the creditors or shareholders.

18 List of creditors or shareholders

- (1) The person chairing a meeting of creditors or shareholders, as the case may be, shall ensure that an accurate record is kept of all creditors or shareholders, as the case may be, present or represented at the meeting, including —
- (a) in the case of a meeting of creditors —
 - (i) the name of each creditor present or represented;
 - (ii) whether the creditor has made a claim, and the amount of the claim;
 - (iii) whether the creditor has filed a proxy or is present in person; and
 - (iv) the total number of creditors present or represented; or
 - (b) in the case of a meeting of shareholders —

- (i) the name of each shareholder present or represented;
 - (ii) the number of shares issued to that shareholder;
 - (iii) the number of votes that the shareholder may exercise according to the constitution of the company;
 - (iv) whether the shareholder has filed a proxy or is present in person; and
 - (v) the total number of shareholders-present or represented.
- (2) A record required under subregulation (1) which has been signed correct by the person chairing or convening the meeting is prima facie evidence of the details set out in the record.

19 Creditors entitled to vote

A person shall not be entitled to vote as a creditor unless, by the time the vote is taken, the creditor has made a claim under section 313(1) or section 314(4) of the Act and either —

- (a) the liquidator has admitted the claim wholly or in part either for payment or for voting purposes; or
- (b) the chairperson of the meeting of creditors allows the person to vote in accordance with regulation 20.

20 Admission and rejection of claims by chairperson of meeting of creditors for purposes of voting

- (1) The chairperson of a meeting of creditors shall have power to admit or reject a claim for the purposes of voting at that meeting, but his decision shall be subject to appeal to the Court.
- (2) If a chairperson is uncertain whether a claim may be admitted or rejected, he must allow the creditor to vote subject to the vote being declared invalid in the event of the claim being rejected for the purposes of voting.

21 Cases in which creditors may not vote

A creditor shall not vote in respect of —

- (a) any claim that is subject to a contingency or that is for damages or that is, for some other reason, of an uncertain amount unless the value of the claim has been estimated by the liquidator or determined by the Court in accordance with section 316 of the Act; or
- (b) a debt on or secured by a current, bill of exchange or promissory note held by him unless the Creditor treats the liability to him

thereon of every person who is liable thereon antecedently to the company, and who has not been adjudged bankrupt, as a security in his hands, and to estimate the value thereof, and for the purposes of voting, but not for the purposes of dividend, to deduct it from his claim.

22 Votes of secured creditors

- (1) A secured creditor shall be entitled to vote —
 - (a) for the whole debt if he surrenders the charge to the liquidator for the general benefit of creditors;
 - (b) in respect of the balance of the debt if he values the charge and claims as an unsecured creditor under section 314(4) of the Act tot the balance due; or
 - (c) in respect of the balance of the debt if he realises property subject to a charge, and claims as an unsecured creditor under section 314(3)(a) of the Act for any balance due after deducting the net amount realised.
- (2) Subject to the Act, if a secured creditor votes in respect of the creditor's whole debt, the creditor shall be taken to have surrendered his charge.
- (3) A creditor who is not entitled to vote may with the leave of a liquidator attend and speak at a meeting of creditors.

PROXIES

23 Appointment of liquidator, etc., as proxy

A creditor or shareholder may appoint any person, including the liquidator or, if there is no liquidator, the chairperson of a meeting, to act as his proxy.

24 Liquidator not to solicit for proxies

- (1) Subject to a direction of a meeting of creditors or shareholders, a liquidator must not solicit for proxies.
- (2) Without limiting the orders that a Court may make, where a liquidator has not complied with subregulation (1), the Court may —
 - (a) order that the liquidator shall not be entitled to his remuneration;
 - (b) make an order removing the liquidator from office; and

- (c) make an order declaring any transaction entered into by the liquidator to be void or overturning any vote and granting such consequential relief as the Court thinks fit.
- (3) For the purposes of this regulation, the term “liquidator” includes a person who has been, or may be, nominated for appointment as a liquidator in place of the person already holding office as liquidator.

25 Irregularity in notice of proxy

If an irregularity that is not material is contained in the notice of proxy, the liquidator or chairperson of a meeting, as the case may be, may accept the proxy as being valid for voting purposes, if he is satisfied that the proxy holder represents the creditor or shareholder.

26 Disqualification from voting

- (1) Subject to subregulation (2), no person acting under a proxy shall vote in favour of or against any resolution which would place that person, either directly or indirectly, in a position to receive any benefit out of the assets of the company otherwise than as a creditor rateably with the other creditors of the company.
- (2) Any person who holds a proxy to vote for the appointment of a liquidator may use the proxy to vote in favour of the appointment of himself as liquidator if it is not inconsistent with the terms of the proxy to do so.

27 Use of proxies by liquidator’s nominee

- (1) Where a liquidator who holds a proxy cannot attend a meeting called under Part XVI of the Act, he may, in writing, nominate his partner (if the liquidator is a member of a partnership) or some person in his employment, to use the proxy on his behalf and in such manner as he may direct.
- (2) Nothing in this regulation authorises the person nominated to vote in a manner that would be in contravention of regulation 26 if the liquidator had acted under the proxy personally.

LIQUIDATORS AND LIQUIDATION COMMITTEES

28 Remuneration of certain liquidators

Unless the Court otherwise orders under section 285(2) of the Act, the remuneration of every Official Liquidator who is appointed a liquidator under section 250(2)(a) or section 250(2)(c) is the greater of either —

- (a) An amount of \$2,000; or
- (b) A fee calculated on an hourly rate in accordance with the following:
 - (i) for work undertaken by the liquidator, including any Deputy Official Liquidator, where the liquidator is the Official Receiver, \$65 per hour or part of an hour;
 - (ii) for work undertaken by an accountant or law practitioner employed by the liquidator, \$70 per hour or part of an hour; and
 - (iii) for work undertaken by any other employee of the liquidator, \$40 per hour or part of an hour.

29 Restrictions relating to remuneration

- (1) Subject to the Act, a liquidator shall not make any arrangement for, or accept from any person, any benefit beyond the remuneration to which he is entitled as liquidator.
- (2) A liquidator shall not make any arrangement for giving up, whether in whole or in part, his remuneration to any person.

30 Liquidator's charges

- (1) Where a liquidator receives remuneration for his services as such, no payment shall be allowed on his accounts in respect of the performance by any other person of the ordinary duties which are required by the Act to be performed by himself.
- (2) Where a liquidator is a law practitioner or accountant, he may contract that the remuneration for his services as liquidator shall include all professional services.

31 Restriction on purchase of company's assets by liquidator or liquidation committee

- (1) Subject to the leave of the Court, a liquidator or any member of a liquidation committee of a company shall not, either directly or indirectly, become a purchaser of any part of the company's assets.
- (2) The Court may set aside any purchase made contrary to this regulation, and grant such consequential relief as it thinks fit.
- (3) The Court may give its leave under subregulation (1) on such terms and conditions as it thinks fit.

32 Restriction on purchase of goods or Services from persons connected with liquidator

- (1) Subject to the leave of the Court, a liquidator shall not purchase goods or services for the purposes of the liquidation from any person whose connection with him would result in the liquidator directly or indirectly obtaining any portion of the benefit (if any) arising out of the transaction.
- (2) The Court may give its leave under subregulation (1) on such terms and conditions as it thinks fit.
- (3) The Court may disallow or recover any benefit made contrary to the provisions of this regulation.

33 Liquidation Committee not to obtain benefit

- (1) Subject to the leave of the Court, no member of a liquidation committee may directly or indirectly be entitled to —
 - (a) derive any benefit from any transaction arising out of the assets of the company; or
 - (b) receive out of the assets of the company any payment for services rendered by him in connection with the administration of the assets, or for any goods supplied by him to the liquidator for or on account of the company.
- (2) Where the leave Of the Court is sought in respect of any payment for services, the leave shall be given only where the services performed are of a special nature and the order shall specify the nature of the services for which leave is given.
- (3) Except by the leave of the Court, no remuneration shall, under any circumstances, be paid to a member of a liquidation committee for services rendered by him in the discharge of the duties attaching to his office as a member of the committee.

- (4). The Court may disallow or recover any benefit or payment made contrary to the provisions of this regulation.
- (5) The Court may give its leave, under this regulation on such terms and conditions as it thinks fit.

34 Transmission of documents and property to liquidator's successor

Where a new liquidator is appointed, the person vacating the office of liquidator shall forthwith, or within such reasonable time as may be specified by the new liquidator, deliver —

- (a) books, records, or documents of the company;
- (b) other property of the company;
- (c) all claims; and
- (d) accounts and records of the liquidation —

in his possession or under his control to the new liquidator.

35 Fees, expenses, and remuneration of vacating liquidator

- (1) A person vacating the office of liquidator is entitled to deduct fees and expenses properly incurred by him in carrying out the duties, and exercising the powers of the liquidator and his remuneration as liquidator as set out in the Act, and such fees, expenses, and remuneration shall rank in priority to the fees, expenses, and remuneration of that person's successor.
- (2) If there are no available assets of the company from which to pay the vacating liquidator's fees, expenses, and remuneration at the time the person vacates the office of liquidator, then the new liquidator shall pay such fees, expenses, and remuneration from the assets of the company as soon as is practicable.

MISCELLANEOUS PROVISIONS

36 Defect in appointment not to invalidate acts of liquidator

No defect or irregularity in the appointment of a liquidator shall invalidate any act done by him in good faith.

37 Deposit of company funds

A liquidator shall deposit the funds of a company under his administration in —

- (a) a bank account to the credit of the company; or
- (b) a trust account —

at a bank.

38 Investment of funds

- (1) Notwithstanding regulation 37, in any liquidation all or any part of the balance standing to the credit of the company in any bank account or trust account kept by the liquidator, and not required for the time being to meet claims made against the company, may be invested in any bank or in any Government securities or any other securities as authorised by the Court.
- (2) All dividends, interest, and other profits from investments under this regulation shall from time to time as received be paid into the bank account or trust account kept by the liquidator under regulation 37.

39 Liquidator carrying on business

Where a liquidator carries on the business of the company, he shall keep accounting records for the carrying on of the business of the company that comply with section 203 of the Act to the extent that section is applicable.

40 Service

- (1) Where the Act does not provide the method of service for documents in legal proceedings, service shall be effected under the Supreme Court Rules.
- (2) Where the methods of service specified by the Act or the Supreme Court Rules do not apply, then documents shall be served on persons in accordance with section 395 of the Act as if the person is a creditor or shareholder.

41 Offences and Penalties

- (1) A liquidator who fails to comply with regulation 24(1), 29, 30(1), 31(1), 32(1), 34, 37, 38(2) or 39 commits an offence, and is liable on conviction on indictment in the Supreme Court to imprisonment for a term not exceeding 5 years or to a fine not exceeding \$2000 or to both.

- (2) A person who fails to comply with regulation 26(1) commits an offence, and is liable on summary conviction in the Magistrates' Courts to a fine not exceeding \$500.
- (3) A member of a liquidation committee who fails to comply with regulation 33(1) or 33(3) commits an offence, and is liable on summary conviction in the Magistrates' Courts to a fine not exceeding \$1000 or to imprisonment for a term not exceeding 2 years or to both.

SCHEDULE

FORMS

Form 1

UNSECURED CREDITOR’S CLAIM

(Section 313(1) Companies Act 1995)

<p>Name and postal address of creditor in full. Telephone Number: (.....)..... My Reference is: (if applicable)..... </p>	<p>* Any personal information is collected for the purpose of administering the liquidation in accordance with the Companies Act 1995. The information will be used and retained by the Registrar of Companies and will be released to other parties only with your authorisation. Under section 313(1) of the Companies Act 1995 any claim by an unsecured creditor against a company in liquidation must be made in this prescribed form and shall — (a) contain full particulars of the claim; and (b) identify any documents that evidence or substantiate the claim. You may have access to and request correction of any personal information</p>
<p>Name of Company in Liquidation (in liquidation)</p>	
<p>I(If claim is made on behalf of creditor specify relationship to creditor and authority) claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words and figures): \$</p>	
<p>Either: I hold no security for the amount claimed; or I am surrendering my security and I am claiming as an unsecured creditor [Omit which ever does not apply]</p>	
<p>Full particulars of the claim are set out, and any supporting documents that substantiate the claim are identified, on the reverse of this form. (The liquidator may require the production of a document under section 313(1)(b) of the Companies Act 1995. You are not required to attach any supporting documents at this stage, but you may wish to attach them now if you think it would expedite the processing of the claim.)</p>	

Form 1 - continued													
Signed:	Date: / /												
WARNING-	<p>It is an offence under section 313(6) of the Companies Act 1995 to —</p> <ul style="list-style-type: none"> * make, or authorise the making of a claim that is false or misleading in a material particular knowing it to be false or misleading: or * omit, or authorise the omission, from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular. 												
Received (Date Stamp)	<p>Reserved For Office Use:</p> <p>Claim admitted for voting purposes</p> <table border="1" style="float: right; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Signed</td> <td style="padding: 2px;">Date / /</td> </tr> </table> <p>Claim rejected for voting purposes</p> <table border="1" style="float: right; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Signed</td> <td style="padding: 2px;">Date / /</td> </tr> </table> <p>Claim rejected for payment</p> <table border="1" style="float: right; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Signed</td> <td style="padding: 2px;">Date / /</td> </tr> </table> <p>Claim admitted for payment</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Preferential claim for</td> <td style="width: 33%; text-align: center;">Ordinary Claim for</td> <td style="width: 33%; text-align: center;">Deferred Claim for</td> </tr> <tr> <td style="border: 1px solid black; text-align: center; height: 30px;">\$</td> <td style="border: 1px solid black; text-align: center; height: 30px;">\$</td> <td style="border: 1px solid black; text-align: center; height: 30px;">\$</td> </tr> </table> <p>Signed Liquidator..... [Date / /]</p> <p>Note: If the decision to admit or reject a Claim is amended, regulation 8 of the Companies (Liquidation) Regulations 1999 requires that it be recorded in writing.</p>	Signed	Date / /	Signed	Date / /	Signed	Date / /	Preferential claim for	Ordinary Claim for	Deferred Claim for	\$	\$	\$
Signed	Date / /												
Signed	Date / /												
Signed	Date / /												
Preferential claim for	Ordinary Claim for	Deferred Claim for											
\$	\$	\$											

SCHEDULE

FORMS - continued

Form 1-continued

PARTICULARS OF CLAIM

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$
	<p>If applicable, less Retention of Title for goods supplied by creditor to the company</p>	<p>\$</p>
	<p>If applicable, less owed by creditor to the company [Describe goods]</p>	<p>\$</p>

SCHEDULE-continued

FORMS-continued

Form 2

SECURED CREDITOR'S VALUATION AND CLAIM

(Section 314(4). Companies Act 1995)

<p>Name and postal address of creditor in full. Telephone Number: (.....)..... My Reference is: (if applicable)..... </p>	<p>* Any personal information is collected for the purpose of administering the liquidation in accordance with the Companies Act 1995. The information will be used and retained by the Registrar of Companies and will be released to other parties only with your authorisation. Under section 314(4) of the Companies Act 1995 any claim by an unsecured creditor against a company in liquidation must be made in this prescribed form and shall — (a) contain full particulars of the valuation and any claim; and (b) contain full particulars of the charge including the date on which it was given; and (c) identify any documents that substantiate the claim and charge. You may have access to and request correction of any personal information</p>
<p>Name of Company in Liquidation (in liquidation)</p>	
<p>I(If claim is made on behalf of creditor specify relationship to creditor and authority) claim that after valuing the security as at the date the company was put into liquidation the abovenamed creditor is an unsecured creditor of the company for the sum of [Amount in words and figures]: \$</p>	
<p>Full particulars of the claim are set out, and any supporting documents that substantiate the claim are identified, on the reverse of this form. (The liquidator may require the production of a document under section 314(5) of the Companies Act 1995. You are not required to attach any supporting documents at this stage, but you may wish to attach them now if you think it would expedite the processing of the claim.)</p>	

Form 2 - continued													
Signed:	Date: / /												
WARNING-	<p>It is an offence under section 314(11) of the Companies Act 1995 to —</p> <p>* make, or authorise the making of a claim that is false or misleading in a material particular knowing it to be false or misleading: or</p> <p>* omit, or authorise the omission, from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.</p>												
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Preferential claim for	Ordinary Claim for	Deferred Claim for											
\$	\$	\$											

SCHEDULE - continued

FORMS-continued

*Form 2-continued***VALUATION OF SECURITY**

Particulars of the Charge

Description of charge:

Description and location of property subject to charge:

Date charge, given [Or date of acquisition of property subject to the charge]:
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If applicable, details of registration (including date):
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Particulars of the Valuation

Amount security valued at:

Particulars of valuation:

Identification of any documents that substantiate the claim and the charge [If not already supplied in either of above boxes]
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Made at Nuku'alofa this day of t999.

By Order,
Clerk of Privy Council

Explanatory Notes

(These notes do not form part of the Regulations but are only, intended to explain its general purport.)

1. As with the Company Regulations 1999, these Regulations give effect to the Company Act 1995 by providing the procedures for when a Company is in liquidation.
2. Regulation 2 sets out some specific terms and their definitions to be used in the Regulations in addition to ensuring meanings of terms used in the Act, will also apply where they appear in the Regulations.
3. Regulation 3 sets out the Regulation's application perimeters.
4. Regulation 4 sets out the forms in the Schedule may be varied as necessary.
5. Regulation 5 sets out that \$1,000 is the statutory demand amount set out in section 298(2)(a) of the Act.
6. Regulation 6 directs that Form 1 is to be used by an unsecured creditor when making a claim.
7. Regulation 7 directs that Form 2 is to be used by a secured creditor when making a valuation and claim.
8. Regulation 8 sets out that a liquidator must record in writing his decision regarding a claim.
9. Regulation 9 ensures that the amount of the claim by a creditor is minus the trade discounts.
10. Regulation 10 sets out that periodical payments are calculated up to the date of commencement of the liquidation.
11. Regulation 11 deals with employees' claims.
12. Regulation 12 sets out when and how the liquidator sets the date by which claims are to be received.
13. Regulation 13 sets out the Consequences of failing to make a claim by the time set out in Regulation 12.
14. Regulation 14 sets out the consequences of failing to establish priority by the day fixed for the claims to be made.
15. Regulation 15 sets out that when an appeal against an order by the liquidator to reject a claim is made to the Court, the liquidator must assess and set aside the dividend of the claim and cost of claim. This appeal must be made 10 days after notification of the rejection.

16. Regulation 16 relates to the power of the Court to allow costs in an application under section 293(1)(b)(and Regulation 15).
17. Regulation 17 sets out that the place of meeting shall be that most convenient to the majority of creditors or shareholders.
18. Regulation 18 stipulates that the chairperson of a meeting of creditors or Shareholders must ensure accurate records are kept of the proceedings,
19. Regulation 19 sets out the creditor(s) who are entitled to vote.
20. Regulation 20 allows the chairperson of a meeting of creditors (subject to appeal) to admit or reject a claim lot the purposes of voting.
21. Regulation 21 sets out the matters in which creditors may not vote,
22. Regulation 22 sets out the matters in which secured creditors may vote in.
23. Regulation 23 allows the creditor or shareholder to appoint anyone to act as his proxy.
24. Regulation 24 forbids the liquidator to solicit proxies.
25. Regulation 25 ensures that an irregularity in the notice of proxy does not necessarily preclude the notice from being accepted as valid.
26. Regulation 26 sets out the circumstances when the person acting under a proxy may not vote.
27. Regulation 27 allows the use of proxies by the liquidator's nominee.
28. Regulation 28 relates to the remuneration of the official liquidator.
29. Regulation 29 sets out the restrictions imposed on the liquidator when seeking remuneration.
30. Regulation 30 sets out the services which the liquidator may receive remuneration.
31. Regulation 31 ensures that the liquidator must not purchase any of the Companies assets without leave of the Court.
32. Regulation 32 forbids the liquidator to purchase goods or services from persons connected to him without leave of the Court.
33. Regulation 33 stipulates that the liquidation Committee shall not device any benefit from any transaction related to the companies assets. This regulation also deals with remuneration to a member of the Committee. Both these matters are subject to the leave of the Court.
34. Regulation 34 requires the vacating liquidator to deliver documents under his control to the newly appointed liquidator..

35. Regulation 35 relates to the fees, expense and remuneration of the vacating liquidator.
36. Regulation 36 ensures that any defect in the appointment of the liquidator shall not invalidate acts done by him in good faith.
37. Regulation 37 sets out where the liquidator must deposit the company funds.
38. Regulation 38 is a variation on regulation 37 by allowing funds that are not currently required in the liquidation to be invested as authorised by the Court.
39. Regulation 39 requires the liquidator who carries on the business of the company to keep accounting records.
40. Regulation 40 sets out that subject to requirements as to service in the Act, the method of service in the Supreme Court Rules will be used. If neither of these methods apply, section 395 of the Act applies.
41. Regulation 41 sets out the penalties for breaching those regulations that constitute offences.
42. The Schedule sets out the two forms (regarding Unsecured Creditors Claim and Secured Creditors Valuation and Claim set out in regulations 6 and 7.)

Hon. Attorney General & Minister of Justice.