



Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2022

Cindy Kiro, Governor-General

Order in Council

At Wellington this 4th day of April 2022

Present:

Her Excellency the Governor-General in Council

This order is made under section 240C(1) of the Contract and Commercial Law Act 2017—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister of Finance and the Minister of Commerce and Consumer Affairs made in accordance with section 240C(3) of that Act.

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Order

1 Title

This order is the Contract and Commercial Law (COVID-19—Extension of Modification Relating to Powers of Attorney) Order 2022.

2 Commencement

This order comes into force on 2 May 2022.

3 Interpretation

In this order,—

Act means the Contract and Commercial Law Act 2017

initial period has the meaning set out in section 240C(7) of the Act.

4 Modification in section 240A(1) applies for further 6 months

The modification in section 240A(1) of the Act applies for a further period of 6 months that starts immediately after the expiry of the initial period.

5 Revocation

This order is revoked on the close of 30 November 2022.

Michael Webster,
Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on 2 May 2022, relates to section 240A(1) of the Contract and Commercial Law Act 2017 (the **Act**). That section temporarily applies subpart 3 of Part 4 of the Act (relating to the application of legal requirements to electronic transactions) to deeds that create powers of attorney in connection with security interests and that are made during a specified period. That period is due to expire on the close of 2 May 2022. This order extends that period by 6 months, to the close of 2 November 2022.

The period for which the modification applies cannot be further extended by Order in Council (*see* section 240C(2) of the Act).

Clause 5 revokes this order on the close of 30 November 2022, which is the same date and time that section 240E of the Act repeals sections 240A to 240D.

Statement of reasons

The Minister of Finance and the Minister of Commerce and Consumer Affairs are satisfied that the extension to the application of the modification set out in this order is desirable to address the effects of COVID-19, and is no longer than is reasonably necessary to address those effects. This is because COVID-19 is spreading in the community, there is uncertainty as to how the outbreak will progress, and enhanced restrictions are still possible (if, for example, a new variant of concern were to arise). If the modification expires, it cannot be quickly re-enacted, and this could create a technical legal barrier to businesses getting financial support from lenders.

Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*: 7 April 2022.

This order is administered by the Ministry of Business, Innovation, and Employment.