CR. AMANYA
ADVOCATES & SOLICITORS

PROCEDURE FOR REGISTRATION OF COMPANIES

There are several business ventures in Uganda, the Companies Act, 2012 provides for the following; single member companies, private companies limited by shares or guarantee, public limited companies, unlimited companies, statutory corporations, foreign companies and partnerships. I will briefly discuss and provide requirements/procedure for registration of some of these types of companies.

Single member companies

Section 5(2) of the Act stipulates that where two or morepersons hold one or more shares in a company jointly, they shall be treated as a single member company. It is a company incorporated with one person. It is governed by the Companies (single member) Regulations 2016. In this business venture there is no legal distinction between the owner and the business entity, the owner takes all the profits and losses. Every SMC shall add the initials “SMC LTD” or the words “Single Member Company” at the end of its name.

The procedure/requirements to register an SMC are as follows;
1.Reservation of a name
1.Register with URSB (the required documents include)
a)A completed application form. Register particulars of the nominee director and alternative nominee director as specified in Form 1 of the second schedule the Companies (single member) Regulations, 2016.

Private companies

Private companies
The meaning of private companies is under section 5 of the Companies Act and its defined to mean a company which by its articles restricts the right to transfer its shares and other securities, limits its number of its members to one hundred including persons who are employed by the company and those formerly employed by the company and prohibits any invitation to the public to subscribe for any shares or debentures of the company. There are private companies limited by shares, limited by guarantee and the unlimited companies,

The procedure for registration of such companies is as follows;
1.Make an application for reservation of a name
Upon payment of the required fee, the suggested name is subjected to a search in the business registry database. Upon passing the similarity, defensive, desirability test it is reserved for 30 days.
2.File the required documents for registering a company.
a)Fill in Form (s.18) under the second schedule.

b)Memorandum of Association
The standard format is provided in the second schedule of the Company Act;
-Adoption and application for a company limited by shares under Table A
-Adoption and application for a company limited by guarantee and not having a share capital under Table C
-Adoption and application for a company limited by guarantee and having a share capital under Table D
-Adoption and application for the unlimited company having shares under Table E
c)The Articles of Association
This sets down the rules that govern the internal management of the company.
-Company Form A1- statement of Nominal capital. This form is mandatory at the initial registration of the company
-Company Form A2- declaration of compliance with the requirements of the companies act.This must be witnessed by a commissioner for oaths.
3.Payment of prescribed fees.

Public companies

The meaning of a public company is stipulated under Section 6 of the Companies Act, 2012. A public company is one that can offer its shares to the general public, it has a limited liability therefore shareholders are not personally liable for the company's debts beyond their investment in shares. It allows shares to be freely traded among the public and it can issue shares through an initial public offering (IPO) or by trading on the stock.

Procedure for registration of a public company

1.The procedure is the same as above
2.Except, it's a requirement to file a prospectus or statement in lieu of prospects which must be cleared by the capital market authority.
3.The Articles of Association must also specify that the company shall invite the public to subscribe for shares.

Foreign companies

Under section 251 of the act, foreign companies are companies incorporated outside Uganda which, establish a place of business in Uganda and companies incorporated outside Uganda which have, established a place of business in Uganda and continue to have a place of business in Uganda. Provisions as to establishment of a place of business in Uganda are as stipulated under section 252 to 260 of the companies act

Briefly, the requirements for registration of foreign companies include;

1.File the certified copies of the Memorandum of Association and the Articles of Association from the country of origin duly witnessed.
2.File any other document certified copies by the registrar of companies from the country of origin duly witnessed.
3.File a certified copy of the certificate of incorporation
4.File company Forms, these include Forms A19, A20, A21 and A22
5.Registration forms are;
Form 24 – particulars of directors and secretary.
Form 13 – statement of all subsisting changes.
Form 25 – list of names and addresses of persons resident in Uganda authorized to accept service on behalf of the company.
Form 26 – address and principal office of company.
6.Make payment of registration fees and hand in documentation for processing at the business registry.