COMPANIES & MARKETS

The Companies and Allied Matters Act (repeal and re-enactment) Bill 2019 — What you need to know

Part 7 – Private Companies

UDDO UDOMA & BELO-OASIGE

BACKGROUND

The Companies and Allied Matters Act (Chapter C20) Laws of the Federation of Nigeria 2004 (CAMA) was enacted in Nigeria as a decree of the military government in 1990, and in the past 28 years, there have been no significant amendments to the CAMA. This is, however, all set to change if the Companies and Allied Matters Act (Repeal and Re-enactment) Bill 2019 (CAMA Bill), which was passed by the Nigerian Senate on 15th May 2018 and by the House of Representatives on 17th January 2019, is passed into law. This is the case, which is scheduled to run for 12 weeks, Udo Udoma & Belo-Oasigie will provide insights and digestible excerpts on the effect of key changes proposed by the CAMA Bill.

RESTRICTIONS ON TRANSFERS OF SHARES & ASSETS OF PRIVATE COMPANIES

Under the CAMA, a private company is required, in its Articles, to restrict the transfer of its shares. The CAMA imposes this requirement without specifying how private companies should do so, thereby giving companies the flexibility to determine how they restrict the transfer of their shares. This is usually done in the form of a discretion given to directors to approve or reject a proposed transfer – this discretion could be absolute or applicable in certain circumstances. Some private companies go further by conferring a right of first refusal on shareholders in respect of any shares that any shareholder wishes to transfer to the market. These innovations of the CAMA Bill are to promote transparency and strengthen the ability of companies and the government to combat asset shielding. Udo Udoma & Belo-Oasigie actively participated in the drafting of the CAMA Bill.

Sawhney continued, “We’re excited to be launching these new variants of seasoning cube into the market and we have no doubt that in a short period of time Terra Seasoning will gain competitive edge over other brands and control a large chunk of the market.”

Terra Seasoning Cube has been formulating products that “lock in” the aroma of meals during and after cooking. Terra Seasoning Cube has been formulating products that “lock in” the aroma of meals during and after cooking.

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