In relation to criminal offences, the courts are generally given the discretion to determine the quantum of fines and the duration of sentences except in certain specific circumstances where the term of imprisonment is prescribed in the CAMA Bill. For example, where a person fraudulently holds himself out as a director, the penalty would be two years imprisonment or a fine as determined by the court.

These changes are laudable as they will make it easier to penalise breaches of the law, set penalties at a level where they act as a deterrent, and consequently, encourage compliance with the provisions of the CAMA Bill.

THE STATUS OF THE CAMA BILL

Despite its progressive provisions, the CAMA Bill has not yet been signed into law by the President of the Federal Republic of Nigeria. This delay has significant implications for Nigerian and foreign investors who are excited about the prospect of the passage of the CAMA Bill. The CAMA Bill draws on inspiration from selected jurisdictions, while at the same time proffering solutions in the context of our domestic market. It aims to reposition Nigeria and the way we do business so that Nigerian business are well positioned to compete with other leading African jurisdictions, and, globally, in this fast-paced and ever-changing century.

The World Bank 2019 Doing Business Ranking Index ranks Nigeria 145th out of 190 countries – this ranking increased from 169th after the announcement that the CAMA Bill had been passed by the Senate. If the CAMA Bill is not passed as soon as possible, our current rankings might be difficult to sustain, given that we shall continue to carry on business in a legal and regulatory landscape relating to company law matters which would have remained largely unchanged for three decades.

PARTING WORDS

As we have outlined in the preceding 11 parts of this series, the CAMA Bill seeks to introduce several innovations into Nigerian company law. These include single member and single director companies, changes to the process of registering companies limited by guarantee, company administration, company voluntary arrangements, netting, greater disclosure of beneficial interests in companies, and the introduction of new entities such as limited partnerships and limited liability partnerships. These are all critical to the development of the Nigerian economy and, ultimately, the ease of doing business in Nigeria as they are designed to give Nigerian businesses and organisations the tools they need to operate and compete efficiently in modern times – the goal being to position Nigeria as a hub for entry into African markets. The CAMA Bill also seeks to address the various shortcomings of the CAMA and, if passed, has the potential to leapfrog our companies’ law over three decades of stagnation. It is, therefore, imperative that the CAMA Bill should be passed into law without further delay.

Udo Udoma & Belo-Osagie actively participated in the drafting of the CAMA Bill. Corporate Partner, Ozofo Latunde Ogiemudia was the chairperson of the Technical Advisory Committee set up by the office of the Senate President to advise on the CAMA Bill and the bill to amend the Investments and Securities Act 2007. Managing Associate, Christine Sijuwade was a member of that committee and led the drafting sub-committee on the CAMA Bill.