

STATUTORY INSTRUMENTS SUPPLEMENT

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S T A T U T O R Y I N S T R U M E N T S

2016 No. 72.

THE COMPANIES (SINGLE MEMBER) REGULATIONS, 2016.

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STATUTORY INSTRUMENTS

2016 No. 72.

The Companies (Single Member) Regulations, 2016

(Under section 294 of the Companies Act, 2012, Act 1 of 2012)

IN EXERCISE of the powers conferred upon the Minister responsible for justice by section 294 of the Companies Act, 2012, these Regulations are made this 19th day of September, 2016.

PART I — PRELIMINARY

1. Title

These Regulations may be cited as the Companies (Single Member) Regulations, 2016.

2. Application

These Regulations apply to a company incorporated as a single member company.

3. Interpretation

In these Regulations, unless the context otherwise requires —

“Act” means the Companies Act, 2012;

“alternate nominee director” means an individual nominated by a single member to act as nominee director in case of non-availability of the nominee director;

“nominee director” means an individual nominated by a single member company to act as director in case of the death of the single member;

“private company” means a private company within the meaning of section 5 of the Act;

“promoter” means a person who undertakes the formation of a company, but does not include a person acting in an independent professional capacity;

“registrar” means the registrar of companies or an assistant registrar or other officer performing the duty of registration of companies under the Act and these Regulations;

“single member company” means a company incorporated under the Act with one person; whether natural or corporate;

“sole director” means the director of the company who is, for the time being, the only director and single member of the company.

PART II—INCORPORATION OF A SINGLE MEMBER COMPANY

4. Mode of forming a single member company

(1) Any person who wishes to form a single member company shall submit to the registrar a duly filled form for registration of a company specified in the Second Schedule to the Act.

(2) The registration form may be submitted in hard copy or electronic form.

(3) Where the registration form is submitted in electronic form, the promoter shall, in addition, print out the duly filled form and submit it to the registrar.

(4) Every form for the registration of a single member company shall be accompanied with the prescribed fees.

5. Memorandum and articles of a single member company

(1) The form of the memorandum of association of a single member company, if any, shall, with necessary modifications, be in accordance with the form set out in Table B of the Second Schedule to the Act.

(2) A single member company may adopt or modify the articles of association contained in the First Schedule to these Regulations.

6. Nominee and alternate nominee director.

(1) A person registering a single member company shall, at the time of incorporation, file with the registrar the particulars of a nominee director and alternate nominee director in **Form 1** set out in the Second Schedule.

(2) A nominee director or alternate nominee director shall be an individual; not being the secretary of the company or member of the company.

7. Submission of memorandum and articles of association.

The memorandum, if any, and articles of association of a company, shall be submitted to the registrar at the time of submitting the form for the registration of the company.

8. Certificate of incorporation.

The registrar shall, upon the registration of a company, issue to the company a certificate of incorporation in **Form 2** set out in the Second Schedule.

9. Name of single member company

(1) Every single member company shall add the initials "SMC LTD" or the words "Single Member Company Limited" at the end of its name.

(2) Where a single member company converts into a private company, under section 87 of the Act, the company shall submit to the registrar the certificate previously issued in respect of the single member company and the registrar shall issue a new certificate in **Form 3** set out in the Second Schedule, without the initials "SMC LTD" or the words "Single Member Company Limited".

10. Converting a single member company to a private company.

(1) Subject to section 24 (7) of the Act, a single member company may convert into a private company not being a single member company, in accordance with section 87 of the Act.

(2) Where a single member company converts into a private company, it shall—

- (a) appoint and notify the registrar of the appointment of directors in accordance with the Act and the Companies (General) Regulations, 2016 within fifteen days from the date of the appointment; and
- (b) file with the registrar, a notice of conversion from a single member company to a private company in **Form 4** set out in the Second Schedule, within sixty days from the date of the resolution for conversion.

(3) The conversion shall not take effect until the registrar has issued the certificate confirming the conversion.

(4) Where a single member company converts into a private company not being a single member company, the appointment of the nominee director and alternate nominee director under section 186 of the Act shall cease to be effectual.

PART III — MANAGEMENT OF A SINGLE MEMBER COMPANY

11. Transfer of management to nominee director.

(1) A single member company shall nominate two individuals, one of whom shall become nominee director in case of the death of the single member and the other who shall become alternate nominee director to work as nominee director in case of the non-availability of the nominee director.

(2) The nominee director shall—

- (a) manage the affairs of the company in case of death of the single member until the transfer of shares to the personal representative of the single member;
- (b) notify the registrar of the death of the single member, provide particulars of the personal representative and in case of any impediment, report the circumstances to the registrar for a directive in Form 5 in the Second Schedule within fifteen days of the death of the single member;

- (c) transfer the shares to the personal representative of the single member; and
- (d) call the general meeting of the member to elect directors.

(3) In case of any impediment to the transfer of shares or election of directors or any other matter, the registrar shall—

- (a) call or direct the calling of the meeting of the personal representative of the single member;
- (b) give such directives with regard to election of directors and making of alterations in the articles; and
- (c) give such ancillary and consequential directions as the registrar thinks expedient in relation to calling, holding and conducting of the meeting.

12. Company secretary

(1) Subject to section 187(3), a single member company may appoint a company secretary.

(2) Where a single member company appoints a company secretary, the company shall notify the registrar of the appointment in the form and time specified in the Companies (General) Regulations, 2016.

FIRST SCHEDULE**REGULATIONS (ARTICLES OF ASSOCIATION) FOR THE
MANAGEMENT OF A SINGLE MEMBER COMPANY.****1. Interpretation**

In these Regulations—

“Act” means the Companies Act, 2012;

“alternate nominee director” means an individual nominated by the single member to act as nominee director in case of the non-availability of the nominee director;

“directors” or “board of directors” means the board of directors consisting of only the sole director or more than one directors if so appointed under the Act;

“nominee director” means an individual nominated by the single member to act as director in case of the death of the single member;

“Regulations” means the Companies (Single Member) Regulations, 2016;

“sole director” means the director of the company who is, for the time being, the only director and single member of the company.

2. Single member company

The company is a single member company and as such being a private company limited by shares—

- (a) shall not issue an invitation to the public to subscribe for any share of the company;
- (b) the number of the members of the company shall be limited to one member, and
- (c) shall have shares wholly owned by the single member.

3. Shares and share capital

(1) The company may increase the nominal share capital in accordance with the provisions of the Act.

(2) The company may, upon passing of a special resolution issue further shares or transfer existing shares or part thereof causing the number of members to become two or more in accordance with the Regulations but shall become a private company thereafter.

(3) The company shall not transfer all of the shares of a single member to two or more persons or part of shares of single member to other person(s) or allot further shares to any person other than the single member or, at any time, allow transfer of shares or allotment of shares or both resulting in number of members to become two or more, except under the authority of a special resolution for change of status from single member company to private company and complying with the requirements of the Regulations.

(4) A single member may transfer all of his or her shares to a single person under the authority of an ordinary resolution whereby the company shall remain a single member company as it was before such transfer.

(5) A person whose name is entered as a member in the register of members shall without payment, be entitled to receive, within ninety days after allotment or within forty-five days of the application for registration of transfer, a certificate specifying the share or shares held.

4. Transfer and transmission of shares

(1) Transfer and transmission of shares shall be in accordance with provisions of the Act.

(2) In case of the death of a single member, the power to register or refuse to transfer shares shall be exercised by the nominee director or alternate nominee director under the Regulations and the Act.

(3) If the company allots further shares or the shares held by the single member are transferred in total or in part and as a result thereof the company has two or more members and converts into a private company, in accordance with the Regulations, the fact that it has converted from a single member company to a private company and the number of its members has increased to two or more shall be recorded in the register of members along with the date of the event and the particulars of the members.

(4) Transmission of shares to the personal representative shall be recorded in the register of members by the nominee director or secretary.

5. Change of status

The company may convert from a single member company to a private company not being a single member in accordance with the Act and Regulations made under the Act.

6. Meetings

(1) All meetings of the company shall be held in accordance with the provisions of the Act.

(2) The secretary, if any, shall attend all the meetings of the company but shall have no vote.

(3) A member of a single member company shall have powers to dispense with the requirement to hold a meeting in accordance with the Regulations.

7. Notice and proceedings of general meetings

(1) Where the law specifies time period for giving of notice of any meeting of the member or of director(s), requirements of the law shall be deemed to have been complied with if both the secretary, if any, and the member are notified of the meeting and they attend such meeting provided that in case of an annual general meeting, the time period for giving of notice to the auditor of the company shall not be less than twenty-one days.

(2) The single member present in person or through proxy shall be the quorum for the general meeting provided that secretary, if any, shall not act as proxy of the single member.

(3) Where the single member takes any decision which is required to be taken in a meeting of the board or in the general meeting or by means of a resolution and the decision is delivered by the single member in writing, within three days of the decision, to the company for entry in the minute book and is so recorded, that decision shall be valid as if agreed in such a meeting.

8. Directors

(1) The company shall always have the single member as a director but it may have such number of other director(s) as may be necessary, and who are appointed in accordance with the Act.

(2) The board or the general meeting shall not have the power to remove the member director but the single member shall have the power to remove any director, chief executive or secretary through a resolution.

(3) The director(s) shall have the powers as specified in the Act.

(4) The provisions in the Act on appointment, duties, removal and transactions involving directors shall apply to directors of a single member company.

9. Secretary

(1) A single member company may appoint a secretary, who shall be responsible for discharging duties and functions normally discharged by a secretary of a company.

(2) The sole director shall not be the secretary of the company.

10. Dividends and reserves

The company may declare dividends and pay in accordance with the provisions of the Act.

11. Accounts

(1) The director(s) shall cause to be kept proper books of accounts in accordance with the Act and shall cause to be prepared and laid before the company, in general meeting, such profit and loss accounts or income and expenditure accounts and balance sheets duly audited and reports as are required by the Act.

(2) Where the company has only one director, the requirements of section 162 of the Act shall be deemed to have been complied with if the balance sheet and profit and loss account are signed by the sole director.

(3) Auditors shall be appointed and perform their duties in accordance with the Act.

12. Indemnity

Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal arising out of his dealings in relation to the affairs of the company, except those brought by the company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any proceedings in which relief is granted to him by the Court.

13. The seal.

(1) The directors shall provide for the safe custody of the seal.

(2) The seal may only be used by the authority of the director and for the purpose so authorised.

(3) Every instrument to which the seal is affixed shall be signed by a director and shall be countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose.

14. Notices

(1) A notice may be given by the company to a member either personally or by sending it by post to his or her registered address, or if he or she has no registered address within Uganda to the address, within Uganda supplied by him or her to the company for the giving of notice to him or her.

(2) Where a notice is sent by post, service of the notice shall be taken to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected, in the case of a notice of a meeting, at the expiration of seventy-two hours after the letter containing the same is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

SECOND SCHEDULE

FORMS

regulation 6

FORM 1

THE REPUBLIC OF UGANDA

THE COMPANIES ACT, 2012

NOTICE OF NOMINATION OF NOMINEE DIRECTOR AND
ALTERNATE NOMINEE DIRECTOR BY SINGLE MEMBER.

Part A – Particulars of the company

- (1) Name of Company: _____
- (2) Company number: _____
- (3) Date of incorporation: _____

Part B – Particulars of the single member

- (1) Name _____
- (2) Physical address _____
- (3) Sex _____
- (4) Occupation _____
- (5) Age _____

Part C- Particulars of the Nominee Director

- (1) Name _____
- (2) Physical address _____
- (3) Sex _____
- (4) Occupation _____
- (5) Age _____

Part D- Particulars of the Alternate Nominee Director

- (1) Name _____
- (2) Physical address _____

- (3) Sex _____
(4) Occupation _____
(5) Age _____

CONSENT OF NOMINEE DIRECTOR:

I hereby consent to act as nominee director of the company in case of death of the single member.

Signature of Nominee Director.

CONSENT OF ALTERNATE NOMINEE DIRECTOR:

I hereby consent to act as alternate nominee director of the company in case of non-availability of the nominee director.

Signature of Alternate Nominee Director.

Dated at _____ this _____ day of _____ 20 _____

Signature of single member:

FORM 2

THE REPUBLIC OF UGANDA

THE COMPANIES ACT, 2012

COMPANY No.....

**CERTIFICATE OF INCORPORATION OF A SINGLE MEMBER
COMPANY**

I CERTIFY THAT: _____
SMC LTD (*insert name of company*) has this day been incorporated as a
company under the Companies Act, 2012.

Dated this _____ day of _____ the year 20 _____

REGISTRAR OF COMPANIES

FORM 3

regulation 9(2)

**THE REPUBLIC OF UGANDA
THE COMPANIES ACT, 2012**

COMPANY NO.

**CERTIFICATE OF CONVERSION FROM A SINGLE MEMBER
COMPANY TO PRIVATE COMPANY NOT BEING A SINGLE MEMBER
COMPANY**

I CERTIFY THAT: _____
SMC LTD (*insert name of company*) has this day converted into
_____ (*insert name of*
company) private company with limited liability under the Companies Act,
2012.

Dated this _____ day of _____ the year 20_____

REGISTRAR OF COMPANIES

FORM 4*regulation 10(2) (b)*

THE REPUBLIC OF UGANDA

THE COMPANIES ACT, 2012**NOTICE OF CONVERSION OF A SINGLE MEMBER COMPANY
INTO A PRIVATE COMPANY**

1. Name of Single Member Company: _____
2. Company number: _____
3. Name and address of single member: _____
4. Grounds for conversion from single member company to a private company (*tick appropriate*): -
 - (a) Transfer of shares;
 - (b) Further allotment of shares;
 - (c) Death of single member;
 - (d) Operation of law.
5. Date of transfer of shares/ allotment of shares/ death certificate or court order) _____ (*Enclose attested copies of transfer deeds or return of allotment or other document effecting the transfer of shares*).
6. Date of special resolution for conversion from single member company to a private company and alteration in articles _____ (*Enclose copy of special resolution and altered articles if any*).
7. Names, addresses and shareholding of members:

| Name | Address | Shares held | Total |
|------|---------|-------------|-------|
| | | | |
| | | | |
| | | | |

Dated at _____ this _____ day of _____ 20____

Signature: _____*Applicant*

FORM 5

THE REPUBLIC OF UGANDA

THE COMPANIES ACT, 2012

NOTICE OF DEATH OF SINGLE MEMBER

1. Name of Single Member Company: _____
2. Company number: _____
3. Name and former address of the deceased single member:

4. Date of death of member: _____
5. Particulars of personal representative:
 - (a) Name _____
 - (b) Physical address _____
 - (c) Sex _____
 - (d) Occupation _____
 - (e) Age _____
6. Any circumstances leading to impediment:

7. Name and address of the nominee/ alternate nominee director:

Dated this _____ day of _____ 20 _____

Signature of nominee/ alternate nominee director.

KAHINDA OTAIHIRE MAJ. GEN (RTD).
Minister of Justice and Constitutional Affairs.