

# Legal Assistant for Bangladeshi Entrepreneurs

April 25, 2025

## Contents

<b>1</b>	<b>Company Registration Process in Bangladesh</b>	<b>3</b>
1.1	Regulatory Authority: RJSC . . . . .	3
1.2	Name Clearance . . . . .	3
1.3	Drafting Memorandum and Articles of Association . . . . .	3
1.4	Opening a Temporary Bank Account . . . . .	4
1.5	Remitting Paid-Up Capital . . . . .	4
1.6	Submission of Digital Documents . . . . .	4
1.7	Submission of Physical Documents . . . . .	5
1.8	Obtaining Incorporation Certificate . . . . .	5
1.9	Registration with BIDA . . . . .	5
1.10	Post-Registration Obligations . . . . .	6
1.10.1	Obtain Tax Identification Number (TIN) . . . . .	6
1.10.2	Obtain Trade License . . . . .	6
1.10.3	VAT Registration . . . . .	6
1.10.4	Fire Certificate . . . . .	6
1.10.5	Environmental Clearance Certificate . . . . .	7
<b>2</b>	<b>Overview of Company Formation Documents</b>	<b>8</b>
2.1	Incorporation and Registration . . . . .	8
2.1.1	Governing Law . . . . .	8
2.1.2	Company Type Example . . . . .	8
2.1.3	Registration Certificate . . . . .	8
2.1.4	Registered Office . . . . .	8
2.2	Memorandum of Association (Foundational Charter) . . . . .	8
2.2.1	Company Name . . . . .	8
2.2.2	Registered Office Clause . . . . .	8
2.2.3	Objects Clause (Illustrative Structure) . . . . .	9
2.2.4	Liability Clause . . . . .	9
2.2.5	Conditions for License (Specific to Section 28 Companies) . . . . .	9
2.2.6	Contribution on Winding Up (Guarantee Clause) . . . . .	10
2.2.7	Distribution of Assets on Dissolution . . . . .	10
2.2.8	Amendment Clause . . . . .	10
2.2.9	Jurisdiction Clause . . . . .	10
2.2.10	Subscribers (Founding Members) . . . . .	10
2.3	Articles of Association (Internal Regulations) . . . . .	10
2.3.1	Reference to Companies Act Regulations . . . . .	10
2.3.2	Key Definitions . . . . .	11
2.3.3	Membership Framework (Illustrative Structure) . . . . .	11
2.3.4	Management and Governance (Illustrative Structure - Executive Committee/Board)	12
2.3.5	Key Roles (Illustrative) . . . . .	13

2.3.6	Financial Management and Audit . . . . .	13
2.3.7	General Meetings (Members' Meetings) . . . . .	13
2.3.8	Common Seal . . . . .	14
2.3.9	Indemnity Clause . . . . .	14
2.3.10	Amendment of Articles . . . . .	14
2.4	Winding Up and Dissolution . . . . .	14
2.4.1	Governing Provisions . . . . .	14
2.4.2	Application of Assets on Dissolution . . . . .	14

# 1 Company Registration Process in Bangladesh

## Introduction

Bangladesh has seen a significant increase in foreign and domestic business activities in recent years. Bangladesh has become an attractive destination for investors with a rapidly growing economy, strategic location, youthful labor force, and favorable trade policies. In this context, understanding the procedures and legal frameworks involved in registering a company is crucial for local entrepreneurs and foreign investors.

This section outlines the complete process of registering a company in Bangladesh, covering every stage from name clearance to obtaining post-registration permits and licenses. It also highlights the importance of choosing the appropriate legal structure and complying with post-incorporation obligations.

Link to the sources: <https://juralacuity.com/company-registration-in-bangladesh/>

### 1.1 Regulatory Authority: RJSC

The incorporation of companies in Bangladesh is governed by the Companies Act, 1994. The regulatory authority responsible for company registration is the **Registrar of Joint Stock Companies and Firms (RJSC)**. RJSC facilitates the formation of companies, maintains records of corporate ownership and management, and ensures legal compliance.

RJSC allows for the incorporation of private limited companies, public limited companies, one-person companies (OPC), companies limited by guarantee, and companies with unlimited liability. In most cases, 100% foreign ownership is allowed, and investors are not required to visit Bangladesh personally, as the registration process can be completed remotely through legal representatives.

### 1.2 Name Clearance

The first formal step in the company registration process is obtaining **Name Clearance** from RJSC. Promoters must propose a unique company name and apply for clearance through the RJSC's online portal.

- A computer-generated receipt is issued after application.
- Applicants pay the prescribed fees to RJSC for processing.
- Once approved, RJSC provides a Name Clearance Certificate.

This certificate is essential and serves as the foundation for all subsequent registration steps. It is important to note that the entire name clearance process can be completed remotely.

### 1.3 Drafting Memorandum and Articles of Association

The **Memorandum of Association** (MoA) and **Articles of Association** (AoA) serve as the company's constitution. These documents define the company's purpose, internal governance, and rights of stakeholders.

**The Memorandum of Association** includes:

- Objectives and scope of business operations.
- Amount of authorized and paid-up capital.
- Names and shareholding details of all shareholders.

**The Articles of Association** outlines:

- Number and powers of directors.

- Procedures for board meetings and decision-making.
- Appointment of managing directors and auditors.
- Share transfer policies and voting rights.

#### **Minimum Requirements:**

- Private Limited Company: At least two shareholders and two directors.
- Public Limited Company: Minimum seven shareholders and three directors.
- One-Person Company (OPC): Recently allowed under new provisions.

Foreign or local nationals can be directors, and nominee directors from corporate entities are permitted.

## **1.4 Opening a Temporary Bank Account**

After name clearance and drafting of incorporation documents, a temporary bank account is opened in the name of the proposed company. This requires:

- Name Clearance Certificate
- Draft MoA and AoA

This account will be used to receive the initial paid-up capital. The process may be completed without the physical presence of the investor.

## **1.5 Remitting Paid-Up Capital**

Foreign investors are required to remit the paid-up capital into the temporary bank account. Although there is no statutory minimum capital requirement, a minimum of **USD 100,000** is recommended if the company plans to employ foreign nationals.

The bank issues an **Encashment Certificate** upon receiving the remitted funds. This document is vital for the next step in the incorporation process. If all shareholders are Bangladeshi, this step is not necessary.

## **1.6 Submission of Digital Documents**

Once the paid-up capital has been remitted (for companies involving foreign investment) and the Encashment Certificate has been secured, the next critical step involves the submission of digital documents to the RJSC's online portal. This process is designed to streamline the registration procedure and reduce dependency on physical paperwork.

Promoters must scan and upload the following documents to the RJSC server:

- The Memorandum and Articles of Association
- Director's Consent Forms
- The Encashment Certificate (for companies receiving foreign investment)

Upon successful submission, the RJSC system generates an electronic payment slip. This slip indicates the requisite government fees, which must be deposited in RJSC's designated bank account. Timely submission and accurate completion of this step are essential, as any discrepancies may delay the overall registration process.

## 1.7 Submission of Physical Documents

Following the online submission, physical copies of the documents must be submitted to the RJSC office for verification and approval. This is a statutory requirement and helps authenticate the digital filings.

The necessary documents include:

- Signed Memorandum and Articles of Association with non-judicial stamp
- Form IX – Director’s Consent to Act
- Form X – List of Consenting Directors
- Form XII – Particulars of Directors and Managing Agents
- Original Name Clearance Certificate
- Original Encashment Certificate (if applicable)
- Bank deposit slip confirming payment of RJSC fees

Each document must be signed appropriately, and where applicable, notarized. Submission of incorrect or incomplete documentation may result in rejection or delay of the incorporation.

## 1.8 Obtaining Incorporation Certificate

After both digital and physical document verification, the RJSC processes the application. If all documentation is found to be in order, the Registrar issues the company’s **Certificate of Incorporation**.

Alongside the certificate, RJSC also provides:

- Certified digital copy of the Memorandum and Articles of Association
- Form XII – Confirmed list of company directors

This certificate serves as the official proof of the company’s legal existence under Bangladeshi law. The average processing time is 3 to 4 working days. Once issued, the temporary bank account can be converted into a permanent one, allowing full financial operation of the company.

## 1.9 Registration with BIDA

For foreign investors engaging in industrial ventures or infrastructure-related projects, registration with the **Bangladesh Investment Development Authority (BIDA)** is essential. BIDA acts as a one-stop service provider for foreign investment, facilitating a range of approvals and regulatory compliances.

Key benefits and services offered through BIDA registration include:

- Approval of work permits for foreign nationals
- Recommendations for investor and employment visas
- Permission for remittance of technical assistance and royalty fees
- Support in acquiring industrial land and utility connections

It is important to note that while BIDA registration is mandatory for industrial undertakings, it is not a requirement for companies operating purely in commercial or trading sectors. The full registration process typically takes about 30 working days and may involve the submission of a detailed project profile, company incorporation documents, and investor identity verification.

## 1.10 Post-Registration Obligations

After incorporation, companies must meet several statutory obligations to become fully operational. These requirements ensure regulatory compliance and legal recognition in various administrative contexts.

### 1.10.1 Obtain Tax Identification Number (TIN)

Every company is required to obtain a **Tax Identification Number (TIN)** from the National Board of Revenue (NBR). This is necessary for tax filings, banking operations, and entering into contracts.

The TIN can be obtained through the NBR's online system, making the process relatively straightforward. The company must provide its incorporation documents, information about directors, and a business address.

### 1.10.2 Obtain Trade License

A **Trade License** is issued by the local City Corporation or Municipal Authority and is mandatory for all businesses operating within Bangladesh. This license certifies the legality of the company's physical operations within a specified jurisdiction.

To apply, the company must submit:

- Certificate of Incorporation
- MoA and AoA
- Rental agreement or ownership proof of office premises

The license is usually issued within 3–4 working days and costs approximately USD 200 annually. It must be renewed each year to remain valid.

### 1.10.3 VAT Registration

Companies engaged in the supply of taxable goods or services must register with the **Customs, Excise, and VAT Commission**. This ensures compliance with Bangladesh's Value Added Tax regulations.

Documents required for VAT registration include:

- Trade license
- TIN certificate
- Office layout plan
- Board resolution (if applicable)

The registration process takes approximately 5–7 working days, after which the company receives a **Business Identification Number (BIN)** for VAT compliance and invoicing.

### 1.10.4 Fire Certificate

A **Fire Safety Certificate** is mandatory for companies operating in sectors such as manufacturing, hospitality, education, and large-scale retail. Issued by the **Bangladesh Fire Service and Civil Defence**, the certificate verifies that the company's premises meet prescribed fire safety standards under the Firefighting Act of 2003.

To obtain this certificate, the company must provide:

- Office or factory layout plan
- List of fire safety equipment installed

- Incorporation and trade license documents

Compliance is essential not only for legal reasons but also for employee safety and insurance validation.

#### 1.10.5 Environmental Clearance Certificate

Companies involved in activities with potential environmental impact — such as manufacturing, waste management, and chemical processing — are required to obtain an **Environmental Clearance Certificate** from the **Department of Environment**.

Depending on the company's activities, the clearance may fall under one of four categories: Green, Orange-A, Orange-B, or Red, with increasing levels of scrutiny.

Required submissions typically include:

- Project profile
- Site location map
- Waste disposal plan
- Environmental Impact Assessment (EIA), for Red category industries

This certificate affirms that the company complies with Bangladesh's environmental laws and standards, promoting sustainable business practices.

## 2 Overview of Company Formation Documents

This section provides a detailed and unified overview of the key legal documents and procedures involved in forming a company in Bangladesh, drawing examples from the Memorandum and Articles of Association of the Bangladesh Association of Publicly Listed Companies (BAPLC), a company limited by guarantee registered under Section 28 of the Companies Act, 1994. It covers incorporation requirements, the structure and content of the Memorandum of Association, the internal regulations defined in the Articles of Association, and provisions for winding up.

### 2.1 Incorporation and Registration

The foundational aspects of establishing a company involve adherence to specific legal frameworks and registration processes.

#### 2.1.1 Governing Law

The primary legislation referenced for incorporation is the **Companies Act, 1994 (Act No. XVIII of 1994)**. All procedures, requirements, and regulations stem from this Act and its subsequent amendments.

#### 2.1.2 Company Type Example

The example document pertains to a **Company Limited by Guarantee**, registered under **Section 28** of the Companies Act, 1994. This type is often chosen for non-profit organizations or trade associations where profits are intended to be reinvested into the company's objectives rather than distributed to members.

#### 2.1.3 Registration Certificate

Upon successful incorporation and verification of compliance with the Act, the **Registrar of Joint Stock Companies, Bangladesh** issues a formal **Certificate of Incorporation**. This certificate serves as conclusive evidence of the company's legal existence, its registration under the Companies Act, 1994, and confirms its limited liability status. (Ref: Page 2)

#### 2.1.4 Registered Office

A fundamental requirement stated in the Memorandum of Association is that the **Registered Office** of the company must be situated within the jurisdiction of Bangladesh. This serves as the official address for legal correspondence and regulatory purposes. (Ref: Memo Clause II)

### 2.2 Memorandum of Association (Foundational Charter)

The Memorandum of Association is the company's primary constitutional document, defining its scope, purpose, and relationship with the outside world.

#### 2.2.1 Company Name

The first clause clearly and unambiguously specifies the official registered name of the company. (Ref: Memo Clause I)

#### 2.2.2 Registered Office Clause

This clause formally states the location (within Bangladesh) of the company's registered office, as required by law. (Ref: Memo Clause II)



### 2.2.3 Objects Clause (Illustrative Structure)

This critical clause outlines the specific purposes and activities for which the company is established. It defines the scope of the company's legitimate operations. While the specific objects listed in the BAPLC example (1-35) are unique to that association, the structure highlights the necessity of clearly defining all intended activities, which might include:

- Promoting the interests of a specific group, trade, or industry.
- Facilitating cooperation, networking, and information exchange among members or stakeholders.
- Engaging with government departments, regulatory bodies (like the Securities and Exchange Commission - SEC), and other public or private entities.
- Publishing journals, reports, or other materials relevant to its objectives.
- Offering services like arbitration or dispute resolution.
- Acquiring, holding, or disposing of property necessary for company operations.
- Raising capital through various means, such as borrowing or issuing debentures.
- Entering into necessary legal arrangements or contracts with authorities or other parties.
- Covering the preliminary and incidental expenses related to the company's formation and registration.

(Ref: Memo Clause III, points 1-35)

### 2.2.4 Liability Clause

This clause explicitly declares the nature of the members' liability. For companies limited by guarantee or shares, it states that the **liability of the members is limited**. (Ref: Memo Clause IV)

### 2.2.5 Conditions for License (Specific to Section 28 Companies)

For companies registered under specific sections like Section 28 (often non-profits), the Memorandum includes conditions tied to their operating license granted by the Government:

- All income and property must be strictly applied towards promoting the stated objects of the company.
- Distribution of profits or dividends to members is prohibited. No portion of the income or property can be paid or transferred, directly or indirectly, to members in the form of profit.
- Legitimate payments are allowed, specifically for reasonable expenses incurred or remuneration provided in good faith to any employee or member for services genuinely rendered to the company.
- Compliance with these conditions is essential for maintaining the license granted under Section 28.

(Ref: Memo Clauses V, VI)

### 2.2.6 Contribution on Winding Up (Guarantee Clause)

Specific to companies limited by guarantee, this clause outlines the financial obligation of members in the event of dissolution. Each member undertakes to contribute a predetermined maximum sum (e.g., Taka 5,000 in the BAPLC example) to the company's assets if it is wound up during their membership or within one year after they cease to be a member. This contribution is used for:

- Payment of the company's debts and liabilities contracted before the member ceased membership.
- Covering the costs, charges, and expenses associated with the winding-up process.
- Adjusting the rights of contributors amongst themselves.

(Ref: Memo Clause VII)

### 2.2.7 Distribution of Assets on Dissolution

This clause dictates the handling of surplus assets upon winding up or dissolution, after all debts and liabilities have been satisfied. It explicitly states that any remaining property **cannot be paid to or distributed amongst the members**. Instead, it must be given or transferred to another institution(s) having objects similar to those of the dissolved company. The recipient institution is determined either by a resolution passed by a significant majority (e.g., three-fourths) of the members in a general meeting held at or before the time of dissolution, or, failing that, by a Judge of the High Court Division of the Supreme Court of Bangladesh handling company matters. (Ref: Memo Clause VIII)

### 2.2.8 Amendment Clause

The Memorandum (and Articles) cannot be altered unilaterally. Any proposed alteration must first be submitted to the relevant **Government** authority for approval before it can be formally adopted by the company (typically through a special resolution). (Ref: Memo Clause IX)

### 2.2.9 Jurisdiction Clause

This clause defines the geographical scope within which the company intends to pursue its objects (e.g., the whole of Bangladesh). (Ref: Memo Clause X)

### 2.2.10 Subscribers (Founding Members)

The Memorandum concludes with a formal declaration by the initial subscribers (the founding members). They state their desire to be formed into a company/association pursuant to the Memorandum, and their names, descriptions (e.g., position, affiliation), and addresses are listed. (Ref: Pages 8-10)

## 2.3 Articles of Association (Internal Regulations)

The Articles of Association complement the Memorandum and define the internal rules, procedures, and governance structure for the company's day-to-day operations.

### 2.3.1 Reference to Companies Act Regulations

The Articles may explicitly adopt or incorporate standard regulations provided in the schedules of the Companies Act, 1994 (e.g., Table A in Schedule 1 for companies limited by shares, or specific rules applicable to Section 28 companies), alongside the company-specific regulations detailed within the Articles themselves. (Ref: Article 1)

### 2.3.2 Key Definitions

To ensure clarity and avoid ambiguity, the Articles typically begin with a set of definitions for key terms used throughout the document:

- **Act:** Refers to the Companies Act, 1994, and any statutory modifications or re-enactments.
- **Articles:** Encompasses both the Memorandum and the Articles of Association, including any supplementary rules and regulations currently in force.
- **Member:** Defines who qualifies as a member (e.g., an individual, a company, a listed entity as in the BAPLC example) once formally admitted according to the procedures.
- **General Meeting:** Refers to any meeting of the company's members, whether it's the regular Annual General Meeting (AGM) or an Extra-Ordinary General Meeting (EGM).
- **Register:** Specifically means the Register of Members that the company is legally required to maintain under Section 34 of the Act.
- **Special Resolution:** Has the specific meaning assigned to it by Section 87 of the Act (requiring a higher majority and specific notice).
- **Year:** Defines the financial or accounting period used by the company (e.g., July 1st to June 30th).
- **Seal:** Refers to the official Common Seal of the company.
- **Committee/Board:** Defines the primary governing body (e.g., Executive Committee, Board of Directors).

(Ref: Article 2)

### 2.3.3 Membership Framework (Illustrative Structure)

The Articles detail the rules surrounding membership:

- **Eligibility:** Criteria defining who can apply for membership (e.g., being a company listed on a recognized Stock Exchange in Bangladesh). (Ref: Article 5)
- **Classes:** Specification of different categories of membership, if any (e.g., Ordinary, Associate, Honorary), and the rights associated with each. (Ref: Article 6)
- **Admission Process:** The procedure for applying (e.g., submitting a signed form), required payments (admission fee, first subscription), and the body responsible for approving applications (e.g., the Executive Committee/Board). The approving body usually has discretion to accept or reject applications without needing to provide a reason. (Ref: Articles 7, 8)
- **Fees and Subscriptions:** Details of the financial obligations, including admission fees and recurring annual subscriptions (amounts may vary based on criteria like paid-up capital or membership class). Payment deadlines (e.g., by 31st January each year) are specified. The governing body often has the authority to revise these fees. (Ref: Article 7)
- **Privileges:** Rights granted to members, such as the right to vote at general meetings (e.g., one vote per member), the right to receive notices, and the right to be represented (e.g., by a nominated individual). (Ref: Article 9)
- **Obligations:** Duties of members, including adherence to the Articles and any supplementary rules or codes of conduct (e.g., Code of Ethics), and timely payment of subscriptions. (Ref: Articles 11, 12)

- **Cessation of Membership:** Conditions under which membership terminates, such as failure to pay subscriptions after due notice, expulsion for misconduct, or the member company being wound up or declared insolvent. A change in the member company's name usually does not automatically terminate membership. (Ref: Article 13)
- **Expulsion and Re-admission:** Procedures for disciplinary actions like suspension or expulsion, typically reserved for serious breaches of rules or conduct detrimental to the company. The process usually involves warning the member and providing an opportunity to be heard before the governing body makes a final decision. Re-admission after expulsion often requires specific approval (e.g., by members in a General Meeting), usually after a minimum time lapse and settlement of any outstanding dues. (Ref: Articles 14, 15)
- **Liability after Cessation:** A member ceasing membership remains liable for any dues owed up to the point of cessation. They are generally not entitled to refunds for unused portions of subscriptions. (Ref: Article 16)

### 2.3.4 Management and Governance (Illustrative Structure - Executive Committee/Board)

This outlines the structure and powers of the body responsible for managing the company:

- **Composition and Election:** Defines the governing body (e.g., Executive Committee), its size (e.g., 21 members), how members are chosen (e.g., elected by general members), and the process for selecting key office bearers (e.g., President, Vice-President elected by and from the committee members). The initial committee can consist of the subscribers to the Memorandum. Procedures for filling vacancies arising between elections are also specified. (Ref: Article 17)
- **Tenure:** The term of office for committee members and office bearers (e.g., two years). Rules may exist regarding term limits or eligibility for re-election after serving consecutive terms. (Ref: Article 18)
- **Election Process:** Detailed rules for conducting elections, including the method (e.g., secret ballot, no proxy votes), the appointment and role of independent bodies to oversee the process (e.g., Election Board, Election Appeal Board), and compliance with external regulations if applicable (e.g., Trade Organizations Rules 1994). (Ref: Article 19)
- **Meetings and Quorum:** Rules for committee meetings, including the minimum number required for a quorum (e.g., one-third of members), procedures if quorum is not met (adjournment), required notice periods (e.g., 7 days for regular meetings, 24 hours for emergent ones), and minimum frequency (e.g., at least once every two months). Provisions for making decisions via circulation (written resolutions) may exist under specific conditions. (Ref: Articles 21, 22, 24)
- **Powers and Duties:** The governing body is vested with the overall management of the company's affairs. Its powers typically include: acquiring or disposing of property; establishing internal rules, regulations, and bye-laws; appointing, supervising, and dismissing paid staff; overseeing sub-committees; managing and controlling company funds; representing the company externally (e.g., sending delegations); appointing technical or legal advisors; and ensuring proper maintenance of statutory books and records (Minute Books, Register of Members, financial accounts). (Ref: Articles 20, 26, 27, 28)
- **Vacation of Office:** Circumstances under which a committee member automatically loses their position, such as resignation, prolonged absence from meetings without approved leave, or if the entity they represent ceases to be a member of the company. (Ref: Article 29)

### 2.3.5 Key Roles (Illustrative)

Defines the responsibilities of specific office-bearers:

- **President/Chairperson:** The chief elected official, typically presides over committee and general meetings, acts as the primary representative of the company, provides overall leadership and supervision. (Ref: Articles 32, 33)
- **Vice-President/Vice-Chairperson:** Assists the President and assumes their duties in their absence. (Ref: Articles 23, 34)
- **Secretary-General/Company Secretary (Often Appointed):** A key administrative officer, potentially a paid position appointed by the committee. Responsibilities include managing correspondence, maintaining statutory registers and records, keeping custody of the common seal, issuing meeting notices, recording accurate minutes, managing company funds and accounts under committee direction, collecting dues, preparing annual reports, and supervising administrative staff. (Ref: Articles 35, 36)

### 2.3.6 Financial Management and Audit

Covers the handling of company finances:

- **Funds:** All monies received must be deposited into the company's designated fund(s), managed under the authority of the governing body. (Ref: Articles 30, 31)
- **Accounts and Records:** Mandates the keeping of proper books of account, providing a true and fair view of the company's financial affairs and transactions, alongside statutory registers and minute books. (Ref: Article 26)
- **Audit Requirements:** Accounts must be prepared annually and audited by an independent auditor. Auditors are typically appointed by the members at the AGM. They have the right to access all books, accounts, and vouchers and to require information from officers. The auditors must report to the members whether the accounts give a true and correct view of the company's financial position and whether they received all necessary information. Audited accounts must be presented to the members at the AGM. (Ref: Articles 55-61)

### 2.3.7 General Meetings (Members' Meetings)

Rules governing meetings of the company's members:

- **Annual General Meeting (AGM):** Must be held at least once per calendar year, with no more than 15 months between AGMs. Standard business includes receiving and adopting the governing body's report and the audited financial statements, appointing auditors, fixing their remuneration, and announcing election results (when applicable). (Ref: Articles 37, 38)
- **Extra-Ordinary General Meeting (EGM):** Any general meeting other than the AGM. Can be convened by the governing body whenever deemed necessary, or must be convened upon receiving a valid requisition from a specified number or proportion of members (e.g., one-tenth). The requisition must clearly state the purpose of the proposed meeting. (Ref: Article 40)
- **Notice Requirements:** Minimum notice periods must be given to members for all general meetings (e.g., 14 days for regular business, 21 days for special resolutions). The notice must specify the date, time, place, and the general nature of any special business to be transacted. Accidental omission of notice to a member usually does not invalidate the meeting's proceedings. (Ref: Article 41)

- **Quorum:** The minimum number of members required to be present (in person or by proxy, if allowed) for the meeting to be validly constituted. The quorum number may depend on the total membership size. Procedures are defined for when quorum is not met within a specified time (e.g., dissolution if the meeting was requisitioned by members, adjournment to a later date otherwise). (Ref: Article 42, 44)
- **Proceedings and Voting:** The designated Chairperson (President/VP/Elected Member) presides. Decisions on resolutions are typically made by a majority vote. Voting is usually by a show of hands unless a poll (ballot) is demanded by members or the Chairperson. Rules specify voting rights (e.g., one member, one vote) and how votes are exercised (e.g., personally present). Procedures for adjourning meetings are also included. (Ref: Articles 43, 45, 47, 48, 49, 50)
- **Minutes:** Accurate minutes of all proceedings and resolutions at general meetings must be recorded in designated minute books and signed by the Chairperson of that meeting (or the next) as a correct record. (Ref: Article 46)

### 2.3.8 Common Seal

The company is required to have an official Common Seal. The Articles specify its custody (e.g., held by the Secretary-General) and the procedure for its use. Affixing the seal to any document typically requires authorization by the governing body (e.g., via a resolution) and must be done in the presence of specified officers (e.g., President or VP, possibly countersigned by the Secretary), who then sign the document. (Ref: Article 51)

### 2.3.9 Indemnity Clause

Provides protection for officers and potentially other employees. The company typically indemnifies them against costs, losses, and expenses reasonably incurred by them while performing their duties in good faith. This indemnity usually does not cover liabilities arising from their own dishonesty, fraud, or willful neglect. (Ref: Articles 62, 63)

### 2.3.10 Amendment of Articles

Similar to the Memorandum, amending the Articles requires a specific process, usually involving a special resolution (e.g., passed by a three-fourths majority of members present) at a duly convened EGM. Crucially, like the Memorandum, amendments often require **prior approval from the Government** before taking effect. (Ref: Article 64)

## 2.4 Winding Up and Dissolution

Covers the final stages of the company's existence.

### 2.4.1 Governing Provisions

The process of winding up or dissolving the company is governed by the relevant provisions laid out in the **Companies Act, 1994** (as amended). The Articles may reiterate that these statutory provisions apply. (Ref: Article 65)

### 2.4.2 Application of Assets on Dissolution

Reiterating the principle from the Memorandum (Clause VIII), upon dissolution and after satisfaction of all debts and liabilities, any remaining assets **cannot be distributed among the members**. They must be transferred to one or more other institutions with similar objectives, as determined by the members or the court. Dissolution itself typically requires a resolution passed by a very high majority of the total membership (e.g., three-fourths). (Ref: Article 54, Memo Clause VIII)