



IN THE MATTER OF THE COMPANIES ACT CAP 106

AND IN THE MATTER OF THE COMPANIES (POWERS OF THE REGISTRAR)

REGULATIONS SI NO. 71 OF 2016

AND

IN THE MATTER OF J & W AGENCIES (A) LIMITED

COMPANY PETITION CAUSE NO. 31928 OF 2024

FUCHIGAMI KOJI (Petitioning through his lawful Appointed Attorney Nexus
Solicitors & Advocates) ::::::::::::::::::::PETITIONER

VERSUS

1. SEMBUYA EDWARD
2. BOGEZI FREDRICKRESPONDENTS

RULING

Before: Daniel Nasasira – Assistant Registrar of Companies

A. Representation

1. Counsel Isabella Mushabire from Nexus Solicitors and Advocates represented the petitioner. Counsel Joyce Tukahirwa from M/S Fontes Advocates represented the first respondent.

B. Background and the petitioners case

2. This Petition was filed on the 10th day of November 2023 and was brought under Section 247 of the Companies Act and Regulations 26 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016. I take note that the petition was brought

under an old law specifically the Companies Act No. 1 of 2012. The correct provision to commence a petition before the Registrar of Companies is Section 243 of the Companies Act Cap 106.

3. J & W Agencies (A) Limited is a company limited by shares, incorporated on the 01st day of November 2017 under registration number 80020000521257.
4. At incorporation, the original shareholding structure was Fuchigami Koji owning seventy (70) shares and Sembuya Edward holding thirty (30) shares.
5. The Petitioner Fuchigami Koji and the first Respondent Sembuya Edward were registered as the directors of the company while the second Respondent Bogezi Fredrick was the company secretary.
6. The Petitioner asserts that the primary business activity of the company was the importation of motor vehicles for sale. Following the incorporation of the company, the petitioner moved to Japan to oversee the exportation of vehicles from Japan to Uganda.
7. The Petitioner continued sending vehicles to Uganda, through the company that was being managed fully by the first Respondent, as a director, for and in the interest of the Company.
8. However, tensions escalated when the first Respondent ceased submitting accountability reports, leading the petitioner to express suspicion and request accountability reports concerning the business from the first Respondent.
9. The Petitioner was later shocked to learn that the first and second Respondents, had altered the structure of the company, wherein they purported to transfer his forty shares to Sembuya Edward, the first Respondent, giving him seventy (70) shares in the company while the Petitioner remained with only thirty (30) shares making him the minority shareholder. A transfer form and resolution dated 25th April 2022 and registered on 10th May 2022 bearing a fabricated signature of the petitioner was used to effect this change.

10. The resolution registered on 10th May 2022 further provided for an amendment of the company's Memorandum and Articles of Association to reflect the new shareholding structure from Fuchigami Koji owning 70 shares and Sembuya Edward 30 shares to Sembuya Edward owning 70 shares and Fuchigami Koji owning 30 shares making him a minority shareholder in the company. The said amended Memorandum and Articles of Association were registered on the same day 10th May 2022.
11. The Petitioner avers that at the dates of passing the said resolutions, he was not in the country and therefore there is no way he could have signed the said transfer form and resolution and neither were the documents couriered to him or electronically sent to him for his signature. The Petitioner maintains that there is no way he could have signed the said documents and his signature must have been fabricated.
12. The first and second Respondents proceeded to pass various resolutions obtaining credit of UGX 100,000,000 from Absa Bank and a credit card of UGX 5,000,000 without informing the petitioner who was both a director and shareholder of the company.
13. Further to the above, the Petitioner also later established that the two Respondents connived, colluded and executed another resolution obtaining another loan facility of UGX 300,000,000 from Absa Bank, dated 02nd September, 2023 without authorization and consent from the petitioner as a director and shareholder of the company.
14. The Petitioner further alleges that the first respondent has never accounted for the monies borrowed.
15. The Petitioner contends that all the said above actions were done with a selfish motive, in bad faith and against the best interests of the company.
16. The Petitioner prayed that the resolutions, transfer form and amended Memorandum and Articles of Association be declared illegal, null and void. A declaration that all the actions by the two Respondents constitute oppressive conduct against the Petitioner. A declaration that the resolutions authorizing the company to borrow moneys from Absa Bank were unlawfully executed and that the two Respondents

personally, jointly and severally be held accountable and liable for repayment of the said credit facilities obtained from Absa Bank Limited. Finally, the Petitioner prayed for an order for the shareholding structure of the company to be reinstated to its position before the said illegal structural modification perpetrated by the Respondents.

C. Respondents Case

17. The Respondents emphasized in their answer to the petition and statutory declarations that the first Respondent had always been authorized to manage the affairs of the company in Uganda, including the operation of bank accounts, the formulation of proposals, and the execution of projects on behalf of the company in Uganda. This position was further substantiated by the communication between the Petitioner and first Respondent dated August 13th, 2018.
18. The first Respondent contended that he has consistently provided accountability and reports to the Petitioner regarding the company's operations, including sharing bank statements from the company's account at Absa Bank, and that the Petitioner has never requested accountability or reports that the Respondent has refused to provide.
19. The first Respondent contended that the Petitioner had, on multiple instances, individually sold motor vehicles dispatched to the company in Uganda without the company's knowledge or involvement, appropriating the proceeds without routing them via the official company accounts. On the other hand, the Petitioner consistently requested company receipts and/or sale agreements concerning the company's official transactions, which the first Respondent invariably provided.
20. Regarding the issue of the illegal transfer of shares, the first Respondent argues that he requested for an identity card of the Petitioner because it was required by the company registry before the transfer could be effected and the Petitioner sent his identity card by whatsapp and therefore he was aware of this transfer and his claim is therefore brought in bad faith.

21. The first Respondent avers that the resolution and transfer form regarding the change in shareholding of the company was agreed to, signed by the petitioner and sent to the first Respondent by courier to Uganda for registration.
22. The decision to alter the company's shareholding was informed by the Uganda Investment Authority's advice to restructure ownership, ensuring that a majority stake is held by a Ugandan. This adjustment aimed to classify the company as a local entity, thereby enhancing its positioning within the waste management sector, which constituted the company's primary business prior to the initiation of car trading activities.
23. The first Respondent argues that while it is true that the parties executed a resolution dated 01st November 2017 to open a bank account and appoint the Petitioner as the managing director. It was not possible for the bank to open the bank account and have the Petitioner as a signatory to the account due to the fact that the Petitioner did not have a work permit that was a requirement by the bank to open the bank account. This according to the Respondent explains why he became a sole signatory and the second Respondent was appointed as company secretary for purposes of getting a second signatory to attest to any transactions of the company.
24. The first Respondent avers that the acquisition of the alleged loans was necessary since the Petitioner had sent outlawed motor vehicles that were lawfully detained at the Mombasa port. The Petitioner failed/refused to send money for their clearance and the detention lasted for more than six months. The first Respondent after seeking the approval of the Petitioner, in numerous discussions held with him, through a one John Nakaswa his English interpreter and agent, got authorization to secure the said loans for purposes of rectifying this problem.
25. These monies were procured in the ordinary course of business according to Articles 35 and 36 of the Company's Articles of Association and signed by the first Respondent as the company's managing director and the second Respondent as the company

secretary. The first Respondent maintains that it is not true that the Petitioner was not aware of these loans.

26. In reply to paragraphs 6, 9, 10, 11, 12 & 13, the first Respondent argued that sometime in September 2023, the first Respondent received instructions, which were allegedly signed by the Petitioner instructing the first Respondent to transfer the petitioner's shares in the company amounting to seventy (70) shares to John Nakaswa, his representative. The first Respondent argues that he was skeptical about the authenticity of these instructions and while he was still trying to verify the credibility of this instruction to transfer the Petitioners shares to his representative John Nakaswa, he was served with summons in respect to this matter vide Company Petition Cause No. 29747 of 2023 filed by the Petitioner against him and the second Respondent for allegedly mismanaging the affairs of the company.
27. The first Respondent argued that he has always acted in the best interest of the company by making various proposals to different entities seeking for work, representing the company in all its dealings in Uganda and paying all obligations of the company including its expenses and tax obligations. This includes the indebtedness caused by the contraband motor vehicles sent to the company in 2021 by the petitioner, which the first respondent is still trying to clear. Save from this debt, the first respondent argues that the company under his able leadership has been able to settle its liabilities and has no other outstanding tax, financial or other obligations.
28. In further reply to paragraphs 16 & 17 of the petition, the first Respondent contends that it is the Petitioner who has acted contrary to the interests of the company by causing confusion in the company through sending contraband vehicles to the company, selling motor vehicles discreetly and not remitting the money to the company accounts, instructing the first Respondent to transfer seventy (70) shares in the company to John Nakaswa yet he only owns thirty (30) shares, authorizing a one Junichi to communicate on his behalf without formal instructions and filing this

instant Petition No. 29727 of 2023 against the first Respondent on the basis of documents which he signed. Despite all these actions, all done in bad faith, the Petitioner proceeded to report the first Respondent to Ugandan authorities for allegedly conniving in acts of money laundering. The first Respondent deposed in his statutory declaration that all these actions have gravely frustrated him.

29. The first Respondent prayed that the orders sought for by the Petitioner should not be granted and that the Petition should be dismissed with costs.

30. At closure of hearing of this matter, I instructed both counsel to present written submissions and issued schedules as below;

- a) Written submissions from the Petitioners were to be filed and served by the 20th day of June 2025.
- b) Written submissions from the Respondents were to be filed and served by the 04th day of July 2025.
- c) Any submissions in rejoinder were to be filed and served by the 11th day of July 2025.

31. The Petitioner's counsel filed submissions on June 20th, 2025, well within the stipulated timeframe for filing. The first Respondents' counsel however filed submissions on July 8th, 2025, outside of the prescribed date for filing the respondents submissions, which may have caused the Petitioners' counsel to file a rejoinder out of time, which was filed on July 14th, 2025. In the interest of justice, because all pleadings are on file, I shall continue and make a decision for purposes of disposing off this matter.

D. Issues

- a) *Whether the transfer of shares from the petitioner to the first respondent was lawful?*
- b) *Whether the procedure used in acquiring the laod facilities by the Respondents was lawful?*
- c) *Whether the conduct of the Respondent, in view of the acts complained of constitutes minority oppression in the meaning of Section 243 of the Companies Act Cap 106?*

d) *What remedies are available to the parties?*

E. Determination

a) *Whether the transfer of shares from the Petitioner to the first Respondent was lawful?*

32. The transferability of shares / trade in a company's stock constitutes an essential feature of any registered company. The transfer of shares involves the procedure through which the ownership of shares in a company is conveyed from one individual (transferor) to another (transferee). Section 81 of the Companies Act stipulates that shares in a company are classified as movable property and may be transferred according to the procedure outlined in the Company's Articles. According to Regulation 23 Table A of the Companies Act, any member is permitted to transfer all or part of their shares through a written instrument, utilizing a standard or commonly accepted format, or any alternative format that receives approval from the directors.

33. Court in *Barry Mpeirwe V Alsaco International Ltd HCCS No. 440 of 2014* held that, *'a shareholder has property rights and the right to sell and transfer those property rights to another person. Further that in a private limited liability company there are some restrictions on those rights, among other things, the requirement for a written instrument of transfer.'*

34. Section 83 (1) of the Companies Act Cap 106 provides that for a company to lawfully register a transfer of shares in a company, a proper instrument of transfer must be delivered to the company. Regulation 22 Table A of the Companies Act further requires that, *'an instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be taken to remain a holder of the share until the name of the transferee is entered in the register of members in respect of the share.'* It therefore implies that for a lawful transfer of shares to take place, there must be a validly executed instrument of transfer to that effect. Furthermore, the said instrument of transfer ought to be particularly executed by the transferor and the transferee or by any person acting under the authority of the transferor and transferee

to do so. The issue to resolve in this matter is whether the petitioner authorized and executed a transfer instrument in respect to the forty (40) shares said to have been transferred.

35. A transfer of shares in a private limited liability company is governed by the Articles of Association of the company. Justice Christopher Madrama in *Barry Mpeirwe V Alsaco International Ltd HCCS No. 440 of 2014* cited with approval, the words of Lord Greene MR in *Greenhalgh V Mallard and Others [1943] 2 ALLER 234* on transfer of shares as follows, *'In the cases of a private company, the articles of association contain restrictions on transfer and transmission of shares. With the restriction of transfer of shares, it is right for the court to remember that a share, being personal property, is prima facie transferable, although the conditions of the transfer are to be found in the terms laid down in the Articles. If the right of transfer, which is inherent in property of this kind, is to be taken away or cut down, it seems to me that it should be done by language of sufficient clarity to make it apparent that that was the intention.'*

36. Considering the above reasoning and Section 83 (1) of the Companies Act Cap 106, it is imperative to look at J & W Agencies Ltd's Articles of Association to determine whether there was a lawful execution of a transfer deed in this case. Article 11 of the Company's Articles of Association provides that the transfer of any shares shall be made through and approved by the Board. Article 12 continues to provide that every shareholder who may desire to sell or transfer any shares shall give notice in writing to the directors that he/she desires to make such transfer/sale to any member/s of the company at a price to be agreed upon between the party giving notice and the Board. From the reading of the above provisions, it is a key requirement that a notice be given by the shareholder/transferor of shares to the directors before any transfer can be said to have validly been effected.

37. In this particular matter, no express or implied notice was adduced in evidence as having ever been given by the Petitioner, Mr. Fuchigami Koji to the company in

respect to the alleged transfer of shares. This indicates and convincingly supports the Petitioners argument that he had no intention whatsoever to transfer his shares and did not authorize any transfer of shares to the first respondent or any other person. The respondents did not adduce any evidence to prove that the petitioner either expressly or impliedly signified his intention to transfer his shares in the company. Considering that the Articles of Association of J & W Agencies require that a notice be given for the transfer to be deemed effective, I find that failure to adduce a notice is sufficient in itself to nullify the transfer instrument.

38. Furthermore, the procedure on a transfer of shares as clearly articulated by Article 11 of the Articles of Association of the company stipulates that, *'transfer of any share shall always be made through and approved by the Board.'* This provision implies that the Board had to approve this transfer of shares from the Petitioner to the first Respondent. The Respondents did not adduce any iota of evidence to demonstrate that the transfer was approved. Court in *Noble Builders (Uganda) Limited v Balwinder Kaur Sandhu Civil appeal no.70 of 2009 pg. 19* relied on Kato, JA, in *Civil Appeal No.41 of 2001: Noble Builders (U) Ltd and Raghbir Singh Sandhu Vs Jaspal.S. Sanhhu*, where the learned justice relying on Section 73 then now Section 83 Cap 106 noted that, *'That section in fact requires shares to be transferred in accordance with the Articles of Association of the company.'* This precedent demonstrates the supremacy of a Company's Articles of Association in crucial company dealings like share transfers. Considering that the Articles of Association of J & W Agencies Limited require that a notice be given for the transfer to be deemed valid and the same be authorized by the Board, I find that the failure to comply with both requirements as stated in the Articles make the transfer on file invalid.

39. I will now deal with the special resolution and transfer of share stock instrument dated the 09th day of May, 2022 which authorized the transfer of forty (40) shares from the Petitioner to the first Respondent. The issue for determination in respect to these

two documents is whether they were signed by the Petitioner as transferor and the first Respondent as transferee.

40. The Petitioner through Sophie Dhatemwa's statutory declaration at paragraph sixteen, contends that he was not in Uganda at the time the aforementioned documents were executed, nor did he dispatch any signed documents to Uganda via courier as alleged by the first respondent. The Petitioners contend that the only reasonable conclusion in this matter is that his signature was forged to enable the unlawful transfer of his shares. The Petitioner presented evidence from a forensic expert who conducted an analysis of the signatures on the special resolution and transfer of share stock form dated 09th May, 2022, alongside sample signatures of the Petitioner. The forensic expert indicated that there were significant discrepancies in the signatures and determined that the contested documents, namely the special resolution and transfer of share stock, were not signed by the petitioner.

41. In *Peoples Insurance Company Ltd V C.R.E Wood and Co 1 & Ors [1961]*, it was held that, *'it is a legal position that a forged or fraudulent transfer does not defeat the title of the true owner and the person defrauded has a right to require the company to restore his name to the register. The true owner can obtain rectification of the register by striking out the name of the third person and restoring his own. As against the real owner, a forged or fraudulent transfer is a nullity and the person so deprived of his shares can compel the company if it has removed his name from the register to reinstate him as the holder of shares.'*

42. Additionally, the learned Justice James Ogoola in *Jack Wavamuno V Kai Anderson and Others HCCS No. 33 of 1996* in nullifying a share transfer highlighted that, *'I am satisfied that indeed the share transfer Agreement (Exhibit P.6) was neither signed nor sealed by either CAPRICORN or FISHTEC as they should have done by requirement of law. In addition to all the above defects submitted by the Defendants, it is also quite evident that the purported sale and transfer of shares in this case did not satisfy a veritable number of the company's own Articles of Association to wit: Regulation 19 which requires the share*

transferor to execute the transfer instrument...' In the present matter, the Petitioner's counsel has effectively shown that the transfer form was not duly executed by the Petitioner as mandated by the Company's Articles of Association, thus rendering the transfer form invalid.

43. Section 83 of the Companies Act Cap 106 provides that, '*notwithstanding anything in the articles of a company, it is not lawful for the company to register a transfer of shares in or debentures of the company unless a proper instrument of transfer has been delivered to the company.*' This provision emphasizes that the instrument for transferring shares, specifically the transfer form, must be properly executed for the transfer to be considered valid. The transfer form said to be signed by the Petitioner was not actually signed/executed by him as demonstrated by the forensics expert witness testimony on oath and thus cannot be considered to be a properly executed instrument of share transfer. Transfer forms not executed by the transferor constitute an illegal endorsement in the meaning of *Regulation 8 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016*. The submission by the Petitioners counsel convincingly demonstrates that the petitioner did not receive any notice inviting him to discuss the proposed share transfer, he was out of the country and did not have any documents couriered in respect to the transfer of his shares. How could the Petitioner then proceed to sign a transfer form and a resolution if he did not have knowledge of the same in the first place? Moreover, the evidence provided by the forensic expert highlighting significant discrepancies in the signatures on the transfer form and the special resolution regarding the transfer of the aforementioned shares was not adequately challenged by the respondents. I consequently find that the aforementioned resolution and transfer form constitutes an illegal endorsement.

44. Subsequent to the share transfer, the Company's Memorandum and Articles of Association were amended, and a Form 10 was submitted to alter the original shareholding structure. Given that these originated from an unlawfully sanctioned

special resolution and transfer form, I find that an illegality cannot produce a valid legal document. Consequently, the amended Memorandum and Articles of association of the company, along with the form 10 registered on May 10th, 2022, represent illegal endorsements according to Regulation 8 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016.

b) Whether the procedure used in acquiring the loan facilities by the respondents was lawful?

45. The two Respondents executed two resolutions on 11th February 2022 and 2nd September 2022, which authorized the acquisition of loan facilities amounting to Ugx 100,000,000 and 300,000,000 respectively from Absa Bank. The resolutions in question bear the signature of the first Respondent in the capacity of director and the second respondent as secretary. The Petitioner, in his capacity as director and shareholder, asserts that he was unaware of the borrowing of these loan facilities and did not provide any authorization or consent for the company to borrow.
46. Counsel for the Petitioner contended that the Petitioner, who is a director, was not informed, nor was there a convened meeting of directors to deliberate on the decision regarding the company's interest in taking out loans. Counsel for the Respondents on the other hand contended that Article 35 of the Articles of Association of J & W Agencies (A) Limited grants the board of directors the authority to borrow and secure the payment of any sum of money for the company's purposes. It was on this foundation that the amount of 100,000,000 Ug shs was obtained from Absa Bank to facilitate the clearance of motor vehicles. Counsel asserted that the loan was secured with the full knowledge and consent of the Petitioners' representative, John Nakaswa, who was present in Uganda when the loan was obtained. Respondents counsel additionally argued that although the company secured a loan of Ug shs 100,000,000/= from Absa Bank through a company resolution dated 11th February, 2022, the company did not borrow the amount of 300,000,000 Ug shs as claimed by

the Petitioner. Counsel for the Petitioner, in rejoinder, contended that John Nakaswa was never appointed as an agent for the petitioner, contrary to the claims made by the Respondents' counsel. Counsel asserted that there exists resolutions documented and signed by the Respondents regarding the borrowing of 300,000,000 Ug shs, and they cannot refute this fact.

47. I take note that the resolution registered on 11th February 2022 is improperly titled as a special resolution but signed off by the first Respondent as director and the second Respondent as secretary. I will treat this as a board resolution since in the opening phrase in the resolution, it is stated that the resolution therein was made at a meeting of the Board of Directors.
48. For purposes of resolving this issue, I refer firstly to Section 19 (1) of the Companies Act Cap 106, which provides that the Memorandum and Articles of Association shall when registered bind the company and the members of the company to the same extent as if they had been signed and sealed by each member. This company has two subscribers, the petitioner and the first respondent who by signing the subscription page of this company's Memorandum and Articles of Association agreed to be bound by the contents therein.
49. Article 35 of the Company's Articles of Association provides verbatim that, *'the Board of Directors may from time to time at their discretion borrow and secure the payment of any sum or sums of money for the purpose of the Company,'* The resolutions that borrowed the money from Absa Bank Uganda Ltd were signed by a Company director and the Secretary of the Company. The issue to resolve here is whether the Director and Secretary were sufficient to act in the position of the Board for purposes of binding the company in respect of money borrowed from Absa Bank Uganda Ltd.
50. The first Respondent as director was authorized to sign the resolution borrowing money on behalf of the company. Additionally, the second Respondent as Company Secretary was also in a position to bind the company in regards to the signed

resolutions borrowing money. Lord Denning in *Panorama Developments (Guildford) Ltd v Fidelis Furnishing Fabrics Ltd* [1971] 2 QB 711 highlighted that Company Secretaries are "*certainly entitled to sign contracts connected with the administrative side of a company's affairs, such as employing staff and ordering cars,*" The court in this case underscored the substantial role that Company Secretaries play in companies and the potential for their actions to be binding on the company. The first Respondent, as Director, and the second Respondent, as Company Secretary, signed these resolutions to borrow money from Absa Bank Uganda Ltd, therefore explicitly binding the company.

51. Secondly, the impact of expunging Board resolutions borrowing money from Absa Bank, a third party, which proceeded to disburse the same based on Company resolutions signed by a Company Director and Secretary needs to be considered. The Indoor Management Rule is key in this aspect as the rule protects third parties dealing with a company in good faith from the company's internal irregularities. If a third party, in this case Absa Bank Uganda Limited, reasonably believed that the Company Director and Secretary had the authority to act on behalf of the company based on the company's public documents such as the details on the form 20 and it's practices where not just one but two resolutions had been signed by the same persons, the company is bound even if there were internal procedural errors, unless if the Petitioner can show that the third party in this case Absa Bank Uganda Limited knew or should have known about the irregularities.
52. Article 35 of the Articles of Association empowered the Board of Directors of the company to borrow and secure the payment of any sum(s) of money for purposes of the company. The two Respondents, in their capacities as Director and Secretary, executed resolutions to borrow money, which the company is obligated to honor.
53. The assertion that the first Respondent lacked knowledge of the 300,000,000 Ug shs loan is implausible, given that there exists a resolution on record registered on 02nd

September 2022, which is signed by the Respondents authorizing the company to secure the aforementioned 300,000,000 Ug shs loan from Absa Bank Uganda Limited.

54. For the reasons discussed above, I find that the two resolutions dated 11th February 2022 and 2nd September 2022 authorizing the obtaining of loan facilities of Ug shs 100,000,000 and 300,000,000 respectively from Absa Bank were properly executed and relied on by a third party to extend credit to the Respondent Company. The same cannot therefore be expunged from the Register.

c) Whether the conduct of the Respondent, in view of the acts complained of constitutes minority oppression in the meaning of Section 243 of the Companies Act Cap 106?

55. I acknowledge that the petition was initiated under an incorrect provision of the Companies Act, particularly, Section 247 of the Companies Act No. 1 of 2012 instead of Section 243 of the Companies Act Cap 106. In *Abundant Life Faith Church of Uganda and Grivas Musisi Vs. Ochieng Peter & 6 Ors Misc Application No. 0376 of 2023*, Justice Boniface Wamala highlighted that, *'it is an established principle of the law that citing a wrong law or not citing any law at all is not fatal to an application provided the jurisdiction to grant the relief exists. The irregularity or omission can be ignored and the correct law inserted.'* Consequently, despite the failure to cite the appropriate law for initiating a petition before the Registrar of Companies, I will proceed to resolve whether there was oppression occasioned to the petitioner in this case pursuant to Section 243 of the Companies Cap 106.

56. The Companies Act Cap 106 expressly provides that a company's member who is oppressed may petition the Registrar of Companies for reliefs under Section 243. Section 243 (1) of the Companies Act Cap 106 provides that, *'a member of a company who complains that the affairs of the company are being conducted in a manner oppressive to...the members, may make a complaint to the Registrar by petition for an order under this*

section.’ It follows from this provision that the petitioner as a member can petition the Registrar of Companies for reliefs under Section 243 of the Companies Act Cap 106.

57. The Supreme Court of Uganda, in the case of *Mathew Rukikaire v. Incafex (U) Ltd (Civil Appeal No. 03 of 2015)*, elaborated on what constitutes oppressive conduct. The Court held that for conduct to be deemed oppressive, it must affect a member in their capacity as a member of the company, not in any other role. In this case, I find that modifying the company structure by transferring the Petitioner’s forty shares to the first Respondent, thereby making him a minority shareholder with only thirty shares, without his knowledge and consent, amounts to oppressive conduct.

d) What remedies are available to the parties?

59. Regulation 8 (1) of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016 gives powers to the Registrar of Companies to rectify and update the register to ensure that it is accurate. Regulation 8 (2) goes further to state that, ‘the registrar may expunge from the register, any information or document included in the register which;

- a) Is misleading
- b) Is inaccurate
- c) Is issued in error
- d) Contains an entry or endorsement made in error
- e) Contains an illegal endorsement
- f) Is illegally or wrongfully obtained; or
- g) Which a court has ordered the registrar to expunge from the register

60. In light of the findings in this case, discussed above, pursuant to *Regulation 32 of the Companies (Powers of the Registrar) Regulations, 2016*, I make the following orders;

1. The resolution dated 25th April 2022 and registered on 10th May 2022 transferring the petitioner’s forty (40) shares to the first respondent and providing for

Amendment of Memorandum and Articles of Association of the company be expunged.

2. The transfer form registered on 10th May 2022 transferring the petitioners forty (40) shares to the first respondent be expunged.
3. The return of allotment form registered on 10th May 2022 be expunged.
4. The amended Memorandum and Articles of Association registered on 10th May 2022 be expunged.
5. I make no order as to costs

I so order.

Given under my hand, this 04th day of August 2025.

DANIEL NASASIRA

Ass. Registrar of Companies

Ruling delivered in the presence of Counsel Raymond Akampabyoona from Nexus Solicitors and Advocates and Counsel Joyce Tukahirwa from M/S Fontes Advocates.