



resolution was passed to allot an additional twenty (20) shares from the unallotted Company's shares to the Second Applicant which raised her shareholding in the Company to forty (40) shares.

4. As a result, the Company shareholding structure changed, with each of the Applicants holding 40 shares in the Company and 20 shares remained unallotted.
5. The Applicants argue that the Respondent who is not known to the Applicants fraudulently registered and transferred the twenty (20) unallotted shares to himself without the Applicants' knowledge and consent and the Applicants are aggrieved by his actions.
6. The Applicants discovered discrepancies in the Company file during a data update, subsequently reported the issue to the Uganda Police, and, via a letter dated 22<sup>nd</sup> May 2025, raised the matter with the Registrar General's office. They were informed that the Company had three shareholders and directors, a claim the Applicants contest, asserting that the purported third shareholder, Mr. Peter Busuulwa, is unknown to them.
7. On 28<sup>th</sup> May, 2025, the Applicants received a reply to their letter stating that on 22<sup>nd</sup> March 2018, the Company allegedly passed a Board Resolution admitting the Respondent as a Director and also allotted him twenty (20) shares which the Applicants contend was not the case.
8. The Applicants argue that they did not participate in any meeting resolving to allot shares to the Respondent and also appoint him as director as claimed.
9. The Applicants sought to rectify the Company's register to expunge all the irregularly passed documents.

**B. Schedules**

10. The Applicants filed a registered Statutory Declaration on the 18<sup>th</sup> day of August 2025 in accordance to Section 286 of the Companies Act Cap 106 detailing evidential facts for their claims in this matter. Efforts by the Applicants to serve

the Respondent individually were unfruitful. Summons were issued on the 03<sup>rd</sup> day of September 2025 inviting the Respondent for a hearing on 10<sup>th</sup> September 2025. These summons were issued and advertised in a newspaper of wide circulation that is, the Daily Monitor on Friday the 05<sup>th</sup> day of September 2025, and the Respondent still failed to enter appearance. I informed the Applicants that a ruling would be issued on notice.

**C. Issues**

11. I find that only two issues are sufficient to address the concerns in this matter;

- a) Whether the impugned documents were validly passed?*
- b) What remedies are available to the parties?*

**D. Determination**

**a) Issue One: Whether the impugned documents were validly passed?**

12. The Applicants argue that the Respondent is a complete stranger and they have never transacted any business with him. The Applicants contend that they only got to learn that the Respondent was a member/director in the Company following the roll out of the online digital system called the Online Business Registration System (OBRS), where the Uganda Registration Services Bureau embarked on the process of updating information/data of all entities registered before 09<sup>th</sup> December 2022. All owners of companies registered before this date were duly informed of this development and requested to update their company data. The Applicants consequently embarked on this process only to be requested to avail documentation for a third shareholder that was a complete stranger to them. They later learnt that the Respondent had even attempted to open an Account for the Company in Stanbic Bank Uganda Limited.

13. The Applicants brought this application seeking to expunge all documents bearing the Respondent as a member/director and the Resolution filed opening a Company Account in Stanbic Bank Uganda Limited. Below are the contested documents;

- a) *A Resolution filed on 10<sup>th</sup> April, 2018 appointing Peter Busuulwa as a Director of Wealth Centric Limited and allotting him twenty (20) shares in the Company.*
- b) *A return of allotment filed on 10<sup>th</sup> April 2018 allotting the Respondent twenty (20) shares.*
- c) *Particulars of Directors and Secretary (form 20) dated 08<sup>th</sup> April 2018 including the Respondent as a Director.*
- d) *A transfer form giving the Respondent, Peter Busuulwa twenty (20) shares in the Company.*
- e) *A resolution filed on 10<sup>th</sup> April 2018 opening a Company Bank Account at Stanbic Bank Uganda Garden City Branch with Busuulwa Peter as a sole signatory.*

14. Section 148 of the Companies Act Cap 106 stipulates that, *‘every company shall cause minutes of all proceedings of general meetings and of all proceedings at meetings of its directors, to be entered in books kept for that purpose.’* Subsection 2 continues to provide that, *‘any minute referred to in subsection (1) purporting to be signed by the chairperson of the meeting at which the proceeding were held or by the chairperson of the next following general meeting or meeting of directors as the case may be shall be evidence of the proceedings.’* In this case, there are no company minutes as mandated by Section 148 of the Companies Act Cap 106 to support the alleged meetings held on the 22<sup>nd</sup> day of April 2018 that resulted in various structural modifications within the company and was purportedly conducted at the registered office as stated in the resolution. The resolutions purporting to appoint the Respondent as a Company director, allotting him twenty (20) shares and appointing him a sole signatory to a Company Account in Stanbic Bank are not supported by any minutes and there is no attendance record to confirm the occurrence of these meetings as alleged in the resolutions.

15. Additionally, the transfer form on file wherein the Company transfers twenty (20) shares to the Respondent is defective as a Company cannot transfer its own shares rather it allots shares through its Board of Directors. It is only after such shares

have been allotted that the owners of such shares can then transfer those shares to an available transferee.

16. Article 10 of the Company's Articles of Association stipulates verbatim that, '*all shares shall be at the disposal of the Directors, who may allot, grant options over or otherwise dispose of them to such persons, at such times, and for such consideration and upon such terms and conditions as the Directors may determine...*' The Applicants were the existing directors at the time the alleged allotment of Shares to the Respondent is said to have been authorised by the Board. The first Applicant, Jane Amuge, in paragraph three of her sworn Statutory Declaration highlighted that, '*the respondent who is not known to me and the second Applicant fraudulently registered and transferred the twenty (20) unallotted shares to himself without our knowledge and consent and we are aggrieved by his actions.*' The Respondent was served through substituted service in a newspaper of wide circulation that is, the Daily Monitor on Friday the 05<sup>th</sup> day of September 2025 and, regrettably, did not appear or file a Statutory Declaration to contest this claim. In this context, I find that if the Applicants, who served as Directors during the time of the alleged allotment, refer to the Respondent as a stranger, then this allotment contravenes Article 10 of the Company's Articles of Association in as far as it was not authorized by the Directors. The supremacy of the Company's Articles of Association was stated in *Noble Builders (Uganda) Limited v Balwinder Kaur Sandhu Civil appeal no.70 of 2009 pg. 19* relying 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 noted that the Articles of Association were the supreme law when determining company affairs in as far as they didn't contradict the parent Act. Consequently, all related documentation giving the Respondent twenty (20) shares in the Company and appointing him a director shall be expunged from the Register in

accordance with Regulation 8 (2) of *the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016*.

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

17. 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.*

18. *Regulation 8 (1) of the Companies (Powers of the Registrar) Regulations 2016* cited above provides that the registrar may rectify and update the register to ensure that the register is accurate. In light of the findings and resolutions 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 filed on 10<sup>th</sup> April, 2018 appointing Peter Busuulwa as a Director of Wealth Centric Limited and allotting him twenty (20) shares in the Company be expunged for being misleading, inaccurate and containing an illegal endorsement wrongfully obtained.*
2. *The Return of Allotment filed on 10<sup>th</sup> April 2018 allotting the Respondent twenty (20) shares be expunged for being misleading, inaccurate and containing an illegal endorsement wrongfully obtained.*

3. *Particulars of Directors and Secretary form (form 20) dated 08<sup>th</sup> April 2018 including the Respondent as a Director be expunged for being misleading, inaccurate and containing an illegal endorsement wrongfully obtained.*
4. *The transfer form giving the Respondent, Peter Busuulwa twenty (20) shares in the Company be expunged for being misleading, inaccurate and containing an illegal endorsement wrongfully obtained.*
5. *The resolution filed on 10<sup>th</sup> April 2018 opening a Company Bank Account at Stanbic Bank Uganda Garden City Branch with Busuulwa Peter as a sole signatory be expunged for being misleading, inaccurate and containing an illegal endorsement wrongfully obtained.*
6. *I make no order as to costs.*

*I so order.*

*Given under my hand, this 18<sup>th</sup> day of September 2025.*

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*DANIEL NASASIRA*

*Ass. Registrar of Companies*