



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 BAYM MINISTRIES LIMITED
COMPANY PETITION NO. 08627 OF 2026
BRN.80020003008627

RUHUMURIZA RURESHA:..... PETITIONER

VERSUS

EMABURE MURAGI:..... RESPONDENT

RULING

Before: Daniel Nasasira – Assistant Registrar of Companies

A. Representation

1. The Petitioner was represented by Counsel Muchunguzi Lawrence from Carthage Advocates, while Counsel Mukova Joel from Praxlex Advocates represented the Respondent.

B. Background

2. The Petitioner and Respondent are male adult Congolese residing in Nakivale Refugee Settlement in Isingiro District and members of Baym Ministries Limited.

3. Baym Ministries Limited is a company limited by guarantee incorporated on 26th March 2021 under Registration number 80020003008627. It was incorporated to preach and proclaim the gospel to the public, with two initial subscribers and members, namely the Petitioner and the Respondent.

4. The Petitioner alleged that the Respondent engaged in unlawful dealings by allowing Sowado Nshimiyimana, a resident of Rwanda, who was neither a member nor a director, to participate in the affairs and projects of the Company. He further alleged that the Respondent facilitated the smuggling of over USD 5,000 into Uganda in 2025 from unknown donors through Sowado using the Company's documents. Additional complaints included the Respondent's refusal to open a Company bank account, exclusion of the Petitioner from Company projects, and failure to maintain proper books of account, which were all contrary to the Company's Memorandum and Articles of Association.
5. The Respondent denied the Petitioner's contentions in total and averred that Sowado Nshimiyimana was a promoter of Baym Ministries Limited, who advanced the company's vision of uplifting the lives of people in the areas where the ministry operated, and further that it was agreed that Sowado Nshimiyimana would be added as a member and director of the company, as he was not in Uganda at the time of incorporation. The Respondent asserted that the prayers sought by the Petitioner were outside the jurisdiction of the Registrar.

C. Petitioner's case

6. The Petitioner, under paragraphs 1, 2, and 3 of his Petition, contended that he was a director of the company, which was incorporated as a company limited by guarantee and operating in Isingiro District, specifically in Nakivale Refugee Settlement.
7. The Petitioner averred under paragraphs 4 (a) to 4 (c) of his Petition that the affairs of the Company had been conducted in a manner oppressive to him for over a year. He contended that such conduct included the Respondent's dealings with a one Sowado Nshimiyimana in matters concerning the Company, despite the latter not being a member or director. The Petitioner further alleged that in 2025, the Respondent laundered money amounting to over USD 5,000 from Sowado

Nshimiyimana into Uganda from unknown donors using the Company's documents. In addition, the Petitioner deposed that the Respondent continued to allow Sowado to participate in the Company's projects, including a school, churches, and an orphanage centre, without his consent as a fellow director.

8. The Petitioner under paragraphs 4 (d) to 4 (i) of his Petition contended that the Company was being operated in a manner contrary to the provisions of the Companies Act and relevant regulations, in that the Respondent had refused to operate a bank account in the name of the Company, failed to establish office premises for the Company, engaged in dealings with individuals who were neither directors nor members of the Company, had poorly kept books of accounts and used the company for money laundering. The Petitioner attached copies of receipts to support his position.
9. Under paragraphs 4 (j) to 4 (n) and paragraph 13, the Petitioner made the following prayers;
 - a) *That the Respondent stops imposing a one Sowado in the matters of the company.*
 - b) *That the company operates as per existing laws and regulations that govern companies in Uganda.*
 - c) *A directive that the company operates a bank account and registered office.*
 - d) *A directive to stop oppression and misconduct by the Respondent especially the acts of chasing the Petitioner from the company's projects.*
 - e) *Costs of the petition be provided.*

D. Respondent's case

10. The Respondent, under paragraph 5 of his Statutory Declaration in reply, denied the Petitioner's assertions in paragraphs 4(a-i) in total and maintained that the contents therein were false, for which the Petitioner would be put to strict proof.
11. The Respondent contended under paragraphs 6, 7, and 8 that Sawado Nshimiyimana was a promoter of the company who promoted the company's

vision to uplift the lives of people living within the area where the ministry served. That during the process of promoting the Company, the Petitioner and the Respondent agreed that Sowado Nshimiyimana would be added as a member and director of the Company after the aftermath of the COVID-19 pandemic, as he was not in Uganda at the time of incorporation. The Respondent averred that at the time of incorporation, he and the Petitioner were entrusted with running the Company and the ministry as its members and directors.

12. The Respondent further asserted under paragraphs 9 and 10 of his statutory declaration that all the money that was used to support the ministry's work came from Sowado Nshimiyimana through the Respondent, but with the consent of the Petitioner and that Sowado was recognised by both the Petitioner and Respondent as the overall leader or head of Baym Ministries Limited. The Respondent attached letters written by the Petitioner and addressed to Sowado to support this position.
13. He further averred under paragraphs 11 and 12 of his statutory declaration that the Petitioner engaged the Company in several fraudulent acts for his own personal benefit and imposed himself as the owner of the Company to the detriment of other beneficiaries through various filed resolutions. The Respondent added that he filed Petition Cause No. 08627 of 2025 before the office of the Registrar of Companies, wherein he sought to have the said resolutions expunged from the Company register and to be reinstated, which was subsequently granted.
14. The Respondent deposed in paragraphs 13, 14, and 15 that the Petitioner's allegation of money laundering was false and maintained that all the funds used to support the work of the ministry were received from Sowado Nshimiyimana through legitimate channels. Further that the prayers sought by the Petitioner were outside the jurisdiction of the Registrar of Companies, premature, and amounted to a fishing expedition, and therefore prayed that the petition be dismissed with costs.

E. Preliminary Objections

15. The Respondent raised preliminary objections regarding the jurisdictional powers of the Registrar of Companies concerning the dispute, that the Petition was brought against a non-existent party, and that it was incurably defective for lack of a statutory declaration as required under Section 286 of the Companies Act Cap 106.

E. Issues

16. For purposes of resolving this dispute, I find that three issues are sufficient to determine the matter conclusively.

- a) *Whether the preliminary objections raised by the Respondent are sufficient to dispose of the matter?*
- b) *Whether the acts complained of by the Petitioner amount to oppression?*
- c) *What remedies are available to the parties?*

I. Determination

- a. **Whether the preliminary objections raised by the Respondent are sufficient to dispose of the matter?**

17. The Respondent raised a preliminary objection in his answer to the petition and statutory declaration regarding the jurisdictional powers of the Registrar of Companies to determine this dispute. In *Mukisa Biscuit Manufacturing Co Ltd Vs. West End Distributors Ltd (1969) EA 696*, it was held that, *'a preliminary objection consists of a pure point of law which has been pleaded, or which arises by clear implication out of pleadings and which if argued as a preliminary point, may dispose of the suit.'*

18. This is a dispute regarding member oppression that the Registrar of Companies is mandated to preside over pursuant to Section 243 of the Companies Act Cap 106. The Companies Act Cap 106 expressly provides that a member of a company who is oppressed may petition the Registrar of Companies for relief. Section 243 (1) of

the Companies Act Cap 106 is to the effect that, ‘a member of a company who complains that the affairs of the company are being conducted in a manner oppressive to a part of the members including himself or herself..., may make a complaint to the Registrar by petition for an order under this section.’ ‘The Registrar may, with a view to bringing to an end the matters complained of, make such order as he or she thinks fit whether for regulating the conduct of the company’s affairs in future or for the purchase of the shares of any members of the company by other members of the company or by the company and in the case of a purchase by the company, for the reduction accordingly of the company or by the company’s capital, or otherwise.’

19. The Petitioner instituted the Petition pursuant to Section 243 (1) of the Companies Act Cap 106, which grants a member of a company relief to institute a Petition against oppressive conduct before the Registrar of Companies. The Petitioner must be a member of a company to successfully commence a Petition under Section 243 (1) or the main contention for bringing the Petition must relate to their rights as a member of the Company. Membership of a company is provided for under Section 45 of the Companies Act, Cap. 106, which stipulates as follows;

(1) The subscribers to the memorandum, if any, of a company shall be taken to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

(2) A person who agrees to become a member of a company, and whose name is entered in its register of members shall be a member of the company.

20. Upon perusal of the company’s subscription pages in the Memorandum and Articles of Association, the Petitioner is a member of the company having subscribed to the company’s Memorandum and Articles of Association at the time of incorporation. The Petitioner therefore as a member of Baym Ministries Limited can commence a member oppression Petition before the Registrar of Companies. The second issue will examine whether any oppression was occasioned to the

Petitioner in the meaning of Section 243 of the Companies Act Cap 106. However, in regard to the jurisdictional authority to adjudicate claims of oppression, I find that the Registrar of Companies has the power to hear and resolve such matters. Justice Stephen Musota in the case *Edward Ssentenza and another V Donnie Company Limited and another HCT-00-CV-CI-0005-2016* found that, *'If the complaint is that the minority member (s) is oppressed because decisions that are "burdensome, harsh and wrongful" against them are being made by the management of the Company and the acts complained of would as a test amount to grounds for winding up on just and equitable grounds, then the remedy is under S. 247 (now 243) before the Registrar of Companies.'* Consequently, the preliminary objection regarding the jurisdictional mandate of the Registrar of Companies to determine this dispute is misconceived.

21. The Respondent additionally presented a preliminary objection asserting that the Petition was filed against a non-existent party. The Petition regarding member oppression was submitted to the Registrar by Ruhumuriza Ruresha against Embabure Muragi, the Respondent. The Respondent, Emabure Muragizi, is a member of Baym Ministries Limited, as evidenced by a cursory examination of the company's subscription pages in the Memorandum and Articles of Association. The clerical error in the Respondent's name in the title section of the Petition, which is stated as, *'Muragi'* instead of, *'Muragizi,'* is solely trivial and cannot be argued as a preliminary point with the effect of dismissing the Petition. In fact, the Petition's detailed sections subsequently accurately identify the Respondent as *"Muragizi."* According to the Respondent's averments in paragraph 8 of his signed statutory declaration, he deposes verbatim that; *"at the time of its incorporation, Pastor Sowado entrusted me and the Petitioner with the running of the Ministry and the company was incorporated with me and the Petitioner as members and Directors,"* the Respondent is therefore aware that he is a member or subscriber of the Company

and that the allegations of oppression in the Petition are brought against him and not an unknown, *'Emabure Muragi.'*

22. I therefore find that the Respondent's preliminary objection that the petition was brought against a non-existent party is devoid of merit and misconceived as the Respondent is known to the Petitioner as a member and fellow director of the company and reference to him as, *'Muragi'* in the title section of the Petition was a clerical error that has no effect of disposing of the entire Petition.

23. Another preliminary objection was raised by the Respondent regarding the fact that the Petition was incurably defective for lack of a statutory declaration. The Petitioner commenced this matter by way of a Petition verified under the Statutory Declarations Act Cap 24, accompanied by the necessary evidence to support his claim. The Petitioner, however, did not attach a Statutory Declaration as required by Section 286 of the Companies Act Cap 106.

24. Section 286 of the Companies Act Cap 106, on the mode of providing evidence to the Registrar of Companies, provides that;

(1) In any proceeding under this Act before the registrar, the evidence shall be given by statutory declaration in the absence of directions to the contrary, but, in any case in which the registrar thinks it right so to do, he or she may take evidence viva voce instead of or in addition to evidence by statutory declaration.

(2) In case any part of the evidence is taken viva voce, the Registrar shall, in respect of requiring the attendance of witnesses and taking evidence on oath, be in the same position in all respects as a magistrate.

25. Justice Musa Sekaana in *Bryan Xsabo Strategy Consultants (Uganda) Ltd and Anor Vs. Great Lakes Energy Company N.V Company Cause No. 13 of 2020* while interpreting the above provision found that, *'The registrar did not have any statutory declaration on record as the evidence supporting the complaint (petition or answer to the Petition).*

This was a procedural irregularity, which is contrary to the above provision of the companies Act. The registrar could not act without clear evidence under statutory declaration or evidence taken viva voce. The registrar should have directed the parties to file their evidence and proceeded to determine the matter with some evidence on record. As a quasi-judicial body, the registrar had a duty to act judicially and evaluate the evidence against the complaint made in accordance with the Companies Act.' The foregoing precedent highlights the importance of filing Statutory Declaration evidence in matters before the Registrar of Companies unless directed otherwise by the Registrar of Companies. It was therefore key for the parties to attach a Statutory Declaration as this forms evidence. Verification of the Petition does not waive the requirement to file a Statutory Declaration unless if the Registrar directs otherwise.

26. Justice Musa Sekaana in *Luitingh Lafras & Anor Vs. Special Services Ltd Company Cause No. 11 of 2019* held that, *'The powers of the registrar under the companies Act are quasi-judicial since it involves taking decisions as provided under the Act. The exercise of power by the registrar contemplates the adjudication of rival claims of the persons by an act of the mind or judgment upon the proposed cause of official action as to an object of the corporate power vested under the Companies Act. They decide both questions of fact as well as of law, and determine a variety of applications, claims, controversies and disputes. The learned Judge continued to find that, 'In addition, the consequences of the decision made in a summary manner without sufficient facts and evidence, had to be cautiously taken even though the registrar is vested with the power to take such a decision. The decision must be taken on cogence of evidence and not on assumptions and conjecture of the registrar. It may be true that the applicants had not filed necessary and relevant documents, which would not invalidate the transactions on the transfer of shares. The registrar had to interrogate the same upon evidence or testimony of the appellants but not to rely on her record alone in taking a decision.'*

27. A plain reading of Section 286 of the Companies Act, Cap 106, establishes the general rule that evidence before the Registrar of Companies is to be adduced by way of statutory declarations. The provision, however, grants the Registrar discretion to receive evidence *viva voce*, either as an alternative to or in addition to such statutory declarations. Regulation 26 (1) of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016, prescribes the form of a petition, providing that a petition to the Registrar under Section 247 of the Act (now Section 243) shall be in Form 2 set out in the Schedule and must be accompanied by supporting evidence. Form 2 constitutes a draft verified petition, and the Regulation expressly requires that evidence accompany the petition, which, pursuant to Section 286, must be by way of a statutory declaration or *viva voce* evidence. In the present case, the Petitioner failed to attach a statutory declaration and did not adduce *viva voce* evidence; accordingly, I find that no evidence was properly placed before the Registrar to substantiate the allegations of oppressive conduct.

b) Whether the acts complained of by the Petitioner amount to member oppression?

28. The Petitioner sought a declaration that the affairs of Baym Ministries Limited were being conducted in a manner oppressive to him for a period exceeding one year. The particular instances of oppressive conduct highlighted in the Petition included;

- a) *The Director, Mr. Emabure Muragizi has been illegally dealing with one Sowado Nshimiyimana a Rwandan national to participate in the matters of the Company when he is not a member or Director.*
- b) *During the year 2025, over USD 5000 was smuggled into Uganda through Emabure Muragizi by the said Sowado from unknown donors using company documents.*
- c) *The said Emabure has continued to allow Mr. Sowadi to participate in company*

- projects, which include a school, churches and orphanage center without my consent as a fellow director.*
- d) I have on several occasions contacted my fellow director to open an account for the company but he has refused, instead he keeps dealing with the Rwandan aforementioned.*
 - e) The Company has been operating without following the Companies Act and all relevant regulations to wit: refusal by the respondent to operate an account, office premises and dealing with other parties not directors or members of the company.*
 - f) The Director aforementioned has also chased me from the company projects including churches, school and orphanage.*
 - g) The Company books of account are poorly kept and the company is being used for money laundering between Uganda and Rwanda. In totality, the objects to which it was incorporated are not followed.*
 - h) Mr. Emabure Muragizi has refused me from accessing all the projects including preaching the gospel, which was the major objective of incorporation.*
29. Oppression under Section 243 of the Companies Act Cap. 106 connotes actions towards a member of a company that are burdensome, harsh, or wrongful, and which violate a member's reasonable expectations of how the company should be run. Such actions must be proved in evidence. *In Re Five Minutes Car Wash Services Ltd.*, Buckley J held that a member seeking relief for oppression must plead and prove that, at the time of filing the petition, the company's affairs were being conducted in a manner oppressive to him in his capacity as a member. The petition must disclose facts capable of establishing such oppression, the failure of which could lead to a dismissal of the matter. In this particular case, the Petitioner levied serious allegations against the Respondent including money laundering, which is a serious offence under the Anti-Money Laundering Act of 2013 that requires sufficient proof to sustain.

30. Furthermore, in *Cliff Masagazi v Afriland First Bank Uganda Ltd (Company Cause No. 08 of 2020)* court observed that *'Oppressive conduct ...necessitates a course of conduct, not mere isolated acts...involving an invasion of legal rights, displaying lack of probity on the part of those conducting the company's affairs, and affecting the Petitioner in his capacity as a member.* The Respondent's dealings with one Sowado Nshimiyimana, do not meet the threshold of member oppression envisaged under Section 243 of the Companies Act Cap 106, as the actions do not demonstrate how the Petitioner's rights as a member were infringed or limited by the aforementioned engagements. Furthermore, with respect to the alleged failure to maintain proper books of accounts, establish a registered address, open a bank account, and the Petitioner's alleged exclusion from the Company's projects by the Respondent, there was no evidence adduced to establish the above claims. Justice Musa Sekaana in *Luitingh Lafras & Anor Vs. Special Services Ltd Company Cause No. 11 of 2019* held that, *'The effect of the decision of the Deputy registrar General is deprivation of property (shares), this required a comprehensive investigation and there is need to have the evidence by affidavit or viva voce. The powers of the registrar under the companies Act are quasi-judicial since it involves taking decisions as provided under the Act... **The decision must be taken on cogence of evidence and not on assumptions and conjecture of the registrar.**'* In this particular instance, the Petitioner failed to present cogent evidence to back up his assertions/claims, which is crucial in claims relating to oppressive conduct. In addition to failing to provide a Statutory declaration, the Petitioner attached copies of unverified receipts and invoices that are incapable of being relied upon by this quasi-judicial forum to render a determination. Accordingly, the Petitioner in this case has failed to produce sufficient evidence to sustain the claims of oppressive conduct raised.

c) What remedies are available to the parties

31. Pursuant to Section 243 of the Companies Act Cap 106 and Regulation 32 of the Companies (Powers of the Registrar) Regulations SI No 71 of 2016, I find that the Petitioner has failed to adduce evidence to prove the claims of oppressive conduct. Consequently, I find that no oppression was occasioned to the Petitioner and dismiss this Petition with no order as to costs.

I so order.

Given under my hand this 31st day of March 2026

Daniel Nasasira

Assistant Registrar of Companies