



THE REPUBLIC OF UGANDA
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 JENVISEN PACKING (U) LIMITED.
PETITION NO. 42656 OF 2025
BRN: 80010004242656

ZHANG JIANMING:.....PETITIONER

VERSUS

1. LIN YONG
2. JENVISEN PACKING (U) LIMITED:.....RESPONDENTS

RULING

Before: Daniel Nasasira - Assistant Registrar of Companies

A. Representation.

1. *Zenith Law Advocates represented the Petitioner, whereas CCAKS Advocates represented the Respondents.*

B. Introduction and Background

2. The Petitioner is a male adult Chinese of sound mind and a resident of Luzira, Kampala.
3. The first Respondent is the Managing Director and a shareholder of the second Respondent company (hereinafter referred to as 'the Company')
4. The second Respondent is a limited liability company duly incorporated on 21st July 2014 to deal in the production of printed metal packaging products.

5. The Petitioner filed this Petition on 27th November, 2025, under Section 243 of the Companies Act Cap. 106 seeking rectification of the register to reflect his purported 20% shareholding in the Company.

C. Petitioner's Case

6. The Petitioner, in paragraph 3 of his Statutory Declaration supporting the Petition, stated that the company, at the time of its incorporation, had two shareholders: Niu Kesheng, who held 90% of the shares, and Li Yuhui, who held 10% of the shares.
7. The Petitioner stated under paragraphs 4, 5, 6, and 7 that the second Respondent executed a tenancy agreement with Lydia Home Textiles (U) Limited, wherein it agreed to let office space at Lydia Home Textiles office building situated at Plot 27-31, 2nd ring road - Luzira, along with its office furniture and other ancillary facilities and equipment, which tenancy was to run for one year from 5th October 2014 to 5th October 2015 with the second Respondent paying a monthly rent of \$675 (United States Dollars Six hundred seventy-five only).
8. He further narrated that the tenancy was continuously extended on a yearly basis with similar terms incorporated in the subsequent tenancy agreements however, that despite occupying and utilizing the premises, the second Respondent failed to honor and/or meet its rental obligations resulting in accumulation of rental arrears amounting to \$201,692.97 (United States Dollars Two hundred and one thousand six hundred ninety and ninety-seven cents only) which is the equivalent of 1,336,448.96 RMB.
9. The Petitioner, in paragraphs 8 and 9 of his Statutory Declaration supporting the Petition, averred that on 20th June 2016, the second Respondent passed a resolution wherein its two (2) shareholders Niu Kesheng and Li Yuhui sold and transferred all their shares to Lin Yong, Zhao Chen, and Ni Bin consequently making the new shareholding of the second Respondent 41%, 31% and 28% respectively.

10. The Petitioner intimated that owing to the indebtedness of the second Respondent to Lydia Home Textiles (U) Limited, the second Respondent agreed to issue equity in the second Respondent Company to the Petitioner as the Managing Director of Lydia Home Textiles (U) Limited, and according to the agreement, the Petitioner was issued 20% shareholding in the second Respondent for a cash contribution of 1,600,000 RMB.
11. In addition, the Petitioner asserted that it was also agreed that the said cash contribution would be in the form of the rental arrears accumulated by the second Respondent, amounting to 1,336,448.96 RMB, as well as the rent for the period from 1st April 2017 to 31st June 2017, amounting to 266,880.00 RMB.
12. The Petitioner contended under paragraphs 14 and 15 of his Statutory Declaration in support of the Petition that he was issued a receipt confirming the payment for 20% shareholding in the second Respondent and that company shareholder letters were issued confirming the second Respondent's shareholding as follows: Lin Yong 40%, Zhai Chen 25%, Ni Bin 15%, and Zhang Jianming (the Petitioner) 20%. That, in further confirmation of the Petitioner's shareholding, the Petitioner and other shareholders executed an equity agreement, which indicated their respective shareholdings.
13. The Petitioner asserted that on 12th April, 2019, the first Respondent and others, to wit, Zhao Chen and Ni Bin, resolved to amend the Memorandum and Articles of Association of the second Respondent to reflect the admitted 2016 shareholders, however, the Petitioner was left out. In addition, that on 13th January 2020, contrary to the equity confirmation agreement, the first Respondent, together with Zhao Chen and Ni Bin, passed a resolution wherein it was resolved that Zhao Chen and Ni Bin would transfer their entire shareholding to the first Respondent.
14. The Petitioner further stated in paragraphs 19, 20, and 21 of his Statutory Declaration that it was also allegedly resolved that the 2nd Respondent be converted and/or transformed into a single-member company, which in effect

fraudulently vested the Petitioner's shareholding in the second Respondent with the first Respondent. That thereafter, on 11th May 2022, the second Respondent was converted from a single-member company back to a Private Limited Liability Company, with the first Respondent single-handedly resolving to transfer one (1) share in the second Respondent to Bukenya Yiga.

15. The Petitioner intimated that it was further resolved that the second Respondent's Memorandum and Articles of Association be amended to reflect the new shareholding, wherein once again, the Petitioner was excluded.
16. The Petitioner contended that the first Respondent knowingly orchestrated fraudulent machinations to deprive the Petitioner of his shareholding in the second Respondent.

D. Respondents' Case

17. The Respondents in paragraph 3 of the Answer to the Petition denied all allegations of the Petitioner being a Member and/or holder of 20 shares in Jenvisen Packing (U) Limited, the second Respondent, as stated in the Petition.
18. The Respondents, in paragraphs 4 and 5 the Statutory Declaration in support of the Answer to the Petition deposited by a one Bukenya Joshua Yiga, a director, secretary, and shareholder in the second Respondent, argued that the Petitioner, not being a member/shareholder of the Respondent company, had no locus standi to bring this Petition and thus raised a preliminary objection on grounds that for any proceedings to be commenced under Section 243 of the Companies Act Cap. 106, the Petitioner must either be a shareholder/member.
19. The Respondents, in rejoinder to paragraphs 19 and 23 of the Petitioners Statutory Declaration in support, stated that the Petitioner had expressly pleaded allegations of fraud against the Respondents, which allegations must be specifically pleaded and strictly proved to a standard higher than that of an ordinary civil claim by a court of competent jurisdiction.
20. As such, the Respondents in paragraphs 10 and 11 of Bukenya Joshua Yiga's Statutory Declaration in support of the Answer to the Petition raised a

preliminary objection on the grounds that the Registrar of Companies has no jurisdiction to entertain and/or determine allegations of Fraud as pleaded by the Petitioner.

21. The Respondents in paragraphs 14 and 15 of Bukenya Joshua Yiga's Statutory Declaration in support of the Answer to the Petition noted that the Equity Confirmation letter, as referred to by the Petitioner and dated 27th April 2017, was further discussed, and another agreement was entered into on 23rd August 2019 to pay the Petitioner his capital contribution.
22. The Respondents contended that the Petitioner cannot approbate and reprobate because he was fully refunded and also acknowledged receipt of the full payment of his capital contribution from the second Respondent and therefore has no claim whatsoever.
23. The Respondents prayed that the Petition be dismissed with costs for being incompetent, misconceived, and devoid of merit.

E. Rejoinder

24. The Petitioner in paragraph 2 of his Statutory Declaration in rejoinder asserted that he possessed the locus to file the instant Petition, and further that the Registrar has the requisite jurisdiction to entertain the instant Petition.
25. The Petitioner argued that the Respondents, in paragraphs 14, 15, and 16 of the Statutory Declaration in support of the Answer, confirmed the Petitioner's equity in the second Respondent. However, the Petitioner denied having ever received any payment for his equity in the second Respondent, as averred by the Respondents.

F. Schedules

26. At the closure of the hearing of this matter, I instructed both counsel to present written submissions and issued schedules as follows;
 - a) *A Joint Scheduling Memorandum was to be filed and served by the 05th of February 2026.*
 - b) *Written submissions from the Petitioner were to be filed and served by the*

23rd day of February, 2026.

c) *Written submissions from the Respondent were to be filed and served by the 9th day of March 2026.*

d) *Any submissions in rejoinder were to be filed and served by the 16th day of March 2026.*

27. The parties were informed that the ruling would be issued on notice.

G. Issues

28. Having carefully reviewed the submissions of both parties, it is apparent that the dispute before the Registrar of Companies centres on whether the Petitioner is a member of the Second Respondent company. This question lies at the heart of both the Preliminary Objection raised by the Respondents, wherein they contend that the Petitioner lacks *locus standi* to bring this Petition under Section 243, which is reserved for members of a company, as well as the substantive issues presented in the Petition, in which the Petitioner asserts that he is indeed a member of the Company. As such, a ruling on the preliminary objection would, in essence, determine the substantive issue as well. While the parties framed issues in the joint scheduling memorandum, I find that the following issues are sufficient to determine both the Preliminary Objection and the substantive issues raised by the Parties.

a. *Whether the Petitioner is a member of Jenvisen Packing (U) Limited?*

b. *What remedies, if any, are available to the parties?*

H. Determination

a. **Whether the Petitioner is a member of Jenvisen Packing (U) Limited?**

29. The primary point of contention in this Petition is the alleged membership of the Petitioner in Jenvisen Packing (U) Limited, the second Respondent herein. The Petitioner asserts that he is a shareholder and member of the Respondent Company, having purchased equity in exchange for a 20% shareholding. The Respondents on the other hand contend that the Petitioner was never a member of the Company. They assert that it was agreed that the Petitioner's financial

contribution would be refunded to him, and that such refund was duly effected.

30. Section 115 (1) of the Companies Act Cap. 106 bestows a duty on a Company to keep a register of all its members, which serves as *prima facie* evidence of membership in the company. The purpose of this register is to indicate the names, addresses, and shareholding of past and present members, together with the relevant dates on which persons became and/or ceased to be members of the company.
31. The Respondents adduced a copy of the Company Register of Jenvisen Packing (U) Limited, marked annexure "B", as proof that the Petitioner was not a member. A perusal of the said register indicates that the Petitioner does not appear anywhere as either a past or present member of the Respondent Company. The Petitioner, through his Counsel's written submissions, argued that the presence of an individual's name on the register is not the only means by which shareholding may be proved. I am in agreement with that assertion and shall address it in the course of this ruling.
32. Having ascertained that the Petitioner is not registered as a member in Jenvisen Packing (U) Limited, which would be *prima facie* evidence of his membership, it becomes necessary to determine whether, through other legally recognised means, the Petitioner can establish that he is indeed a member.
33. 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.*
34. Justice Steven Musota in the case of *Olive Kigongo v Mosa Courts Apartments, High Court Company Cause No. 01 of 2015*, while interpreting the aforementioned

provision, opined '*...that there are two ways of becoming a member of a company and these are;*

i. By being a subscriber to the Memorandum of Association of a company at the time of incorporation of that company or

ii. By acquiring shares in the company after incorporation

Subscription to the Memorandum of Association at the time of Incorporation

35. A 'subscriber' to a company is a person (individual or corporate body) who signs the Memorandum of Association during the formation of a company and thereby agrees to take the shares set opposite his or her name. The Supreme Court in *Matthew Rukikaire v Incafex Limited, Supreme Court Civil Appeal No. 03 of 2015*, referred to 'subscriber' as a '*term applied to the first members of a private limited company who add their names to the memorandum of association during the company formation process*'. Upon incorporation of the company, such persons become members (*See Matwogola Farmers & Growers Ltd v Kayanja & Others [1971] EA 272*).

36. Upon perusal of the Respondent Company's Memorandum of Association, the Petitioner is not listed on the subscription page and therefore cannot be said to have been a subscriber at incorporation so as to confirm his membership in the Company.

37. However, *Matthew Rukikaire v Incafex Limited, Supreme Court Civil Appeal No. 03 of 2015*, further elaborates that "*other persons can become members in a company when shares in the company are allotted. When a person, either individual or corporate, is allotted shares subsequent to the formation of the company, that person becomes a 'shareholder', 'member' or 'owner' and stands in the same position as the subscriber.*

Acquiring shares in the company after incorporation

38. The other mode through which the Petitioner could have attained membership in the Company is through the acquisition of shares subsequent to its formation, which is the basis of his claim. In such circumstances, shares may be acquired through a valid transfer involving a purchase between a willing buyer

and a willing seller for agreed consideration, through transmission by operation of law in cases of death or mental incapacity, or through the allotment of shares by the Company.

39. The Petitioner asserts that he became a member of the Company by purchasing shares, which ordinarily would require that his name be entered in the register of members of Jenvisen Packing (U) Limited upon the successful transfer or allotment and registration of such shares. In substantiating this claim, the Petitioner annexed an equity agreement, a payment receipt that was neither headed nor verified, and a shareholders' letter. The Petitioner's Counsel, in his written submissions, relied on these documents to assert that the Petitioner was a member of the Respondent Company. Whereas I take cognisance of the said documents, they do not in themselves confer membership.
40. Lord Templeman in *National Westminster Bank Plc vs IRC* 1995 A.C 111 at 126 stated that "*an applicant (for shares) is neither a member nor a shareholder while his rights rest in contract until the issue of the shares has been completed by registration.*" Lord Templeman further enunciated that, "*Entry in the register of members is also needed to give the allottee legal title to the shares.*"
41. In the present case, it has already been established that the Petitioner is not registered as a member of Jenvisen Packing (U) Limited. However, case law has also established that the presence of an individual's name on the register is not the only way in which membership or shareholding can be proved.
42. The Supreme Court in *Matthew Rukikaire v Incafex Limited*, Supreme Court Civil Appeal No. 03 of 2015, while making reference to *Lutaaya Vs. Gandesha*, 1986 HCB 46, observed inter alia that "*Although the Companies Act makes provision for membership of a Company...maintenance of a members register... and the fact that the register is prima facie evidence for membership... there was not one exclusive or exhaustive mode of proving membership of a Company. Even the occurrence of one's name on the register of members was only prima facie evidence...Therefore, other modes could be used to prove membership of the Company. Some of the ways of proving*

membership was possession of a share certificate and to some extent the appearance of one's name on the annual return." It therefore follows that, notwithstanding the absence of the Petitioner's name on the register, the Court must examine whether there exists alternative evidence sufficient to establish his membership.

43. Possession of a share certificate is one such recognised mode of proof. Article 8 of the Respondent Company's Articles of Association provides that: *'Every person ... entered as a member...shall...be entitled to receive...a certificate under the seal specifying the shares allotted or transferred to him and the amount paid...'* Furthermore, Counsel for the Petitioner, while making reference to *Matwogola Farmers & Growers v Kayanja [1971] EA*, as cited in *Supreme Court Civil Appeal No. 03 of 2015; Matthew Rukikaire v Incafex*, argued that where a person has paid for his shares and has been issued with a share certificate, but his name does not appear in the register of members, such a person should be allowed to prove his membership notwithstanding the absence of his name on the register. While this assertion is true, the Petitioner did not adduce any share certificate to substantiate the shares allegedly purchased as such to verify his membership.
44. Further, a review of the Company file does not disclose any return of allotment, company resolution, or annual return in which the Petitioner and his alleged shareholding are reflected. While these documents are not conclusive proof of membership, they may serve as supporting evidence thereof. In circumstances where a person is not entered on the register of members, possession of a share certificate or appearance on a return of allotment or annual return may be a ground to enforce a right to be registered as a member.
45. In the present case, the Petitioner is not registered on the Respondent Company's register of members, he does not possess a share certificate, he does not appear on any return of allotment or annual return, and there are no transfer forms or company resolutions evidencing any transfer or allotment of

shares to him. The documentary evidence he has presented therefore falls short of establishing proof of membership.

46. Accordingly, I find that the Petitioner has failed to substantiate his claim of membership. The Petitioner is therefore not a member of Jenvisen Packing (U) Limited.

b. What remedies, if any, are available to the parties?

47. The Registrar of Companies' jurisdiction is statutory in nature and encompasses the exercise of two distinct powers; first, the power to hear and determine complaints by an oppressed member under Section 243 of the Companies Act, Cap. 106, and second, the power to rectify and update the Companies register pursuant to Regulation 8 of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016.

48. The present Petition was brought under Section 243 of the Companies Act, Cap. 106, wherein the Petitioner seeks, inter alia, rectification of the Companies register to include him as a member/shareholder of Jenvisen Packing (U) Limited. Section 243 provides "A member of a company who complains that the affairs of the company are being conducted in a manner oppressive to...himself or herself ...may make a complaint to the Registrar by petition for an order under this section." It is clear from the wording of the provision that the remedy therein is available exclusively to a member of a company who alleges oppression, which was the basis of the preliminary objection raised by the Respondents. Having already found that the Petitioner is not a member of the Respondent Company, he lacks the requisite standing to invoke the provision of Section 243 of the Companies Act, Cap. 106.

49. The Petitioner's principal prayer in his Petition is for rectification of the register and file of Jenvisen Packing (U) Limited to reflect him as a member/shareholder. While rectification of the register falls within the powers of the Registrar of Companies, such power cannot be exercised in the absence of proof of membership. In light of the finding that the Petitioner has failed to

establish that he is a member of the Respondent Company, there is no legal basis upon which the register may be rectified to include his name.

50. Regulation 8 of the Companies (Powers of the Registrar Regulations) SI No. 71 of 2016 titled "Rectification of the Register" reads as follows;

(1) *The registrar may rectify and update the register to ensure that the register is accurate.*

(2) *For the purposes of this regulation, 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.

51. This provision establishes a clear but restrictive statutory jurisdictional mandate. Its primary purpose is to ensure that the Companies Register remains a true and accurate public record. It is not designed to transform the Registrar of Companies quasi-judicial mandate/fora into a court of law for the resolution of contested rights, but rather to empower the Registrar of Companies to correct defects on the register that are easily recognisable, objective, and verifiable from the record itself. The rectification sought cannot be to include a resolution or document on the register introducing the Petitioner as a member but rather to expunge documents that are defective.

52. In my considered view, the matter as presented appears to be grounded more in contract law and alleged contractual irregularities, which do not fall within the adjudicatory jurisdiction of the Registrar of Companies. The Petitioner contends that he entered into an agreement to purchase shares in the Company for a consideration of 1,600,000 RMB, which he claims to have paid. The

Respondents, on the other hand, assert that although funds were received from the Petitioner as capital, it was agreed that the Company would repay his capital contribution. They further assert that all monies advanced to the Company by the Petitioner were fully refunded.

53. The parties annexed receipts, an equity agreement, an equity confirmation letter, and other documents in support of their respective positions. A determination of the rights and remedies arising from those agreements and related documents would necessarily involve adjudication of contractual obligations and alleged breaches thereof, which the Registrar of Companies does not have jurisdiction over. The appropriate forum for the resolution of such issues is the High Court of Uganda, which possesses unlimited original jurisdiction to hear and determine all civil matters of any nature.

54. In conclusion, the Petitioner, having failed to establish that he is a member of Jenvisen Packing (U) Limited, lacks *locus standi* to invoke Section 243 of the Companies Act, Cap. 106, which provides a remedy exclusively to members. In addition, in the absence of proof of membership, there is no legal basis upon which the register may be rectified. Further, the issues raised are substantially contractual in nature and fall outside the jurisdiction of the Registrar of Companies. Accordingly, this Petition is dismissed for the foregoing reasons with no order as to costs.

I so Order.

Given under my hand this 24th day of March 2026

Daniel Nasasira

Assistant Registrar of Companies