



# SUMMARY OF THE PROPOSED COMPANIES AND ALLIED MATTERS ACT AMENDMENT BILL





The National Assembly through Senator Ibrahim Yahaya Oloriegbe has proposed an amendment to the Companies and Allied Matters Act 2020 via the Companies and Allied Matters Act (Amendment) Bill, 2022.

The purpose of the proposed amendment is to strengthen the operations of NGOs in Nigeria and their compliance with the provision of the Companies and Allied Matters Act.



# MAJOR PROPOSED AMENDMENTS

1. The inclusion of a representative of the Non-Governmental Organisations Community appointed by the Minister to the Governing Board of the Corporate Affairs Commission.
2. The removal of the provision of Section 831 of the CAMA 2020 which provides that the Commission may direct for any or all purposes of the CAMA that an association may be treated as forming part of an already registered association and that any two or more associations having the same trustees will be treated as a single association.
3. As opposed to the provision of Section 839 of the CAMA which provides that the Commission may by order suspend the trustees of an association, the Bill proposes that the Commission or one-fifth of members of an association may apply to the Federal High Court through a motion on notice for an order to suspend the trustees of an association and appoint an interim manager or managers to manage the affairs of the association upon certain conditions.

## MAJOR PROPOSED AMENDMENTS

4. Provision for a new 839(2) allowing the Court to issue an order suspending the trustees upon hearing the motion on notice filed by the petitioner rather than the current provision of the suspension of trustees by an order of Court merely upon the petition of the Commission or one-fifth of members of the association.
5. The duration for the appointment of an interim manager or managers shall not exceed 6 months from the date of the order of suspension of trustees.
6. The proposed amendment makes provision for the Court with the assistance of the Commission to make provision with respect to the functions to be performed by the interim manager or managers appointed, which may include the powers and duties of the trustees of the association concerned and any other power or duty specified in the order and make provision for remuneration of the interim manager or managers which payment shall not be made from the funds of the association.



# MAJOR PROPOSED AMENDMENTS

7. Deletion of section 839(6) which makes provisions:
  - a) that the court may upon the petition of the Commission or one-fifth of members suspend any person officer, agent, or employee of the association from office or employment provided the suspension does not exceed 12 months from the date of the order
  - b) that the court may by order appoint additional trustees,
  - c) that the court may by order vest any property held in trust for the association in the official custodian or require the persons in whom the property is vested to transfer the property to the official custodian, order any debtor not to pay debt into the association but to an interest yielding account held by Commission for the benefit of the association
  - d) that the court may order any person who holds property on behalf of an association not to part with it

# MAJOR PROPOSED AMENDMENTS

8. Deletion of the provision of section 839(7) and (8) providing for the Commission to after making enquiry into the association's affairs, suspension or removal of any trustee who has been responsible or privy to the misconduct or mismanagement or whose conduct facilitated it and for the Court to by order replace a removed trustee

9. Deletion of section 839(9) providing for penalty for contravention of some provisions of 839(6) of the CAMA 2020.

10. Deletion of section 842 to 844 of the CAMA 2020 on transfer of credits in dormant account of associations to such other association as the Commission may specify and dissolving the association where the Commission receives notice of dormant account from bank without a satisfactory response from the association within 15 days requested by the Commission



# MAJOR PROPOSED AMENDMENTS

11. Proposed amendment of Section 845 to provide for submission of annual statement of affairs at the end of its fiscal year instead of bi-annual statement of affairs to the Commission as is the current provision of the CAMA 2020.

12. Proposed amendment of section 848(1) to provide for submission of returns to the Commission no later than 31st December each year instead of 30th June and 31st December of each year

13. Proposed amendment of section 846(5) to state that the financial year of the association will only be determined by the Commission if not already made by the association itself.



The proposed amendments if approved and passed into law, will ease out the strict provisions of the CAMA 2020 on Incorporated Trustees especially as what NGOs seek is to contribute to social development.

This article is intended to serve as information to the public. It should not be taken as legal advice and does not create a client-lawyer relationship between you and our law firm. If you have any inquiries, kindly contact us.

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