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**CERTIFIED PUBLIC ACCOUNTANT  
INTERMEDIATE LEVEL EXAMINATIONS**

**I1.3: COMPANY LAW**

**DATE: WEDNESDAY 26, FEBRUARY 2025  
MARKING GUIDE AND MODEL ANSWERS**

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## **SECTION A**

### **QUESTION ONE**

#### **Marking guide**

<b>Sub question</b>	<b>Criteria</b>	<b>Marks</b>
<b>(a)(i)</b>	2 marks for any definition well provided, Maximum 2 marks	<b>2</b>
<b>(a)(ii)</b>	1 mark for any position well explained, Maximum 2 marks	<b>6</b>
<b>(a)(iii)</b>	0.5 mark for any type of shares listed, Maximum 2.5 marks and 0.5 mark for the best choice of the type of share	<b>3</b>
<b>(b)(i)</b>	1 mark for any important document required well listed, Maximum 5 marks	<b>6</b>
<b>(b)(ii)</b>	1 mark for any cause of disappearance well explained, Maximum 2 marks	<b>2</b>
<b>(c)(i)</b>	1 mark for the position and 1 mark for justification well explained, Maximum 2 marks	<b>2</b>
<b>(c)(ii)</b>	2 marks for any requirement for a company to be dormant well explained, Maximum 4 marks	<b>4</b>
<b>Total for question 1</b>		<b>25</b>

#### **Model answers**

**a)**

**i) The student is expected to understand the definition of a company**

- a corporate body composed of one or more persons for making profit;
- a person, which has rights and obligations at law. It is a legal person, recognized by the law;
- one or more persons may form a company by pooling together resources or services for business purposes and filling out an appropriate form or by complying with the provisions of the Law governing companies, a right which is exercised by filling out an appropriate form developed by the Registrar General

**ii) The student is expected to understand that the company is a contract**

- It supposes a minimum of two parties;
- Complies with general requirements of validity of the contracts:
  - mutual assent;
  - capacity to contract;
  - object matter of the contract;
  - and licit cause

**iii) the candidate is expected to know the types of shares**

The shares in a company may:

- be ordinary;
- be redeemable;
- confer preferential rights to distributions of capital or income;

- confer special, limited or conditional voting rights;
- not confer any voting rights.
- I can choose confer preferential rights to distributions of capital or income as the purpose of creating a company is to get a profit, this type of a share can help me to accumulate my profits comparing to other shareholders of the company B&P Ltd

**b)**

**i) The candidate is expected to know the important documents to be submitted to the Registrar General when applying for incorporation**

The following is submitted to the Registrar General when applying for incorporation:

- Incorporation documents in the form prescribed by the Registrar General and signed by every shareholder or member or by each applicant, if any;
- Consent in the prescribed form signed by each of the persons named as the company's directors and secretary in the incorporation documents;
- Consent in the prescribed form signed by each member or shareholder of the company or by his or her agent who has been authorized thereto in writing;
- The memorandum of association of the company;
- Where the company has articles of association, a copy of the articles of association;
- Beneficial ownership information where applicable.

**ii) The candidate is expected to know on the disappearance of the legal personality of the company**

- A commercial company established for a certain period dissolves at the end of that period in the absence of a resolution extending its life.
- A decision taken by the shareholders (partners) to dissolve the company before the time agreed upon.
- Loss of the object or impossibility of performance
- If the object has been attained.

**c)**

**i) The candidate is expected to know non declaration as dormant company**

- No, the company that carries out banking activities cannot be a dormant company

**ii) The candidate is expected to know the requirements for a company to be dormant**

A company is deemed dormant where it:

- has been dormant from the time of its formation;
- has been dormant since the end of its previous accounting period; and is not required to prepare accounts for that period, by a special resolution of shareholders.

## QUESTION TWO

### Marking guide

Sub question	Criteria	Marks
(a)(i)	1 mark for any relevant explanation on winding up a company, Maximum 8 marks	8
(a)(ii)	1 mark for any relevant person allowed to apply for insolvency proceedings well listed, Maximum 6 marks	6
(a)(iii)	1 mark for any grounds for insolvency proceedings well explained, Maximum 2 marks	2
(b)(i)	1 mark for the position and 2 marks for the justification of the position well explained, Maximum 3 marks	3
(b)(ii)	1 mark for any prescription well listed related to actions against a company, Maximum 6 marks	6
<b>Total for question 2</b>		<b>25</b>

### Model answers

a)

**i) The student is expected to know different ways of winding up a company**

- The possible solutions are:

- Voluntary winding up a company
- Compulsory winding up a company

- Voluntary winding up a company: Since a company is created as a result of the decision of the shareholders the shareholders can at any time decide to terminate the life of the company in accordance with the conditions provided for amending the Articles of Association;

- Compulsory winding up a company: A company may also be dissolved upon a decision of the court at the request of a shareholder for a serious misunderstanding between the shareholders, which leads to a malfunctioning of the company.

- The best way of dealing the case is compulsory liquidation of the company.

- As it is a company limited by shares, the liability of shareholder will be limited only to the shares subscribed either paid or not;
- Upon liquidation of the company and removal of a company from register of companies, the debtor starts new life without former debts as they were cancelled;
- If they choose the voluntary liquidation, it would be a loss to them because personal assets can be used to pay the debts of company while the legal personality of a company is different from the legal personality of the owners;
- As long as the creditors are not all paid, a voluntary liquidation can be possible because they have the right to lodge an objection.

**ii) The student is expected to know the persons allowed to apply for compulsory liquidation of company**

The persons allowed to apply for compulsory liquidation of a company are:

- creditors;
- the debtor;
- the Directors or one of them;
- the Registrar General;
- shareholders or partners;
- the regulatory authority.

**iii) The student is expected to know the grounds for commencement of insolvency proceedings**

Insolvency proceedings commence when:

- the debtor is unable to pay its debts when they fall due in the normal course of business;
- the assets of the debtor are less than its liabilities plus its stated capital.

**b)**

**i) The student is expected to know the prescription of instituting any action against insolvency practitioner**

- The action is not valid;
- Any action against an insolvency practitioner arising from discharging his or her duties must be filed within three (3) years following the date of conclusion of the insolvency proceedings or on the day the order of conclusion is final;

**ii) The student is expected to know the prescription against the company barred after 5 years**

The following acts shall be barred after 5 years:

- All actions against the promoters of a company starting from the date of publication of the memorandum of association;
- All actions against shareholders starting from the date of publication of their retirement or dissolution of the company;
- All actions against the organs of the company for acts committed in the exercise of their functions starting from the date of such acts or if it was concealed by fraud from the date of discovery;
- All actions against a company in liquidation from the date of publication of the closure of liquidation;
- All actions for the restitution of dividends unjustly paid from the date of distribution;
- All actions for the payment of dividends or for the reimbursement of part thereof, from the date it became due.

### QUESTION THREE

#### Marking guide

Sub question	Criteria	Marks
(a)(i)	1 mark for any relevant explanation related that a company is an institution, Maximum 3 marks	3
(a)(ii)	1 mark for any other business organization well listed, Maximum 3 marks	3
(a)(iii)	1 mark for any difference between a company with a chosen other business organization well explained, Maximum 3 marks for one business organization made a difference with a company	6
(b)(i)	2 marks for any relevant explanation related to moral personality of the company and corporate veil, Maximum 8 marks	8
<b>Total for question 3</b>		<b>20</b>

#### Model answers

a)

i) **The student is expected to know that company is institution**

- A company is an institution;
- Once formed and incorporated, a company becomes a body corporate separate from its owners. Its management, operations and existence are run separately from its owners although its objective is to make profits for its shareholders
- the company is provided with organs to allow it decides without requiring always its shareholders consensus
- the company contract doesn't have for main effect to create the subjective rights and obligations, but rather create that of its shareholders and issues rules to such group. It is that organization that is referred to as an institution
- The institutional theory is enshrined by the law under its article 26 of the company law which provides for the capacity of the company has full capacity and as such a separate legal entity;
- Basing on the explanation above, the Mukire will not win the case, because the legal personality of the company is different from the legal personality of its owners. Therefore, Mr. Mukire should sue the company but if the shares subscribed were not yet paid, he can be sued for only the values of the shares not yet paid.

ii) **The student is expected to know other business organisations**

Other business organisations are:

- A cooperative
- Partnership
- Sole proprietorship
- Agency

### **iii)The student is expected to make a difference between a company with other business organisations**

#### **Difference between a company and a cooperative**

- Objectives: a company is to get a profit while for a cooperative is to meet the members' economic, social and cultural needs and aspirations;
- Registration: a company is registered by Registrar General/Rwanda development Board while a cooperative, the process is started at sector level and registered by Rwanda Cooperative Agency;
- Meetings: for a company, it has a meeting (annual general meeting of shareholders) while for a cooperative, there are two meetings per year;
- Etc

#### **Difference between a company and a sole proprietorship**

- Legal personality: a company has its legal personality different from its owners while sole proprietorship you can't differentiate the two legal personalities especially when it comes on liabilities;
- Management: for a company has the board of Director of the Company while for sole proprietorship, the owner is all in business;
- Liabilities: for a company, liabilities can be limited or unlimited depending on the choice of the shareholders upon registration of the company while for a sole proprietorship is always unlimited liability;

#### **Difference between a company and partnership**

- Ownership: a company is owned by shareholders while a partnership is owned by partners;
- Continuity/perpetuity of existence: A company has perpetual existence, meaning it continues to exist until it is dissolved, while the continuity of a partnership firm depends on the terms of the partnership agreement;
- Raising capital: A company can raise capital through the sale of shares, while a partnership firm's ability to raise capital is generally limited to the partners' capital;
- Management: A company is usually managed by a board of directors, while a partnership firm is managed by the partners;
- etc

#### **Difference between a company and agency**

- A company is a legal entity formed by a group of individuals to engage in a business or industrial enterprise while an agency is typically a business entity that acts as an intermediary between a principal (such as a client or customer) and another party (such as a vendor or service provider);
- A company can engage in various activities, produce goods or services, and operate in different industries while agencies often provide specialized services and expertise in specific areas, such as marketing, advertising, consulting, talent representation, etc;

- A company can have employees, shareholders, and various stakeholders, and it is responsible for its own operations, profits, losses, and legal liabilities while agencies usually work on behalf of their clients and earn a fee or commission for the services they provide;
- Etc.

**b) The student is expected to know the moral personality of the company**

- The legal personality of a company is different from the legal personality of the owners of the company;
- For the limited liability company, the liabilities of the shareholders are limited only to the shares subscribed paid or not;
- To lodge a case against the shareholders for the debts of the company is not legal unless you have evidences of the corporate veil;
- A court may pierce the corporate veil to hold a shareholder liable for obligations of the company
  - if the court finds that the shareholder has abused the company status form for fraudulent or
  - Illegal purposes or abused the company's assets as if they were personal assets.
- Mr. Kazubwenge can be sued for the liability of KDBG Ltd only when the requirements breach for the corporate veil can be evidenced.

## QUESTION FOUR

### Marking guide

Sub question	Criteria	Marks
(a)(i)	1 mark for any form of records well listed, Maximum 2 marks	2
(a)(ii)	2 marks for the timeframe well mentioned, Maximum 2 marks	2
(a)(iii)	1 mark for any record well explained that must be kept at the registered office, Maximum 4 marks	4
(b)(i)	1 mark for the timeframe of organizing the first annual general meeting and 1 mark for the justification well provided, Maximum 2 marks	2
(b)(ii)	1 mark for any requirement of organizing annual general meeting of shareholders well explained, Maximum 2 marks	2
(c)(i)	1 mark for any relevant requirement for giving financial assistance of buying shares to some shareholders, Maximum 8 marks	8
<b>Total for question 4</b>		<b>20</b>

### Model answers

a)

i) The student is expected to know the forms of records that must be kept

The records of a company that must be kept are:

- in written form;



- in a manner that allows the documents and information that comprise the records to be easily accessible and convertible into written form.

**ii) The student is expected to know the timeframe of timeframe provided for by the law for informing the Registrar General where the company changes the place at which its records are kept**

- Where the company changes the place at which its records are kept, it must, within fifteen (15) days of the change, notify the Registrar General

**iii) The student is expected to know the records that must be kept at the registered office of the company**

- Its incorporation documents;
- The share register;
- The index of shareholders;
- The accounting record;
- A register of interests of members of the Board of Directors for information purposes;
- Minutes of all general assemblies and resolutions of shareholders within ten (10) years;
- Minutes of all meetings and resolutions of members of the Board of Directors and Board of committees within ten (10) years;
- Certificates given by directors under the Law governing companies within the last ten (10) years;
- Copies of all annual accounts, auditors and members of the Board of Directors reports in relation to the last ten (10) completed accounting periods of the company.

**b)**

**i) The student is expected to know when the first annual general meeting of shareholders of the company should be organised**

- The first annual general meeting of shareholders of Kayonza investment company limited by shares will be organised not later than November 2024
- The law provides that the first annual general meeting of shareholders should be organised within 18 months from its incorporation.

**iii) The student is expected to know the requirements for calling annual general meeting of shareholders**

The Board of Directors calls an annual general Assembly of shareholders to be held:

- Once a year and not later than fifteen (15) months after the last preceding meeting;
- Not later than six (6) months after the date of approval of the company's balance sheet.

**c) The student is expected to know the requirements for financial assistance to promote shares**

- A company may give financial assistance to a person to purchase shares allotted only if the directors have previously resolved that:
  - The giving of the assistance is in the best interests of the company;
  - The terms and conditions under which the assistance is given are fair and reasonable to the company;
  - giving the assistance in question is of benefit to any shareholders not receiving the assistance;
  - The terms and conditions under which the assistance is given are fair and reasonable to any shareholders not receiving the assistance.

- Any such resolution must set out full reasons for the directors' conclusions.
- Directors who vote in favor of a resolution to give financial assistance sign a certificate as to the matters set out in law.
- Before financial assistance is given, the company sends each shareholder a disclosure document
- The assistance may be given not less than ten (10) and not more than thirty (30) days after the disclosure document has been sent to each shareholder. The document sent to all shareholders by way of disclosure sets out:
  - The nature and terms of the assistance to be given, and to whom it will be given;
  - The text of the resolution relating to giving financial assistance, together with such further information and explanation as may be necessary to enable a reasonable shareholder to understand the nature and implications of that financial assistance for the company and its shareholders.

## QUESTION FIVE

### Marking guide

Sub question	Criteria	Marks
(a)(i)	1 mark for the right position and 1 mark for the justification well provided, Maximum 2 marks	2
(a)(ii)	1 mark for any procedure for transfer of shares well explained, Maximum 5 marks	5
(b)(i)	1 mark for naming the legal arrangement and 1 mark for any person that can propose compromise with creditors well listed, Maximum 4 marks	4
(b)(ii)	1 mark for any content of the compromise plan well explained, Maximum 9 marks	9
(c)(i)	1 mark for the definition well provided, Maximum 1 mark	1
(c)(ii)	1 mark for any procedures of incorporating a foreign company well explained, Maximum 6 marks	6
(c)(iii)	1 mark for the well explained the legal arrangement of foreign unclear name, Maximum 1 mark	1
(c)(iv)	1 mark for any situation in which a foreign company can enjoy national treatment well provided, Maximum 2 marks	2
<b>Total for question 5</b>		<b>30</b>

### Model answers

a)

i) **The student is expected to know the features of a private company**

- Mr. Nduwayo is right others are wrong;
- a private company is not allowed to invite the public for subscribing the shares or the debentures.

**ii) The student is expected to know on the procedures for transfer of shares**

- Subject to the incorporation documents of a company, shares in the company may be transferred by entry of the name of the transferee in the company's register of shareholders.
- Where shares are to be transferred, there shall be delivered to the company: a share transfer form signed by:
  - the shareholder or a person to whom the right to any shares in the company has been transmitted by operation of law;
  - the transferee;
  - if a share certificate has been issued in respect of the shares to be transferred, the share certificate or evidence of its loss or destruction and, if required, an indemnity to the satisfaction of the directors; and
  - in the case of a person to whom the right to any shares in the company has been transmitted by operation of law, sufficient evidence of such transmission.
- A share transfer form is not required where the transferee is a person to whom the right to any shares in the company has been transmitted by operation of law.
- Upon receipt of the documents required by Paragraph 2 of this Article, the company enters in its register of shareholders the name of the transferee as holder of the shares unless:
  - the Board of Directors resolve within thirty (30) working days of receipt of the transfer to refuse or delay the registration of the transfer, and the resolution sets out in full the reasons for doing so;
  - notice of the resolution, including the reasons, is sent to the transferor and to the transferee within five (5) working days of its adoption by the Board of Directors; and
  - the company Law or the company's incorporation documents expressly permits the Board of Directors to refuse or delay registration for the reasons stated.
- Subject to the incorporation documents of a company, the board may refuse or delay the registration of a transfer of shares if the holder of the shares has failed to pay to the company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of sums payable by the holder of the shares in accordance with the incorporation documents.

**b)**

**i) The student is expected to know about the compromise with creditors**

- The legal arrangement that can be used to ensure that Prime deal Ltd is given time of reorganisation is compromise with creditors

The persons allowed to propose such arrangement are:

- a debtor;
- insolvency practitioner;
- a company's or partnership's creditor.

**ii) The student is expected to know the contents of the compromise plan**

- The plan must contain all information relating to the basis and its effects, which must be considered by the creditors during examination and for its confirmation.
- The plan must indicate:

- a list of all the assets of the company or partnership as well as an indication of the assets held as security by creditors before the compromise plan;
- current financial statement made by certified public accountant;
- list and classes of creditors;
- claims of each class and related rights;
- mode of payment of each class of claims and related rights;
- the probable payment each class of creditors would get if the company were to be placed in liquidation.
- The compromise plan must provide adequate means for its implementation, such as:
  - retentions by the debtor of all or any part of the property;
  - transfer of a part or the whole of their property;
  - satisfaction or modification of the right to preference;
  - invalidation or modification of contract;
  - curing or waiving of any default;
  - the procedures through which workers and directors are appointed and the mode of subsequent replacement on the interests of the creditors.
- The compromise plan may also provide the appropriate means to implement it, including ensuring that accepted claims and claims that occurred during the period of compromise are settled.
- The compromise plan may also indicate all other information necessary during insolvency proceedings.

c)

**i) The student is expected to know the definition of a foreign company**

- a company incorporated outside Rwanda but which is carrying on business in Rwanda

**iii) The student is expected to know the incorporation of a foreign company**

- Bridge LLP will register the company to the Registrar General of companies and conform to the Rwandan company law;
- LLP is based on USA laws not in Rwanda, this means that LLP will be removed and use either Ltd or Plc depending on the category of the company registered;
- A foreign company that establishes a place of business dealing with share transfer or share registration office within Rwanda applies for registration within ten (10) working days of establishing a place of business.
- To apply for the registration of a foreign company, a duly completed application for registration in the prescribed form, signed by the representative of the foreign company is delivered to the Registrar General.
- The application states:
  - the name of the foreign company;
  - the full names, residential addresses of the directors of the foreign company;
  - the principal place of business and address of the company;
  - the foreign company's accounting reference date; and
- The application has in attachment:
  - a copy of evidence of registration certificate of the foreign company;
  - a certified copy of the instrument defining the constitution of the foreign company, and if the instrument is not written in the English language, a certified translation of it;

- a memorandum of understanding or power of attorney to represent the company in Rwanda;
- a declaration indicating the authorized representatives of the company.
- The instrument constituting or defining the constitution of the foreign company need not be delivered to the Registrar General if it deals with solely the internal management of the company, and if a part of the instrument so deals, that part need not be delivered.
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**iii) The student is expected to know the legal arrangement of registration of the foreign companies that have confusing name**

- When the name of foreign company is not complying with the article 37 of the company law, the foreign company has to change it.

**iv) The student is expected to know the foreign companies that enjoy national treatment**

- Companies from East African Community member States or
- other companies from countries with relevant agreements with Rwanda.

## QUESTION SIX

### Marking guide

Sub question	Criteria	Marks
(a)(i)	1 mark for any requirement for the Minister to issue instructions requesting the Registrar General to investigate well provided, Maximum 6 marks	6
(a)(ii)	1 mark for any the right position and 1 mark for the justification well provided, Maximum 4 marks	4
(b)(i)	1 mark for any prerequisites for authorising the amalgamation well explained, Maximum 4 marks	4
(b)(ii)	1 mark for any incorporation document for amalgamation well explained, Maximum 6 marks	6
(c)(i)	1 mark for any ground for removal of a company from the register of companies well provided, Maximum 5 marks	5
(c)(ii)	2 marks for advice well explained related to ground for requesting to remove Inguvu Plc from the register of companies well provided, Maximum 2 marks	2
(c)(iii)	1 mark for any the right position and 1 mark for the justification well provided, Maximum 2 marks	3
<b>Total for question 6</b>		<b>30</b>

### Model answers

a)

- i) **The student is expected to know the requirements for the Minister to issue instructions requesting the Registrar General to investigate into the business of a local company or of a foreign company having its branch in Rwanda**

- The Minister issues instructions requesting the Registrar General to investigate into the business of a local company or of a foreign company having its branch in Rwanda where the Minister is satisfied that:
  - for the protection of the interests of the public, the shareholders or creditors of a company, it is desirable that the affairs of a company should be investigated;
  - it is in the public interest that the affairs of a company should be investigated;
  - in the case of a foreign company, the competent authorities of another country requests that an investigation be made in respect of this Article;
- iii) The student is expected to know the Registrar General can order himself to investigate**

The Registrar General may direct investigation:

- in the case of a company having a share capital, on the application of:
  - ✓ one shareholder or a group of shareholders holding at least one tenth (1/10) of the issued shares in the company;
  - ✓ debenture holders holding not less than one-fifth (1/5) in nominal value of the issued debentures;
- in the case of a company limited by guarantee, on the application of not less than one-fifth (1/5) in number of the persons on the share register;
- where he or she considers that the appointment of an inspector is necessary to safeguard
  - the interests of shareholders
  - or debenture shareholders
  - or is necessary in the public interest,
- the inspector shall investigate the affairs of a company or such aspects of the affairs of a company as are specified in the instrument of appointment and in the case of a debenture agency deed, the conduct of the debenture holders' representative and to make a report in such form and manner as the Registrar General may direct.

**b)**

- i) The student is expected to know the prerequisites for authorising the amalgamation**

A company that proposes to amalgamate authorises:

- an amalgamation proposal;
- the proposed incorporation documents of the amalgamated company in conformity with Article 201 of the insolvency law;
- in the case of a public company with shares or debentures traded on the capital market, the company must comply with all Laws and regulations relating to the capital market.
- ii) The student is expected to know the incorporation documents required for amalgamation**

The incorporation documents for authorization of an amalgamation are in the prescribed form and in particular state:

- the name of the amalgamated company;

- the share structure of the amalgamated company, specifying:
  - the number of shares of the amalgamated company and the rights, privileges, limitations and conditions attached to each such share, and its transferability, if different from provisions of Article 193 of this Law;
  - the full names, postal and residential addresses of the directors of the amalgamated company;
  - in the case of a public company, or a private company with a secretary, the full name, postal or residential address of the secretary of the amalgamated company;
- the registered office of the amalgamated company;
- the place where the amalgamated company's records are to be kept, if not the registered office;
- the amalgamated company's accounting reference date.

The incorporation documents may also contain:

- any restriction on the amalgamated company's capacity and powers;
- any provision permitted by this Law relating to the internal management of the amalgamated company.
- If the proposed amalgamated company is to be the same as one of the amalgamating companies, the incorporation documents for authorization may comprise the incorporation documents of that amalgamating company and proposed notice of change of the incorporation documents.

c)

**i) The student is expected to know the grounds for removal of a company from register of companies**

The Registrar General removes a company from the register if:

- the company is an amalgamating company other than an amalgamated company and, on the same day, the Registrar General issues a certificate of amalgamation;
- the Registrar General is satisfied that:
  - the company has ceased to carry on business and there is no proper reason for the company to continue in existence including clearance of its debts,
  - the company has failed to pay fees due to the Registrar General under this Law;
  - the company has not filed its annual return as required under this Law;
- the Registrar General receives a request, in a form approved by him or her, from:
  - a shareholder authorized to make the request by a special resolution of shareholders entitled to vote and voting on the question has approved
  - the Board or any other person, where the incorporation documents of the company so requires or permits, that the company be removed from the register on the grounds set out in has made an official application.
- there is delivered application to the Registrar General for removal of an insolvent company from register and no liquidator is acting in relation to that company or the liquidator appointed fails to deliver to the Registrar General the documents required to be filed under the law relating to insolvency;

- a liquidator delivers to the Registrar General the final report and final accounts of the liquidation and the statement required by the law governing insolvency.
  
- ii) The student is expected to know the grounds for removal of a company from register of companies**
  - I can advise Inguvu Plc to request the removal of company from the register of companies by basing on a special resolution of shareholders entitled to vote and voting on the question approving the its removal
  
- iii) The student is expected to know how the Registrar general behaves in case there is objection**
  - The Registrar General will not remove a company from the register of companies because of that objection given basing on the grounds provided for by the law;
  - The Registrar General does not proceed with the removal unless the Registrar General is satisfied that:
    - the objection has been withdrawn;
    - any facts on which the objection is based are not, or are no longer, correct;
    - the objection is frivolous or vexatious.

## **End of Marking Guide and Model Answers**