



TRAINING MODULE



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1.0 NAME SEARCH

During the registering a new company, the first step is to get a name for the company. This involves making an application through **e-citizen website**, to reserve the name.

Before conducting a name search the following should be observed:

- That there is an application for reservation of a company name.
- A receipt for payment/invoice of the prescribed fee.

The Registrar may, on written application, reserve a name pending the registration of the company¹, through online search at the Companies Registry.

The name is reserved for a minimum of **30 days**, as the registrar confirms whether the name is being used by another company. The period may be extended for another 30 days, for special reasons, to give the applicant time to register the name².

One is then required to pay a fee of Ksh **150** per name, which is broken down to Ksh100³ for the name and Ksh50 as the convenience fee.

It should be noted that there is no requirement for a minimum or maximum number of names that an application can give.

1.1 Choosing of a suitable company Name

One must choose a company name for the business that he/she intends to run. The name cannot be the same as another company in the index of registered companies (Section 57 of Companies Act, 2015).

The **Business Registration Service** department ensures that the names being lodged for registration do not constitute any prohibited names such as “Al Shabab, Mungiki”. Section 49 of Companies Act, 2015 expounds on the names which will not be registered if:

- a) the use of the name would constitute an offence.
- b) the name consists of abbreviations or initials not authorized by the Companies Act no 17 of 2015.
- c) the Registrar is of the opinion that the name is offensive or undesirable.

¹ Companies Act no. 17 of 2015 Section 48(1)

² Companies Act no. 17 of 2015 Section 48(2)

³ Legal notice 80 of 12th June 2003

The Companies (general) Regulations Act, 2015, Section 11: Sets out the principles for determining offensive or undesirable names. The name will not be accepted if:

- a) the name includes “co-operative”, “society” or “trade union “or any variant or synonym of those words.
- b) the name suggests an association with, or the patronage of, the State or any of its agencies, unless there are circumstances that justify its use.
- c) the name suggests an association with, or the patronage of, a foreign government or an embassy, high commission or consulate representing such a government in Kenya.
- d) the name suggests an association with, or the patronage of, a county government.
- e) the name comprises an acronym that will render its use vague or uncertain.
- f) the name includes the name of a registered trade mark unless a document signed by the owner of the trademark and indicating consent to its use is provided.
- g) the name is such that the Registrar believes on reasonable grounds that there is reasonable possibility that it could offend members of a particular community or ethnic or racial group.

1.2 Names Indicating Connection With Public Authorities

The Registrar of Companies also check names that indicate connection with public authorities⁴meaning:

- 1) If an application for the approval by the Registrar of a name for a proposed company could in the Registrar’s opinion give the impression that the company would, if registered with that name, be connected with a public authority, the Registrar shall require the applicant to request the authority to give its view on the matter.
- 2) On being required by the Registrar to do so in the above, the applicant shall request the authority to give its view as to —
 - a) whether it considers that the name, if approved, would be connected to a public authority.

⁴ Section 8 of Companies (General) Regulations Act,2015.

- b) if the authority considers that the name would have that effect, whether it would object or not object to the name being approved for the company by the Registrar.
- 3) As soon as practicable after receiving a request the public authority shall—
- a) give its view on the proposed name of the company; and
 - b) if it considers that that name would give the impression that the company is, if registered under that name, connected with that authority, state whether it objects or does not object to the approval by the Registrar of the name for the company.

Similarly, it is stated that the approval of the Registrar is required for a company to be registered under this Act by a name that State or local or would be likely to give the impression that the company is public authority⁵. Connected with —

- (a) a State organ;
- (b) a county government;
- (c) any public authority prescribed by the regulation.

Additionally the requirements of the law may⁶-

- provide for the letters or other characters, signs or symbols, including accents and other diacritical marks, and punctuation that may be used in the name of a company to be registered and
- specify a standard style or format for the name of a company for the purposes of registration.
- The regulations may prohibit the use of specified characters, signs or symbols when appearing in specified positions, in particular, at the beginning of a name.

1.3 Permitted Characters in a company's name

The Companies (General) Regulations Act, 2015 mentions characters permitted to be used in company's name for the purposes of **Section 52 of the Companies Act, 2015**, the characters, signs, symbols (including accents and other diacritical marks) and punctuation set out Part 1 of the Sixth Schedule can be used in the name of a company registered or to be registered under the Act. And that the following characters can be used in any part of a company name:

⁵ Companies Act no. 17 of 2015 Section 50.

⁶ Companies Act no. 17 of 2015 Section 52.

- a) any character that has an accent or other diacritical mark, sign or symbol set out in Part 1 of the Sixth Schedule ;
- b) 0, 1, 2, 3, 4, 5, 6, 7, 8 or 9; 12;
- c) a full stop, comma, colon, semi-colon or hyphen;
- d) any other punctuation referred to in column 1 of Part 2 of the Sixth Schedule but only in one of the forms set out opposite that punctuation in column 2 of that Part.
- e) The signs and symbols set out in Part 3 of the Sixth Schedule are characters that can be used but not if they are one of the first three characters of a company's name.
- f) The name of a company may not consist of more than 160 permitted characters.

1.4 Circumstances in which a company name will not be registered

These circumstances are well illustrated under Section 10 of Companies (General) Regulations, 2015:

A company name may not be registered if —

- a) it is the same as a name appearing in the Registrar's Index of Company Names⁷, Business Names, Limited Liability Partnerships or Partnerships;
- b) it has a close phonetic resemblance to the name of company, business name, limited liability partnership or partnership that is already registered;
- c) it differs from the name of another company, business name, limited liability partnership or partnership that is already registered only by the addition of the name of a place, locality or region within Kenya;
- d) it is identical to, or closely resembles, that of a name that has been reserved by the Registrar for use in connection with a proposed company, business name, limited liability partnership or partnership;
- e) it is identical to, or closely resembles, the name of a company or limited liability partnership that has been dissolved, or has been struck off the register of companies or register of limited liability partnerships, or the entry of a

⁷ Companies Act No. 17 of 2015 Section 57(1)

business in the register of business names or partnerships kept under the Registration of Business Names Act 2015 has been cancelled;

- f) it is the same as a name of a body corporate or established under a written law;
- g) the Registrar believes on reasonable grounds that its use would involve the commission of a criminal offence; or
- h) the Registrar believes on reasonable grounds that it is offensive or undesirable or contrary to public interest.

1.5 Circumstances in which LLP name will not be registered

The restrictions on registration of limited liability partnership names is provided for in **Section 21 of Limited Liability Partnership Act, 2011.**

The Registrar may refuse to register a limited liability partnership under a name, or allow a limited liability partnership to change its name to one that in the opinion of the Registrar is –

- a. Undesirable;
- b. Identical to that of any other limited liability partnership, corporation or business name;
- c. Identical to a name that is being reserved under this section, the Business Names Act or the laws relating to Companies; or
- d. A name of a kind that the Minister has, by written notice, directed the Registrar not to accept for registration.

1.6 Explanation on names

1.6.1 “Same As” Names

‘Same as’ names includes those where the only difference to an existing name is:

- certain punctuation
- certain special characters, for example the ‘plus’ sign
- a word or character that’s similar in appearance or meaning to another from the existing name.

For Example:

'Pats Ke Ltd' and 'Pat's Ltd' are the same as 'Pats Ltd'.

Note: You can only register a 'same as' name if:

- Your company is part of the same group as the company or Limited Liability Partnership (LLP) with the existing name.
- you have written confirmation that the company or LLP has no objection to your new name (letter of no objection).

1.6.2 'Same as' rules exceptions

For purposes of Section 57(2) of the Companies Act 2015, a company (the applicant company) may be registered by a proposed name that is the same as, or similar to—

- a. the name of an existing company; or
- b. a name already reserved for a proposed company that is proposed to be registered.

The conditions⁸ are :

- a) the existing company consents, or the promoters of the proposed company, consent, to the proposed name being the name of the applicant company;
- b) the applicant company forms, or is to form, part of the same group as the existing company or the proposed company;
- c) the applicant company provides the Registrar with a copy of a statement made by that corporation specifying—
 - i. the consent of the existing company or the promoters of the proposed company as referred to in subparagraph (a); and
 - ii. that the applicant company forms, or is to form, part of the same group as the existing company.

1.6.3 'Too like' names

You may have to change your name if someone complains and Registrar agrees it's 'too like' a name in the index of registered companies before yours.

For example:

'Danny Electronics For You Ltd' is the same as 'DZ Electrix 4U Ltd'

⁸ Section 12(3) of Companies (General) Regulations, 2015.

Registrar of companies will contact, you if they think that your name is too like another company – you will be given a directive to change name.

1.7 Adequacy Of Certain Descriptions Of Companies

The description of a company is not inadequate or incorrect only because the company⁹—

- a) uses the abbreviation “Co.” or “Coy.” instead of the word “Company” contained in the name of the company;
- b) uses the abbreviation “Ltd.” instead of the word “Limited” contained in the name of the company;
- c) uses the symbol “&” instead of the word “and” contained in the name of the company;
- d) uses any of those words instead of the corresponding abbreviation or symbol contained in the name of the company; or
- e) uses any type or case of letters, spaces between letters, accents or punctuation marks that are not the same as those appearing in the name of the company; or
- f) inserts uses or omits the word “The” or “the” as the first word in its name.

1.8 Display Of Registered Name

- a) Registered name at registered office and business venue¹⁰.
- b) Registered name to appear in communication documents (hard copy and electronic), in any transaction instrument of the company and on any website of the company.¹¹

1.9 Direction For Change Of Name

1.9.1 Companies

The Registrar of companies do have power under **Section 58 of Companies Act, 2015** to direct a company to change its name if it has been registered by a name that is the same as or, in the opinion of the Registrar, too similar to –

⁹ Section 16 of Companies (General) Regulations, 2015.

¹⁰ Section 14 of Companies (General) Regulations,2015.

¹¹ Section 15 of Companies (General) Regulations,2015.

- i. a name appearing at the time of the registration in the Registrar's index of company names; or
- ii. a name that should have appeared in that index at that time.

The Registrar of company normally gives **30 Days** period to comply with the change of name directive. Failure to comply, the Registrar will strike off the company from the Register.

1.9.2 Limited Liability Partnership

The Registrar may give a direction for change of name¹² if the name is undesirable, identical or nearly resembles the name of any other limited partnership or company or a business name as to be likely to be mistaken. The direction may be given whether the name was registered through inadvertence, mistake or otherwise and whether at the time the partnership was first registered or when it changed its name.

NOTE: Failure of the Limited Liability Partnership to comply with the change of name directive (within 6 weeks), it commits an offence¹³ and is liable on conviction to a fine not exceeding kshs.50,000/=

¹² Section 21(5) of the Limited Liability Partnership Act, 2011.

¹³ Section 21(9) of Limited Liability Partnership Act, 2011

2.0 STARTING A COMPANY

2.1 PRIVATE LIMITED COMPANY

SETTING UP

You can run your business as a Private Limited Company. This means the company:

- I. is legally separate from the people who run it.
- II. has separate finances from your personal ones.
- III. can keep any profits it makes after paying tax to KRA.

Currently, you can run a one man company (Section 102 of Companies Act gives provision for single member companies).

A company is **private company** (as per Section 9 of Companies Act, 2015) if-

- a. its articles-
 - i. restrict a member's right to transfer shares;
 - ii. limit the number of members to **fifty**; and
 - iii. prohibit invitations to the public to subscribe for shares or debentures of the company;
- b. it is not a company limited by guarantee; and
- c. its certificate of incorporation states that it is a private company.

What you'll require to do:

To set up a private limited company you need to register with Registrar of Companies via **e-citizen online portal** under the category of "Business Registration Service" . This is known as 'incorporation'.

2.2 You will need the following

- ❖ Choose a suitable company name:
- ❖ **Company address** (*Section 46 of Companies Act, 2015 makes it a requirement for a company to have a registered office address*)
- ❖ **Appoint atleast one director** : As per Section 128 (2) of Companies Act, 2015. In addition,one director has to be a **natural person** – *Section 129, Companies Act, 2015*). The Director must be atleast 18 years (*Section 131 of*

Companies Act, 2015) and not be disqualified from being a director (as provided in Part X of Companies Act, 2015.)

- ❖ **Appointment of a secretary:** Generally, you do not need a secretary for private company (*only required if it has a paid up capital of 5 million shillings or more – Section 243 of Companies Act, 2015*)
- ❖ Details of the company's Shares and shareholders.
- ❖ Memorandum and articles of association.

TAKE NOTE: The name of a private limited company must end in either '**Limited**' or '**Ltd**' (Section 54 of Companies Act, 2015). A private company can only avoid using the word '**Limited**' or '**Ltd**' only after receiving an exemption from the Cabinet Secretary (Section 55 of Companies Act, 2015)

➤ **Shares and shareholders:**

Private limited companies are companies 'limited by shares'. This means they're owned by shareholders, who have certain rights. For instance, directors may need shareholders to vote and agree on certain changes and appointments such as appointment and removal of directors, change of company's name, change of the company's articles of association.

A company limited by shares must have at least one shareholder, who can be a director. If you're the only shareholder, you'll own 100% of the company. If you're the only shareholder, you'll own 100% of the company.

2.3 Issuing your initial shares:

When you register a company you need to provide information about the shares (known as a 'Statement of Nominal Capital'). This includes:

- ❖ the number of shares of each type the company has and their total value - known as the company's 'share capital'.
- ❖ the names and addresses of all shareholders - known as 'subscribers' or 'members'.

FOR EXAMPLE:

A company that issues **1,000 shares** at **kshs 1,000** each has a share capital of **Kshs 1,000,000**.

Please Note:The *Statement of the Nominal Capital form* (pursuant to Section 39 and the schedule, article 8 of Companies Act, 2015) must be signed and state the person who lodged the document (position of the person).

2.4 Prescribed particulars

During the registration phase, You also need to provide information about the class of shares given to the subscriber. This information is known as ‘prescribed particulars’.

➤ **Memorandum and articles of association:**

At the registration phase, a person who wishes to register a company will need to lodge the following with the Registrar :

- a ‘*memorandum of association*’ - a legal statement signed by all initial shareholders agreeing to form the company. (Section 12 of Companies Act,2015)
- ‘*articles of association*’ - written rules about running the company agreed by the shareholders, directors and the company secretary.

Articles of association

You can use standard articles (known as ‘model articles’). Model articles for adoption during formation of company are prescribed in **FOURTH SCHEDULE** (Regulation No. 7 of Companies Regulations, 2015).

If you decide to adopt the model articles, you will pick that option during the registration process via the ecitizen website.

In the event that you decide to write your own articles then you shall be required to upload your own articles in the prerequisite website field.

2.5 Registering Your Private Limited Company

Registration of Private Limited Companies is currently done online via <https://www.ecitizen.go.ke>

2.5.1 What You'll need for the registration

- **Form CR 1** which contains the proposed name of the company, the proposed name of the company; the proposed location of the registered office of the company; whether the liability of the members of the company is to be limited, and if so whether it is to be limited by shares or by guarantee; and state that it is a private company [*Companies Act no.17 of 2015 section 13(2)*]. Correctly completed and duly signed.
- Model memorandum for a company limited by shares (Form CR2)- [*Companies (general) Regulations Act 2015 Second Schedule*].
- Articles of Association (if those provided in the Regulations have not been adopted).
- A copy of national I.D. card, KRA PIN certificate and recent colored passport photograph of each director and the company secretary.[*Companies (general) Regulations Act 2015 section 5*].
- Notification of directors' residential address (Form CR8).
- Copy of I.D card of person lodging documents.
- Statement of nominal share capital form.
- Name Search fee: Kshs. 150 per name.
- Registration fees: kshs.10,650.

2.5.2 Registration Procedure

- Visit <https://www.ecitizen.go.ke> and then choose "Business Registration Service".
- Conduct a **Name Search** for the company's preferred name. Once the name is available, you will proceed to registration phase. In the event, the name is rejected with the reason provided, you may choose another name.
- On the Registration phase, you will fill details as to:
 - i. Step 1: Articles And Memorandum.
 - ii. Step 2: Registered Office Addresses.
 - iii. Step 3: Share Information.
 - iv. Step 4: Ownership Information.

- v. Step 5: Application Documents (From the system generated documents (CR 1, CR 2, CR8 and the Statement of the nominal capital), you will sign the forms according and then upload the duly signed forms on the stated fields.)
- Once the documents lodged are in conformity to the law, you will get a notification in the application status as “**registered**”. Then you shall scroll downwards in the application area to download: *the certificate of incorporation* and a **company CR12** as at the date of registration.
 - Print the Certificate and the CR 12.

3.0 PUBLIC COMPANY

A company is defined as a **public company** (Section 10 of Companies Act,2015) if -

- a. its articles allow its members the right to transfer their shares in the company;
- b. its articles do not prohibit invitations to the public to subscribe for shares or debentures of the company ; and
- c. its certificate of incorporation states that it is a public company.

What you'll require to do:

To set up a Public company you need to register with Registrar of Companies via **e-citizen online portal** under the category of “Business Registration Service” then choose “Public Company”. This is known as ‘incorporation’.

3.1 What You'll need for the registration

- **Form CR 1** which contains the proposed name of the company, the proposed name of the company; the proposed location of the registered office of the company and stating it's a public company. Correctly completed.
- **Articles of Association** (if those provided in the Regulations[*Companies (general) Regulations Act 2015*] have not been adopted).
- A copy of national I.D. card, KRA PIN Certificate and recent colored passport photograph of each director and the company secretary [*Companies (general) Regulations Act,2015 section 5*].
- Form CR12 filled.
- Notification of directors' residential address (Form CR8).

- Copy of I.D card of person lodging documents.
- Name Search fee: Kshs. 150 per name.
- Registration fees: kshs.10,650.

3.2 Things To Note:

- ❖ Choose a suitable company name:
- ❖ *Company address* (Section 46 of Companies Act, 2015 makes it a requirement for a company to have a registered office address)
- ❖ *Appoint atleast 2 director s* – As per Section 128 (2) of Companies Act, 2015. In addition, *One director has to be a natural person* (Section 129, Companies Act, 2015). The Director must be atleast **18 years old** (Section 131 of Companies Act, 2015) and not be disqualified from being a director (as provided in Part X of Companies Act, 2015.)
- ❖ *Appointment of atleast one secretary.* (Section 244 of Companies Act,2015)

The Following are the Qualifications of secretaries of public companies (Section 246 of Companies Act) to which directors of public companies must take reasonable steps to ensure that they are met:

- a person who appears to them to have the requisite knowledge and experience to discharge the functions of a secretary of the company; and
- is the holder of a practising certificate issued under the Certified Public Secretaries of Kenya Act, Cap 534, Laws of Kenya.

PLEASE NOTE: After incorporation, the company shall ensure that its **register of secretaries** (Section 250 of Companies Act,2015) contains the following particulars:

- a) the name and any former name of the secretary; and
- b) the address of the secretary.

4.0 COMPANY LIMITED BY GUARANTEE

A company limited by guarantee (CLG) is an alternative type of corporation used primarily for non-profit organisations that require legal personality. A company limited by guarantee requires all directors and members to undergo vetting before the company is Registered.

A company is company limited by guarantee (*Section 7 of the Companies Act, 2015*) if—

- a) it **does not** have a share capital;
- b) the liability of its members is limited by the company's articles to the amount that the members undertake, by those articles, to contribute to the assets of the company in the event of its liquidation; and
- c) its certificate of incorporate states that it is a company limited by guarantee.

What you'll require to do:

To set up a Company Limited by Guarantee, you need to register with Registrar of Companies via **e-citizen online portal** under the category of “*Business Registration Service*” then choose “Company Limited by Guarantee”. This is known as ‘incorporation’.

4.1 What you'll require to have

- Form **CR 1** which contains the proposed name of the company, the proposed name of the company; the proposed location of the registered office of the company; whether the liability of the members of the company is to be limited, and in this case limited by guarantee; and state that it is a limited company .Correctly completed.
- Model memorandum for a company limited by guarantee (Form CR3) [*Companies (General) Regulations Act 2015, SECOND SCHEDULE*]
- Articles of Association (if those provided in the *Companies (General) Regulations Act 2015* have not been adopted).
- A copy of national I.D. card, KRA PIN certificate and recent colored passport photograph of each director and the company secretary (if applicable though not mandatory).
- Notification of directors' residential address (Form CR8).

- Copy of I.D card of person lodging documents.
- Statement of nominal share capital form (*Companies Act no.17 of 2015, Section 14*).

4.2 Company limited by guarantee Registration Fee

Service	Fee (Kshs)
For Members not exceed 25	3,000
For Members exceed 26 but does not exceed 100	7,500
For Members over 100	15,000
For Every Additional 50 Members or fewer after the first 100	2,000
For Making an application for a licence under section 55 of the Act.	3,000
Convenience Fee	50

4.3 Things To Note Company Limited By Guarantee

- This company application will take a minimum of a year to be registered.
- This company is a non-profit company and is not limited by shares.
- All directors and members will have to undergo vetting.
- Under **Section 15(2) of Companies Act, 2015**, the applicant shall also ensure that the statement of guarantee states that each person who is a member undertakes, if the company is liquidated while the person is a member or within twelve months after the person ceases to be a member, to contribute to the assets of the company such amount as may be required for –
 - a. paying the debts and liabilities of the company contracted before the person ceases to be a member;
 - b. paying the costs, charges and expenses of liquidation; and
 - c. adjusting the rights of the contributories among themselves.

5.0 FOREIGN COMPANIES

A foreign corporation is a term used to refer to an existing corporation that is registered to do business in a state or jurisdiction other than where it was originally incorporated.

What you'll require to do:

To set up a **branch of Foreign company**, you need to register with Registrar of Companies via **e-citizen online portal** under the category of “*Business Registration Service*” then choose “Foreign Company”.

5.1 What you'll require to have

it begins with a name search and reservation of a name.

- Application for registration of a foreign company – FC1. (*Section 975 of the Companies Act, 2015*)
- Notice of place of business.
- Notice of Residential Address of a local representative of a foreign company – FC3(*Section 980(1) of the Companies Act, 2015*)
- Notice specifying opening hours of company -Form FC4. (*Sections 983(3) of the Companies Act, 2015*).
- Passport photos of directors.
- Certified copy of incorporation.
- Certified copies of articles and memorandum of association.
- Copy of ID for local representative(s).
- Copy of passport.
- Pin certificate.
- List of directors and shareholders (Companies Act No. 17 of 2015, Section 975)

Once the application is approved, the applicant is then issued with **Certificate of Compliance** and a company pin, downloadable in the applicant's ecitizen account.

6.0 LIMITED LIABILITY PARTNERSHIP

Limited Liability Partnerships in Kenya are registered under the Limited Liability Partnerships Act, 2011. Limited liability partnerships commonly referred to as LLPs are unique forms of business association that combines elements of a company with those of a partnership.

A search is conducted in e-citizen website (under Business Registration Service Department) to establish if the proposed names are available for registration.

The name must end with the expression “Limited Liability Partnership” or the abbreviation “LLP”. If the Registrar is satisfied that the name is available, the name is reserved for a period of two months from the date on which the application was lodged or for such longer period as the Registrar may specify.

6.1 Limited Liability Partnership Name Reservation

- Name search and reservation: the name search process can be done at any Huduma Centre countrywide, or online using the E-Citizen platform.
- If you get a rejection for the name chosen, it means that your name is already in use or is contrary to public policy and therefore you should reapply using a different name.

Cost detail: Ksh. 100 - for a single business name search

Ksh. 50 - eCitizen Convenience fee.

6.2 Registration of LLP

- Filing a statement of particulars, form **LLP1** containing the following:
 - The proposed name (as reserved at the Company Registry).
 - The address of your registered Business office.
 - Nature of the Business.
 - Name of the Partners.
 - Consent from the Manager Partner.

6.3 Requirements for registration

- i. Copy of PIN certificate and Identification Card of each partner.
- ii. Copy of Passport, where the partners are foreigners, showing the bio data page.

- iii. Passport size photo for each Partner.

6.4 Partnership agreement

It is drafted by the partners themselves and then lodged with the Registrar of Companies.

- It describes:
 - Mutual rights and duties between partners
 - Mutual rights between partners and the partnership

Cost detail: Ksh. 25,000 – registration fee.

7.0 CONVERSION OF COMPANIES

The Companies Act, 2015 provides for five types of conversion of companies:¹⁴

- a) from being a private company into being a public company.
- b) from being a public company into being a private company.
- c) from being an unlimited private company to a limited company; or
- d) from being a public company into being an unlimited private company.

7.1 Conversion of private company into public company

A private company whether limited or unlimited, can convert itself into a public company if –

1. It passes a special resolution to that effect (**CR-19**).
2. The following conditions are satisfied:
 - The company must have a share capital.
 - The requirements as to share capital are satisfied.
 - The requirements regarding its net assets is satisfied.
 - If the section on allotment of shares for non-cash consideration applies, that the requirements have been satisfied.¹⁵
 - That the company has not previously been converted itself into an unlimited company.

¹⁴ Section 69 of Companies Act, 2015.

¹⁵ Section 73 of Companies Act, 2015.

- That the company has made such changes to its name and to its articles as are necessary in order for it to become a public company.
 - If the company is unlimited, that it has also made such changes to its articles as are necessary in order for it to become a company limited by shares.
3. An application for registration of a conversion of a company **(CR-17)** is lodged with the registrar. The application -¹⁶
- a) contains -
- A statement of the company's new name after conversion; and
 - If the company does not have a secretary, a statement of the company's proposed secretary.
- b) is accompanied by –
- A copy of the special resolution converting the company into a public company (if it has not been lodged) **(CR – 19)**;
 - A copy of the company's articles as proposed to be amended;
 - A copy of the balance sheet
 - A copy of the valuation report in the case that shares have been allotted for non-cash consideration.

7.2 Conversion of a public company into a private company

A public company can convert itself into a private limited company if¹⁷:

- A special resolution to that effect is passed **(CR – 19)**.
- If there is no application before the court for cancellation of the resolution made or if such an application has been made, such an application has been withdrawn or an order made confirming the resolution **(CR – 30)**.
- An application for registration of the conversion is lodged with the registrar **(CR – 17)** and:
 - ✓ Contains a statement of the company's new name on conversion;
 - and

¹⁶ Section 74 (2) of Companies Act, 2015.

¹⁷ Section 77 of Companies Act, 2015.

- ✓ Is accompanied by –
 - A copy of the resolution converting the company into a private limited company (if a copy has not been lodged).
 - A copy of the company's articles as proposed to be amended.

7.3 Conversion of a private limited company into unlimited company

A private limited company may convert itself into an unlimited company if –¹⁸

- All members of the company have assented to its conversion
- The company has not been previously registered as an unlimited company; and
- An application for registration of the conversion is lodged with the registrar (CR – 17). The application for registration:¹⁹
 - ✓ Must contain statement of the company's new name on conversion; and
 - ✓ Is accompanied by prescribed form of assent to the company's being registered as an unlimited company, authenticated by or on behalf of all members of the company; and
 - ✓ A copy of the company's articles as proposed to be amended.

7.4 Conversion of unlimited company into private limited company

An unlimited company may convert itself into a private limited company if²⁰:

- A special resolution that it should be so converted has been passed²¹ (CR – 19).
- The company has not previously been registered as a private limited company.
- An application for registration of the conversion is lodged with the registrar (CR – 17). The application for registration²²:
 - ✓ Must contain a statement of the company's new name on registration of the conversion; and
 - ✓ Is accompanied by –
 - i) A copy of the resolution converting the company into a private limited company (unless a copy has already been forwarded to the registrar).

¹⁸ Section 82 of Companies Act, 2015.

¹⁹ Section 82 (c) and Section 83 of Companies Act, 2015.

²⁰ Section 85 of Companies Act, 2015.

²¹ Must state whether the company is to be limited by shares or by guarantee.

²² Section 86 of Companies Act, 2015.

- ii) If the company is to be limited by guarantee, a statement of guarantee which states that each person who is a member undertakes that, if the company is liquidated while the person is a member, or within one year after the person ceases to be a member, the person will contribute to the assets of the company such amounts as maybe required.
- iii) A copy of the company's articles as proposed to be amended.

7.5 Conversion of a public company into unlimited private company

A public company limited by shares may convert itself into an unlimited private company with a share capital if ²³-

- All the members of the company have assented to its being so converted;
- The company has not previously been registered as a limited company or as an unlimited company.
- An application for registration of the conversion is lodged with the registrar (CR – 17). Such an application for registration:²⁴
 - ✓ Contains a statement of the company's new name on conversion; and
 - ✓ Is accompanied by –
 - i) The assent to the company's conversion, authenticated by or on behalf of all the members of the company; and
 - ii) A copy of the company's articles as proposed to be amended.

7.6 Conversion of business name into a company

The following will be required for conversion of a Business name into a Company:

- ✓ Applicant is required to Fill a notice of cessation form to cease your current sole proprietor business (BN-6). You will be required to attach Business Name Certificate of Registration during your application.
- ✓ A business name search will be conducted to ensure availability of the name.

²³ Section 89 of Companies Act, 2015.

²⁴ Section 90 of Companies Act, 2015.

- ✓ If the availability of the name is confirmed or a suitable name chosen (in the event of unavailability) then the next step is the normal procedure for registration of a Company.

7.7 Conversion of a business name into Limited Liability Partnership

The following will be required for conversion of a Business name into a Limited Liability Partnership:

- ✓ Submit your sole proprietor certificate to the company registry.
- ✓ Applicant is required to fill a notice of cessation form to cease your current sole proprietor business (**BN-6**). You will be required to attach Business Name Certificate of Registration during your application.
- ✓ A business name search will be conducted to ensure availability of the name.
- ✓ If the availability of the name is confirmed or a suitable name chosen (in the event of unavailability) then the next step is the normal procedure for registration of a Limited Liability Partnerships.

8.0 STRIKING OFF COMPANIES & CESSATION

This guidance explains how you can remove and restore your company from the register, as covered in **PART XXXIII —DISSOLUTION AND RESTORATION TO THE REGISTER** of Companies Act, 2015.

8.1 Types of strike off

Striking off a company can be exercised in two ways:

- a) By the registrar on his own motion.
- b) By the company through its directors.

8.1.1 By the Registrar's own motion

❖ *Power of the registrar to strike off company on his own motion:-*

The registrar may exercise his power to strike off a company if he reasonably believes that a company is not carrying on business or is not in operation.²⁵ To this effect, the following procedure will be followed:

- a) The registrar may send to the company by post a letter inquiring whether the company is carrying on business or is in operation.²⁶
- b) If the registrar does not within one month after sending the letter receive any answer to it, the registrar shall, within fourteen days after the end of that month, send to the company by post a registered letter referring to the first letter and stating – ²⁷
 - ✓ That no answer to it has been received to it; and
 - ✓ that, if no answer is received to the second letter within one month after its date, a notice will be published in the *Gazette* with a view to striking the name of the company off the Register.
- c) If the registrar – ²⁸
 - ✓ Receives an answer to the effect that the company is not carrying on business or is not in operation; or

²⁵ Section 894 (1) of Companies Act, 2015.

²⁶ *ibid.*

²⁷ Section 894 (2) of Companies Act, 2015.

²⁸ Section 894 (3) of Companies Act, 2015.

- ✓ Does not within **one month** after sending the second letter receive an answer to it, the Registrar may publish in the *Gazette*, and send to the company by post, a notice that, at the end of the period of three months from the date of the notice, the name of the company referred to in it will, unless cause is shown to the contrary, be struck off the Register and the company will be dissolved.
- d) At the end of the period specified in the notice sent, the Registrar may, unless cause to the contrary is previously shown by the company, strike the name of the company off the register.²⁹
- e) As soon as practicable after striking the name of the company off the Register, the Registrar shall publish in the *Gazette* a notice to the effect that the name of the company has been struck off the register.³⁰
- f) On the publication of the notice in the *Gazette*, the company is dissolved.³¹

❖ **Duty of the Registrar to Act in case of a company that has been liquidated or no liquidator is acting.**

- i) If, in the case of a company that is in liquidation and the registrar reasonably believes – ³²
 - a) That the affairs of the company are fully wound up; or
 - b) That no liquidator is acting; and
- ii) The returns required to be made by the liquidator in respect of the company have not been made for **six** consecutive months, the Registrar shall publish in the *Gazette*, and send to the company or the liquidator (if any), a notice that at the end of three months from the date of the notice the name of the company will, unless cause is shown to the contrary, be struck off the Register and the company will be dissolved.³³

²⁹ Section 894 (4) of Companies Act, 2015.

³⁰ Section 894 (5) of Companies Act, 2015.

³¹ Section 894 (6) of Companies Act, 2015.

³² Section 895 (1) (a) of Companies Act, 2015.

³³ Section 895 (1) (b) of Companies Act, 2015.

- iii) At the end of the period specified in the notice, the Registrar may, unless cause to the contrary is shown by the company, strike the company's name off the Register.³⁴
- iv) As soon as practicable after striking the name of the company off the Register, the Registrar shall publish in the Gazette a notice to the effect that the name of the company has been struck off the Register.³⁵

8.1.2 By application of the Company

This guidance will be relevant to you if:

- you want to dissolve a company.
- you want to restore a company.

and you are:

- a director or secretary of a company
- an adviser to the company

On application by a company, the Registrar may strike the name of the company off the Register.³⁶ Such an application is effective if it is made on behalf of the company by its directors or by a majority of them; and is in accordance with the regulations.³⁷

- a) The registrar may not strike the name of a company off the register until after three months from the date of the publication by the Registrar in the Gazette of notice –
 - ✓ Stating that the Registrar may exercise the power to strike off in relation to the company; and
 - ✓ Inviting any person to show cause why the name of the company should not be struck off.
- b) As soon as practicable after striking the name of the company off the Register, the Registrar shall publish in the Gazette a notice to the effect that the name of the company has been struck off the Register.³⁸

³⁴ Section 895 (2) of Companies Act, 2015.

³⁵ Section 895 (3) of Companies Act, 2015.

³⁶ Section 897 (1) of Companies Act, 2015.

³⁷ Section 897 (2) of Companies Act, 2015.

c) On publication of the notice, the company is dissolved.³⁹

The application may however not be made (or, if made, may not be dealt with) if, at any time during the preceding three months, the company has –⁴⁰

- ✓ Changed its name;
- ✓ Carried on business;
- ✓ Made a disposal for value of property that, immediately before ceasing to carry on business, it held for the purpose of disposal for gain in the normal course of carrying on business; or
- ✓ Engaged in any other activity except one that is necessary or expedient.

An application on behalf of the company may also not be made at such a time when –

- ✓ An application has been made on behalf of the Company for the sanctioning of a compromise or arrangement and the matter has not been finally concluded.
- ✓ A voluntary arrangement in relation to the company has effect under the laws relating to insolvency, or has been proposed under that part and has not been concluded.
- ✓ The company is under administration.
- ✓ The company is under liquidation or the application for liquidation of the Company liquidated by the Court has been made but has not been finally disposed of or been withdrawn.
- ✓ Any other circumstances prescribed by the regulations.

d) The application made by a company to the Registrar to be struck off may be withdrawn when a notice of withdrawal is lodged with the registrar⁴¹ (**CR – 47**).

8.2 Cessation Of Business Name

To close down, De-register or cancel a Business Name, Sole Proprietorship or Partnership is generally referred to as Cessation of Business Name. Whereas de-registration of a company is called Striking off or Dissolution.

³⁸ Section 897 (3) of Companies Act, 2015.

³⁹ Section 897 (4) of Companies Act, 2015.

⁴⁰ Section 898 of Companies Act, 2015.

⁴¹ Section 904 of Companies Act, 2015.

Cessation of Business Name under the **Registration of Business Names Act, Cap 499**, Laws of Kenya, takes two forms:

- a) By the proprietor(s); or
- b) By Registrar's own motion.

8.2.1 By the proprietor(s)

Within **three months** after the business has ceased to operate, it shall be the duty of the persons who were partners in the firm at the time when it ceased to carry on business, or of the individual or if he is dead of his personal representative, or of the corporation, as the case may be to send by registered post or deliver to the Registrar notice in the prescribed form that the firm or individual or corporation has ceased to carry on business (**BN-6**).⁴²

If the firm, individual or corporation is bankrupt or in liquidation the notice aforesaid shall be delivered by the receiver, trustee or liquidator, as the case may be.⁴³

The of cessation form (**BN-6**) should be accompanied by a copy of certificate of business name (**BN-3**) and must be signed by all the partners.

8.2.2 By Registrar's own motion

Where the Registrar has reasonable cause to believe that any firm, individual or corporation registered is not carrying on business, he may send to the firm, individual or corporation by registered post a notice that unless an answer is received to such notice within **twelve (12) weeks** from the date thereof, the entry in the register relating to such firm, individual or corporation may be cancelled⁴⁴.

- ✓ If the Registrar either receives an answer from the firm, individual or corporation to the effect that the firm, individual or corporation is not carrying on business; or does not receive an answer within **twelve (12) weeks** after the date of the notice, he may cancel the entry in the register relating to such firm, individual or corporation⁴⁵.

⁴² Section 15 (1) of the Registration of Business Names Act, Cap 499, Laws of Kenya.

⁴³ Section 15 (1) of the Registration of Business Names Act, Cap 499, Laws of Kenya.

⁴⁴ Section 15 (3) of the Registration of Business Names Act, Cap 499, Laws of Kenya.

⁴⁵ Section 15 (4) of the Registration of Business Names Act, Cap 499, Laws of Kenya.

If an event occurs after the registration of any firm, individual or corporation as a consequence of which the continuance of the registration under the Act is no longer tenable, the firm, individual or corporation so carrying on the business shall send a notice to the Registrar upon the occurrence of of such event, and the Registrar may, on being so notified or on being notified of the happening of such event, cancel the entry in the register relating to such firm, individual or corporation.⁴⁶

9.0 LIFE OF A COMPANY: ANNUAL REQUIREMENTS

9.1 FILING OF ACCOUNTS

9.1.1 Introduction

This guide tells you about the documents that a company must deliver every year to Registrar of companies - even if the company is dormant. If you don't comply, there could be serious consequences. The registrar might assume that the company is no longer carrying on business or in operation and take steps to strike it from the register under Section 894 of Companies Act,2015. If the registrar strikes a company off the register, it ceases to exist.

The requirement to file annual documents applies to all companies, including small companies (unless the directors have applied for exemption from audit).

9.1.2 Relevant Legislation

- i. Companies Act, 2015
- ii. Companies (Regulations) Act, 2015
- iii. Limited Liability Partnership Act, 2011

9.2 Accounting Reference Dates

9.2.1 A company's financial year

A financial year is usually a 12 month period for which you prepare accounts. Every company must prepare accounts that report on the performance and activities of the company during the financial year. Your financial year starts on the day after the previous financial year ended or, in the case of a new company, on the day of incorporation.

⁴⁶ Section 15 (5) of the Registration of Business Names Act, Cap 499, Laws of Kenya

Financial years are determined by reference to an accounting reference period that ends on a specified date known as the Accounting Reference Date (ARD).

The directors of a parent company shall ensure that, except when in their opinion there are good reasons to the contrary, the financial year of each of its subsidiary undertakings coincides with the financial year of the parent company. [Section 632(4) of Companies Act, 2015]. If the directors fail to comply, each of the directors who is in default commits an offence and on conviction is liable to a fine not exceeding five hundred thousand shillings.

9.2.2 How to determine a company's ARD

The accounting reference periods of a company are determined according to its accounting reference date in each calendar year.

The accounting reference date of a company is the last day of the month in which the anniversary of its incorporation occurs (Section 633(2) of Companies Act, 2015). Subsequent accounting reference dates will automatically fall on the same date each year.

For example, if your company was incorporated on 7th May 2017 its first accounting reference date would be 30th May 2018 and 30 May for every year thereafter.

9.2.3 How to change a company's ARD

The Company has the power to change its Accounting Reference Date (*Section 634 of Companies Act, 2015*). The change can be effected by a notice lodged with the Registrar of companies to effect the change.

A notice extending a company's current or previous accounting reference period is not effective if given less than **five years** after the end of an earlier accounting reference period of the company that was extended.

9.2.4 Restrictions on changing the ARD

You may change an accounting reference date by shortening an accounting reference period as often as you like and by as many months as you like.

However, there are restrictions on extending accounting reference periods:

- you may not extend a period so that it lasts more than **18** months from the start date of the accounting period, unless the company is in administration;
- A notice extending a company's current or previous accounting reference period is not effective if given less than **five years** after the end of an earlier accounting reference period of the company that was extended.

9.2.5 Change of ARD ineffective

The notice of change of **Accounting Reference Date** is not effective unless it states whether the current or previous accounting reference period [*Section 643(3) of companies Act, 2015*] —

- a. **is to be shortened**, so as to come to an end on the first occasion on which the new accounting reference date occurs or occurred after the beginning of the period; or
- b. **is to be extended**, so as to come to an end on the second occasion on which that date occurs or occurred after the beginning of the period.

9.2.6 Annual Filings

- ❖ Companies
- ❖ Limited Liability Partnership
- ❖ Foreign Companies.

9.2.6.1 Companies: Annual Returns

Companies have a duty to lodge **annual returns** with the Registrar of companies as provided in Section 705 of Companies Act, 2015.

An annual return is a statutory document that every registered company in Kenya has to file with the Registrar of Companies to show the changes that have occurred at the company during the year such as change of shareholding, directorship and registered office of the company.

Section 705 of the companies act stipulates that every company having a share capital, may file returns annually, in the prescribed form. A company shall ensure that its annual return-

- I. Complies with the requirements of section 706 and if applicable section 707; and
- II. Is lodged with the Registrar within 28 days after the date to which it is made up.

9.2.6.1.1 The general contents of annual return

The contents are spelt out in section 706 of Companies Act, 2015 :

- a) The address of the company's registered office and where the post office box number is given, the physical address of that office;
- b) The type of company and its principal business activities;
- c) The particulars prescribed by the regulations of:
 - i. The directors of the company;

- ii. In the case of a public or private company that has a Secretary or joint Secretaries of the company.
- iii. Any person appointed as an authorized signatory of the company;

d) Financial statements or exemption statement where applicable

The company may give the information on its principal business activities by reference to one or more categories of any prescribed system of classifying business activities.

A company having a share capital shares include in its annual return a statement of capital and particulars required about the members of the company. The **statement of capital** has to state:

- a) The total number of shares of the company;
- b) The aggregate nominal value of the shares;
- c) For each class of shares:
 - i. The particulars prescribed by the regulations of the rights attached to the shares;
 - ii. The total number of shares of that class; and
 - iii. The aggregate nominal value of shares of that class, and the amount paid up and the amount unpaid on each share, whether on account of the nominal value of the share or in the form of premium.

The company shall ensure that the return includes the particulars prescribed by the regulations of every person who:

- a) Is a member of the company on the date to which the return is made up; or
- b) Has ceased to be a member of the company since the date to which the last return was made or, in the case of the first return, since the incorporation of the company.

The company shall further ensure that the return states:

- a) The number of shares of each class held by each member of the company at the date to which the return is made up;
- b) The number of shares of each class transferred:
 - i. Since the date to which the last return was made up; or
 - ii. In the case of the first return, since the incorporation of the company, by each member or a person who has ceased to be a member
- c) The dates of registration of the transfers

Where the company has converted any of its shares into stock, the company shall include in the annual return the corresponding information in relation to that stock, stating the amount of stock instead of the number or nominal value of shares.

9.2.6.1.2 Failure to lodge annual returns

Section 708 stipulates that where a company fails to lodge an annual return as or lodges an annual return that does not comply with section 705, the company and each officer in default commit an offence and liable to a fine not exceeding Ksh. 200,000.

9.2.6.2 Foreign Companies: audited accounts

Unlike companies that are required to file annual returns with the Registrar, foreign companies are required to file audited accounts with the Registrar as provided in Section 832. (8) of Companies Act, 2015.

9.2.6.3 Limited Liability Partnership: a declaration

A Limited liability partnership is required to lodge with the Registrar a **DECLARATION** (Section 29 Limited Liability Partnership Act, 2011) by one of its managers that in the opinion of the manager, the partnership either –

- i. appears, as at the date, to be solvent;
- ii. does not appear, as that date, to be solvent.

Note: The declaration is required to be lodged not later than 15 months after the registration of the limited liability partnership and subsequently once in every calendar year at intervals of not more than **15 months**.

- ❖ Failure to lodge the declaration within the given period, the partnership commits an offence and is liable to fine not exceeding **kshs. 100,000** [*Section 29 (4) of Limited Liability Partnership Act 2011*].

9.3.Accounting Records

9.3.1 Company Records

Every company, whether or not they are trading, must keep accounting records.

Directors of a company have a duty to prepare financial statements [*Section 643(3) of companies Act, 2015*]

9.3.2 Limited Liability Partnership

A limited liability partnership is required to retain its accounting records for not less than **7 years** after completion of the matters to which they relate. [*Section 30(2) of Limited Liability Act, 2011*]

The accounting records should be kept at such place as the partners consider fit and shall at all times be open to inspection by the partners.

9.4 General Requirements For Individual Financial Statements

The requirements (Section 638 of Companies Act, 2015) are that –

a. The statement comprises of :-

- i. Balance sheet as at the last day of the financial year
- ii. Profit and loss account;
- iii. A statement of cash flow; and
- iv. Statement of change of equity.

b. The statement –

- i. In the case of balance sheet – provides a true and fair view of the financial position of the company as at the end of the financial year; and
- ii. In case of profit and loss – provides a true and fair view of the profit or loss of the company for the financial year.

9.5 Contents Of Directors' Report

The Contents of Directors report are provide in Section 654 of Companies Act, 2015:
They include:

- a. The names of the persons who, at any time during the financial year, were directors of the company; and
- b. The principal activities of the company during the course of the year.
- c. Except for small companies, the directors shall specify in the report the amount (if any) that the directors recommend should be paid as dividend.
- d. Regulations may specify other matters that are required to be disclosed in a directors' report.

9.6 Accounts for Entities

9.6.1 Small Companies

Small Companies [Section 624(3) of Companies Act, 2015]

A Company falls under the *small companies regime*, if it satisfies two or more of the following requirements —

- a. it has a turnover of not more than **50** million shillings;
- b. the value of its net assets as shown in its balance sheet as at the end of the year is not more than twenty million shillings; and
- c. it does not have more than **50** employees.

Company That Is Not A Small Company To Prepare Group Financial Statement (Section 639 of Companies Act)

- If a company that is not subject to the small companies regime is a parent company, the directors of that company shall in addition to preparing an individual financial statement, prepare a group financial statement for the year, unless the company is exempt from that requirement – Though nothings prevents the exempted company from preparing group financial statement if they so wish.

Small Companies to lodge

The Directors of the small company (*Section 686 Companies Act, 2015*):

- a. shall lodge with Registrar for each financial year a copy of **BALANCE SHEET** drawn up as at the last day of that year;
- b. Shall lodge a copy of the **Auditor's Report** on the company's **BALANCE SHEET** and on the Company's Profit and Loss Account and Directors' report (if any)⁴⁷
- c. may also lodge with the Registrar –
 - i. a copy of the company's profit and loss account for that year; and
 - ii. a copy of the directors' report for that year

9.6.2 Unquoted Companies

Section 687: The Directors shall lodge with Registrar for each financial year of the company a copy of:

⁴⁷ This Subsection does not apply if the company is exempt from Audit and the Directors have taken advantage of that exemption.

- a. the company's Annual Financial Statement;
- b. the directors' report; and
- c. the auditor's report on that statement and that report (This will not apply if the company is exempt from Audit and the Directors have taken advantage of that exemption)

The Directors shall also ensure that:

- a. the copy of balance sheet, and of the directors' report, lodged with Registrar under this Section states the name of the person who signed it on behalf of the company.

10. CHANGES TO BUSINESS ENTITIES

10.1 Procedure for effecting Changes to Companies

In order to effect changes, you have to use the "LINK BUSINESS" feature on the eCitizen portal.

- Once you have linked the business and the Registrar has verified the business, your business will appear under the title category of "**My Businesses**";
- Click on the "**VIEW**" button;
- Business details page will appear showing the following details:
 - i. Summary
 - ii. Addresses
 - iii. Directors/Shareholders
 - iv. Share information
- Click on "MAINTAIN A COMPANY"
- From the website page that appears, you will be able to do the various changes. For instance, If you want to allot/transfer shares or to make changes to the directors, you will click on "**DIRECTORS/SHAREHOLDERS**" and then click on "**CHANGE PARTICULARS**" where you shall effect the prerequisite change.
- For **Annual Returns**, on the same website page (that appears above), you will upload the relevant annual returns and click on "**SUBMIT**" button.

PLEASE NOTE: That you will be required to fill and sign the relevant approved forms by the Registrar to effect the various changes.

10.2 Companies

10.2.1 Resignation of Director

The company is required under **section 138** of the Companies Act 2015 to notify the Registrar of Companies about the termination of a director's appointment through filing form **CR9 Notice of Cessation of Office of Directors**.

10.2.2 Resignation of Shareholder

The company would hold a general meeting to pass a resolution over the resignation of the Shareholder and transfer of the shares. This is as directed under **section 27 and 28** of the Companies Act 2015, which requires for the filling of form **CR19** - a copy of the company resolution.

10.2.3 Resignation of Director shareholder

The company would hold a general meeting to pass a resolution over the resignation of the Director Shareholder and approve the director's resignation and transfer of the shares. This is as directed under **section 27 and 28** of the Companies Act 2015, which requires for the filling of form **CR19** - a copy of the company resolution.

10.2.4 Resignation of Secretary

The company is required under **section 249** of the Companies Act 2015 to notify the Registrar of Companies about the termination of a secretary's appointment through filing form **CR13 Notice of Cessation of Office of Secretary**.

10.2.5 Allotment of Shares

The company is required under **section 331 (1)** of the Companies Act 2015 to notify the Registrar of Companies about the particulars of the shares allotted by the company. This is through filing form **CR20** which prescribes the details of the allotted shares and nominal amount of the shares allotted.

10.2.6 Transfer of Shares

Where the company seeks to transfer treasury shares, they file form **CR40**. The form is filed to notify the Registrar of the number of shares sold or transferred in accordance with **section 530** of the Companies Act 2015.

10.2.7 Forfeiture of Shares

Where the company seeks to forfeit the treasury shares, they file form **CR41**. The form is used to notify the Registrar of the surrendered shares in accordance with **section 532** of the Companies Act 2015.

10.2.8 Appointment of Director

The company is required under **section 138** of the Companies Act 2015 to notify the Registrar of Companies about the director's appointment through filing form **CR6** and **CR 19**

10.2.9 Notice of Appointment of Directors and Their Particulars.

It is noted that the particulars of a director's usual residential address are to be provided form **CR8: Notice of residential address/change of residential address of Director of Company**.

10.2.10 Appointment of Shareholder

The company would hold a general meeting to pass a resolution over the appointment of the Shareholder and transfer of the shares. This is as directed under **section 27 and 28** of the Companies Act 2015, which requires for the filling of form **CR19** with a copy of the company resolution attached.

10.2.11 Appointment of Director shareholder

The company would hold a general meeting to pass a resolution over the appointment of the Director Shareholder and approve the director's appointment and transfer of the shares. This is as directed under **section 27 and 28** of the Companies Act 2015, which requires for the filling of form **CR19** - a copy of the company resolution.

10.2.12 Appointment of Secretary

The company is required under **section 249** of the Companies Act 2015 to notify the Registrar of Companies about the appointment of the company secretary through filing form **CR10 Notice of appointment of Secretary and of Secretary's particulars**.

Where the company is to notify the Registrar of the Change of Secretary's Particulars, form **CR11** is filed to provide for the change of Company Secretary's particulars.

10.2.13 Change of Director Particulars

The company is required under **section 138** of the Companies Act 2015 to notify the Registrar of Companies about the changes of director's particulars through filing form **CR7 Notice of change of Directors' Particulars**.

It is noted that the particulars of a director's usual residential address are to be provided in form CR8: Notice of residential address/change of residential address of Director of Company.

10.2.14 Change of Company Particulars

The company is required under **Section 47** of the Companies Act 2015 to notify the Registrar of the change of location of company's registered office through filing form **CR16**.

Where the company had applied for change of name and succeeded as directed under section 48 and 63(1) of the Companies Act 2015, the company would then file form **CR15** to notify the Registrar of the new company name.

Where a registered foreign company is to give notice of change of particulars to the Registrar of Companies form **FC5** is filled. This is as directed by **section 986** of the Companies Act 2015.

10.2.15 Increase of Nominal Capital

The company would hold a general meeting to pass a resolution for the increase of the company's nominal capital. This is as directed under **section 27 and 28** of the Companies Act 2015, which requires for the filling of form **CR19** with a copy of the company resolution attached.

10.3 Limited Liability Partnership

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10.4 Business Names

Whenever there is a change in the⁴⁸ :

- ✓ business name;
- ✓ address of the principal or any other place of business;

⁴⁸ Section 9 of the Registration of Business Names Act, Cap 499, Laws of Kenya.

- ✓ nature of the business; or
- ✓ names of the partners.

such firm, individual or corporation shall, within **28 (twenty-eight) days** after such change, send by registered post or deliver to the Registrar a notice in writing in the prescribed form specifying the nature and date of the change, signed and where necessary verified, in a manner akin to a statement of particulars (**BN-4**).

Such a notice will be accompanied by the certificate of registration (**BN3**).