

**MAKERERE UNIVERSITY BUSINESS SCHOOL
FACULTY OF COMMERCE
BUSINESS LAW DEPARTMENT
COMPANY LAW COURSE OUTLINE – 2026**

1. COURSE DESCRIPTION & OBJECTIVES

This course offers a comprehensive exploration of Company Law in Uganda, focusing on the legal framework for the formation, management, regulation, and dissolution of companies. It is designed to equip business students with the knowledge and analytical skills necessary for company business practice.

Learning Outcomes:

By the end of the course, students should be able to:

- i. Appreciate the importance of Company Law in Uganda.
- ii. Understand the concept of corporate personality and limited liability.
- iii. Identify legal procedures for incorporation and registration of companies.
- iv. Analyze the roles, responsibilities, and fiduciary duties of company directors and officers.
- v. Examine the rights and obligations of shareholders, including remedies for oppression.
- vi. Explain the principles of corporate governance and management.
- vii. Recognize legal issues related to company meetings, resolutions, record-keeping, and enforcement of member rights.
- viii. Evaluate the impact of insolvency and liquidation laws on companies and their stakeholders.

2. TEACHING & LEARNING METHODS

- Lectures and class discussions
- Case law analysis
- Group work and presentations
- Take-home assignments and in-class exercises
- Tests and final examination

3. EVALUATION

- Class presentations and participation
- Assignments and exercises
- Coursework tests
- Final examination at semester's end

4. REFERENCES

Statutes:

- i. The Companies Act, Cap 106

- ii. Partnership Act, Cap 110
- iii. Contracts Act, Cap 284
- iv. Capital Markets Authority Act, Cap 64
- v. Cooperative Societies Act, Cap 107
- vi. Business Names Registration Act, Cap 105
- vii. Trustees Incorporation Act, Cap 271
- viii. Non-Governmental Organisations Act, Cap 109
- ix. Insolvency Act, Cap 108

Textbooks & Cases:

- i. D.J. Bakibinga, Company Law in Uganda (latest edition)
- ii. J.W. Katende, The Law of Business Associations in East and Central Africa
- iii. Paul Palia Kiapi, Commercial Transactions Vol. 4: Company Law
- iv. Hardy Ivamy, Underhill's Principles of the Law of Partnership, 11th Ed.
- v. Musisi James, Company Law in East Africa
- vi. Gower L.C.B, The Principles of Modern Company Law
- vii. Relevant Ugandan and Commonwealth case law

5. DETAILED COURSE OUTLINE

I. Introduction to Company Law

- Definition and nature of a company
- Sources of Company Law in Uganda
- Evolution and importance of Company Law

II. Types and Forms of Business Associations

- Sole proprietorships, partnerships, clubs and societies, trusts, NGOs, cooperative societies
- Types of companies: private, public, limited by shares/guarantee, unlimited, holding/subsidiary, statutory, chartered

III. Incorporation and Registration of Companies

- Legal procedures for incorporation
- Pre-incorporation contracts, promotion, and the role of promoters
- Required documents: Name reservation, Registration form, Memorandum and Articles of Association, statement of nominal capital, particulars of directors/secretary, notice of registered office
- Certificate of incorporation: legal effect

- The doctrine of ultra vires

IV. Corporate Personality and Limited Liability

- Principle of separate legal entity (Salomon v Salomon)
- Consequences of incorporation: perpetual succession, ownership of property, capacity to contract, ability to sue and be sued, transferability of shares, borrowing powers

V. Company Management and Administration

- Company organs: Board of Directors, Shareholders/General meetings, Company Secretary, Auditors
- Types of company meetings: statutory, annual general, extraordinary, court-ordered
- Notice, quorum, procedures, minutes, voting, proxies, and poll
- Powers, appointment, qualifications, and duties of directors (including duty of skill and care, duty of good faith, fiduciary duties, conflict of interest, secret profit, prohibition of insider trading)
- Company Secretary: role and legal status
- Auditors: appointment, qualifications, duties, and liability

VI. Corporate Governance and Accountability

- Division of powers between the board and shareholders (Table A, Articles of Association)
- Corporate contracts and the doctrine of indoor management (Royal British Bank v Turquand)
- Liability of the company for acts of its officers (actual and ostensible authority, holding out)
- Enforcement of members' rights (common law and statutory remedies)
 - Rule in Foss v Harbottle and exceptions
 - Derivative and representative actions
 - Oppression and relief
 - Misfeasance proceedings

VII. Company Finance and Capital

- Types of capital: share capital (authorized, issued, subscribed, called up, paid up, reserve), loan capital
- Raising capital: issuing shares, public offers, private placements, rights issues, bonus issues, offers for sale, direct offers
- Prospectus: legal requirements, civil and criminal liability for misstatements

- Share certificates: legal effects and estoppel
- Transfer and transmission of shares

VIII. Debentures and Charges

- Meaning and types (debenture, debenture stock, fixed/floating charges)
- Registration and consequences of unregistered charges

IX. Maintenance of Capital and Dividends

- Legal restrictions on capital reduction, share buy-backs, and dividends
- Maintenance of capital doctrine (Ooregum Gold Mining v Roper, Trevor v Whitworth)
- Payment of dividends and the role of directors

X. Winding Up and Dissolution of Companies

- Meaning and grounds for winding up (voluntary, creditors', court-ordered)
- The process of liquidation (appointment, powers, and duties of liquidator)
- Receivership: meaning, appointment, and effect
- Distribution of assets and priority of claims
- Just and equitable winding up
- Misfeasance proceedings during winding up

XI. Company Take-overs, Reconstructions, and Amalgamations

- Statutory procedures and practical aspects
- Regulatory requirements (Capital Markets Authority, URSB)

XII. Recent Developments and Contemporary Issues

- Digital registration and filings (URSB e-registry)
- Corporate governance codes
- Financial sector regulation (Financial Institutions Act, as amended)
- Case law and statutory trends