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**COMPANIES AND ASSOCIATIONS (INTERIM MEASURES)  
BILL, 2021**

*(Bill No. 51 of 2021)*

**EXPLANATORY STATEMENT ON OBJECTS AND REASONS**

The primary object of this Bill is to address the challenges which both companies and associations faced and continue to face in complying with their legal obligations under the Companies Act, Cap 40 and the Registration of Associations Act, Cap 201 respectively during the years 2020 and 2021. This has been principally because of the COVID-19 pandemic, where many companies and associations which were previously active and complying with their obligations under the Companies Act and the Registration of Associations Act, found themselves affected financially. The restrictions also in place during these periods, resulted in their operations; commercially, administratively and legally significantly limited and even non-existence.

The importance of addressing these non-compliance cases will also assist the Registrar General in keeping records and registers of companies and associations which are updated and reliable. It can also be said that generally the Bill is expected to help in the ease of doing business, especially as these entities reorganize themselves.

The Bill seeks to suspend the application of penalties for failing to file annual returns under both the Companies Act and the Registration of Associations Act, both filings to include submission of their audited accounts. Also, to extend the time limit for these submissions which were due for filing in 2020 and 2021, to 2022.

Additionally, the Bill extends the time limit for payment of the annual fees due during the year 2021 under the Companies Act to 2022 and to suspend the penalties for failing to pay these annual fees.

Similarly, the Bill extends the time limit for payment of the percentage profits due during the year 2020 and 2021 under the Registration of Associations Act to 2022 by registered associations.

This Bill, therefore seeks to give companies and associations sufficient time to comply with their statutory obligations and so as to be of good standing.

Upon the expiry of the time limits provided under this Bill to allow compliance, the relevant provisions of the Companies Act and the Registration of Associations Act shall be strictly applied.

The Bill also seeks to bring consequential amendments to the Companies Act, Cap. 40 and provide for a new time limit for the payment of the annual fee and enhance compliance against companies that fails to pay their annual fee.

This Bill seeks to achieve the above objectives.

**Dated this 14th day October, 2021.**

**FRANK D.R. ALLY  
ATTORNEY-GENERAL**

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**ARRANGEMENT OF SECTIONS**

**Sections**

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  7. Extension of deadline for payment of annual fee
  8. Suspension of section 12(2) of the Registration of Associations Act, Cap 201
  9. Extension of deadline for filing return and audited account for the years 2019 and 2020
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  12. Consequential amendments
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**COMPANIES AND ASSOCIATIONS (INTERIM MEASURES)  
BILL, 2021**

*(Bill No. 51 of 2021)*



**A BILL  
FOR**

**AN ACT TO EXTEND THE TIME LIMIT WITHIN WHICH (1) A COMPANY MAY PAY ITS ANNUAL FEE THAT IS DUE DURING THE YEAR 2021, (2) A COMPANY AND AN ASSOCIATION MAY SUBMIT THEIR OUTSTANDING ANNUAL RETURNS AND AUDITED ACCOUNTS AND (3) AN ASSOCIATION MAY PAY THE PERCENTAGE OF ITS PROFITS FOR THE YEARS 2019 AND 2020; AND TO SUSPEND UNTIL 31<sup>ST</sup> JULY, 2022 THE APPLICATION OF PENALTIES PAYABLE BY A COMPANY AND AN ASSOCIATION FOR FAILING TO FILE THEIR ANNUAL RETURNS AND AUDITED ACCOUNTS; AND FOR MATTERS INCIDENTAL THERETO.**

**ENACTED** by the President and the National Assembly.

**PART I  
PRELIMINARY**

**Short title**

**1.** This Act may be cited as the Companies and Associations (Temporary Measures) Act, 2021.

## **Interpretation**

**2(1).** In this Act —

“association” means an association registered under the Registration of Associations Act, Cap 201;

“company” means a company incorporated or registered under the Companies Act, Cap. 40;

“Minister” means the Minister responsible for legal affairs.

(2) A word or an expression in this Act that is not defined under subsection (1) shall have the same definition assigned to it under the Companies Act, Cap. 40 and the Registration of Associations Act, Cap. 201.

## **Act to be read and applied with other laws**

**3.(1)** This Act shall be read and applied together with the Companies Act, Cap. 40, and the Registration of Associations Act, Cap. 201 and the provisions of this Act shall be in addition to, and not in derogation of, the provisions of the Companies Act, Cap. 40 and the Registration of Associations Act, Cap. 201, as the case may be.

(2) In the event of any inconsistencies between the provisions of this Act and the Companies Act, Cap. 40, or between the provisions of this Act and the Registration of Associations Act, Cap. 201, the provisions of this Act shall prevail.

## **Purposes of this Act**

**4.** The purposes of this Act are to —

(a) extend the time limit within which a company may pay the annual fee;

(b) extend the time limit within which a company may submit annual returns by suspending the application of section 114(3) of the Companies Act, Cap. 40;

- (c) suspend the application of sections 114(4) and 114 (9)(b) of the Companies Act, cap. 40;
- (d) suspend the application of section 12(2) of the Registration of Associations Act, Cap. 201 in regard to a secretary of an association who has failed to comply with section 12(1) in respect of the years 2019 and 2020;
- (e) extend the time limit within which an association may furnish the return of the names and addresses of the officers of the association, and an audited account of the yearly revenue and expenditure and of the assets and liabilities of the association for the years 2019 and 2020 and due for submission during the years 2020 and 2021 respectively;
- (f) extend the time limit for an association to pay the percentage of the profits of the association for the years 2019 and 2020 and due for payment during the years 2020 and 2021 respectively.

### **Lapse of the Act**

5. Subject to sections 6(2) and 7(3) of this Act and section 32 of the Interpretation and General Provisions Act, Cap. 103, this Act shall remain in force until it is repealed or amended, or shall cease to have effect at the end of 31<sup>st</sup> July, 2022, whichever is earlier.

### **Suspension of sections 114(3), 114(4) and 114(9) (b) of the Companies Act, Cap. 40**

6. Notwithstanding the Companies Act, Cap. 40, sections 114(3), 114(4) and 114(9)(b) of the Companies Act, Cap. 40, are hereby suspended until the 31<sup>st</sup> July, 2022.

### **Extension of deadline for payment of annual fee**

7.(1) Notwithstanding section 330A of the Companies Act, Cap. 40, annual fee that is due and payable during the year 2021 under that section and

that has not been paid under subsection (2) shall be paid at any time before the end of the 31<sup>st</sup> July, 2022.

(2) A company that has paid its annual fee including any penalty under section 330A(2) of the Companies Act, Cap. 40, on or after its anniversary during the year 2021, shall pay its annual fee for the year 2022 at any time before the end of 31<sup>st</sup> July, 2023.

(3) A company that has paid its annual fee for the year 2021 in accordance with subsection (1) shall pay its annual fee for the year 2022 at any time before the end of 31<sup>st</sup> July, 2023.

(4) Subject to subsection (1), the application of section 330A (2) is suspended until the 31<sup>st</sup> July, 2022.

### **Suspension of section 12 (2) of the Registration of Associations Act, Cap. 201**

8. Notwithstanding the Registration of Associations Act, Cap. 201, section 12(2) of the Registration of Associations Act, Cap. 201, shall not apply until the 31<sup>st</sup> July, 2022, in relation to the secretary of an association or to an association that has failed to comply with section 12(2) in respect of returns and audited accounts for the years 2019 and 2020.

### **Extension of deadline for filing return and audited account for the years 2019 and 2020**

9. Notwithstanding section 12 of the Registration of Associations Act, Cap. 201, the secretary of every association shall, before the 31<sup>st</sup> day of July, 2022, comply with provisions of section 12(1) of the Registration of Associations Act, Cap. 201, in respect of the years 2019 and 2020.

### **Extension of deadline for payment of percentage on profits for the years 2019 and 2020**

10. Notwithstanding section 20 of the Registration of Associations Act, Cap. 201, every association shall pay the Principal Secretary of the Ministry of Finance the percentage of the profits of the association in respect of the years 2019 and 2020 at any time before 31<sup>st</sup> July, 2022.



**Power of the Minister to extend time limit**

11. The Minister may by Order published in the Gazette extend the time limits specified in sections 5, 6, 7, 8, 9 and 10.

**Consequential amendments**

12. The Companies Act, Cap 40, is amended to the extent specified in the Schedule to this Act.

**SCHEDULE 1**

*(Section 12)*

**CONSEQUENTIAL AMENDMENTS****Amendment of section 114 of the Companies Act**

1. Section 114 of the Companies Act is amended by inserting a new subsection (15) as follows —

“(15) Any unpaid fee or penalty by a company under sections 114, 330A or any other provisions of this Act shall be a civil debt to the Government and shall be sued for and recovered by the Registrar or the Attorney General from the person liable to pay the fee or penalty in a civil action or action in accordance with the Magistrate's Court (Recovery of Government Debts) Summary Procedure) Rules, S.I 122 of 1968, as the case may be.”

**Amendment of section 330A of the Companies Act**

2. Section 330A of the Companies Act, Cap. 40, is amended as follows —

(a) by repealing subsection (1) and substituting therefor the following —

“(1) A company registered in the register of companies under section 329A on 31 December in any year shall, before the 31 July, of the following year, pay to the Registrar

an annual fee of SCR 500 or in such other sum as the Minister may prescribe.”

- (b) by inserting immediately after subsection (3), the following new subsections —

“(4) The Registrar shall publish a notice containing the name of a company which has failed to comply with subsection (2) for more than 180 days and an issue of the said notice may be published one day per week for 4 successive weeks in a local newspaper, the Gazette or any other media;

(5) The Registrar shall not be liable for any publication made in good faith under subsection (4);

(6) The Registrar may strike the name of any company that was published in a notice in accordance with subsection (4) off the register where that company fails to comply with this section and pay the administrative penalty under subsection (2);

(7) The Registrar shall, immediately after striking the name of any company off the register, publish a notice in the Gazette, a local newspaper, or any media to the effect that the company in question has been struck off the register, the date on which it has been struck off and the reason for doing so.”