

Uganda

## Companies (Government and Public Bodies Participation) Act Chapter 111

Legislation as at 31 December 2000

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## Uganda

# Companies (Government and Public Bodies Participation) Act

## Chapter 111

Commenced on 30 April 1970

*[This is the version of this document at 31 December 2000.]*

*[Note: The version of the Act as at 31 December 2000 was revised and consolidated by the Law Reform Commission of Uganda. All subsequent amendments have been researched and applied by Laws.Africa for ULII.]*

**An Act to provide for acquisition of shares by the Government or other public bodies in companies incorporated under the Companies Act.**

### 1. Interpretation

In this Act—

- (a) “**Minister**” means the Minister responsible for finance;
- (b) “**public body**” means any body declared to be a public body by the Minister under [section 2](#).

### 2. Acquisition of shares by the Government, etc.

- (1) As from the close of business on the 30th day of April, 1970, the Government or other public body declared by the Minister as such for the purposes of this Act by statutory instrument shall be deemed to have acquired such number of shares, not exceeding 60 percent of each class of shares issued by the companies specified in the First Schedule to this Act.
- (2) The Minister may, by statutory order, amend the First Schedule to this Act.
- (3) Where the Minister amends the First Schedule to this Act by adding to it any company, he or she shall in the same or subsequent order appoint a day for the determination of the value of the shares to be acquired by the Government or other public body in accordance with this Act or the regulations made under it.
- (4) Nothing in this Act shall deprive the Government of the right to enter into an agreement with any company specified in the First Schedule to this Act for the purchase of its shares of such amount and on such terms as may be agreed between the Government and the company; and where such an agreement is concluded between the Government and the company, this Act shall cease to apply to that company.

### 3. Payment for shares

- (1) For the purposes of determining the value of the shares acquired under this Act, the Minister shall appoint such number of valuers as he or she may deem necessary.
- (2) Payment for shares acquired by the Government or other public body under this Act shall be made on the basis of the valuation made by the valuers appointed under this section.
- (3) The Government or other public body shall pay for the shares acquired under this Act, if possible, from the share of profits received by the Government or other public body from the company in which the shares are acquired within a period of time not exceeding fifteen years.
- (4) Any shareholder who is aggrieved by the decision of the valuers may appeal to a tribunal appointed by the Minister for this purpose within thirty days beginning with the day when the decision of the valuers was communicated to him or her.

- (5) Any shareholder who is aggrieved by the decision of the tribunal may appeal against that decision to the High Court within thirty days beginning with the day when that decision was communicated to him or her.

#### **4. Regulations**

The Minister may make regulations providing for—

- (a) procedure for the valuation of shares;
- (b) membership of the tribunal and the procedure to be followed by the tribunal in hearing appeals under this Act.

#### **5. Transitional provisions**

- (1) Until such time as nominees of the Government or other public body are appointed to the board of directors, every company to which this Act applies shall not do any of the matters specified in the Second Schedule to this Act without the consent of the Minister.
- (2) Any company to which this Act applies which contravenes any provision of this Act commits an offence and is liable to a fine not exceeding fifty thousand shillings.
- (3) Where it is proved that a company to which this Act applies has committed an offence in respect of the matters specified in the Second Schedule to this Act, any person who, at the time of the offence, was a director or responsible officer of the company is also liable to the penalties prescribed under subsection (2) unless he or she proves that the offence was committed without his or her knowledge or where he or she had knowledge of the commission of the offence that he or she took all reasonable steps to stop its commission.
- (4) The Minister may, by statutory order, amend the Second Schedule to this Act.

### **First Schedule (s. 1)**

#### **Companies in which the Government or public bodies have shares**

Bank of Baroda Ltd.

Barclays Bank of Uganda Ltd.

East African General Insurance Co. Ltd.

Madhvani Sugar Works Ltd.

Standard Bank (Uganda) Ltd.

Steel Corporation of E.A. Ltd.

Uganda Sugar Factory Ltd.

### **Second Schedule (s. 4)**

#### **Prohibited activities by specified companies**

- 1. Dismiss or engage staff
- 2. Sell its assets, including stocks and shares
- 3. Declare dividends
- 4. Take on new liabilities

5. Issue new shares
6. Charge its assets
7. Change the salaries or terms of employment of staff, including terminal benefits
8. Cancel or allow to lapse existing insurance policies
9. Go into involuntary liquidation or otherwise stop business
10. Appoint new directors or in any way vary the conditions, terms of service or remuneration payable to its directors