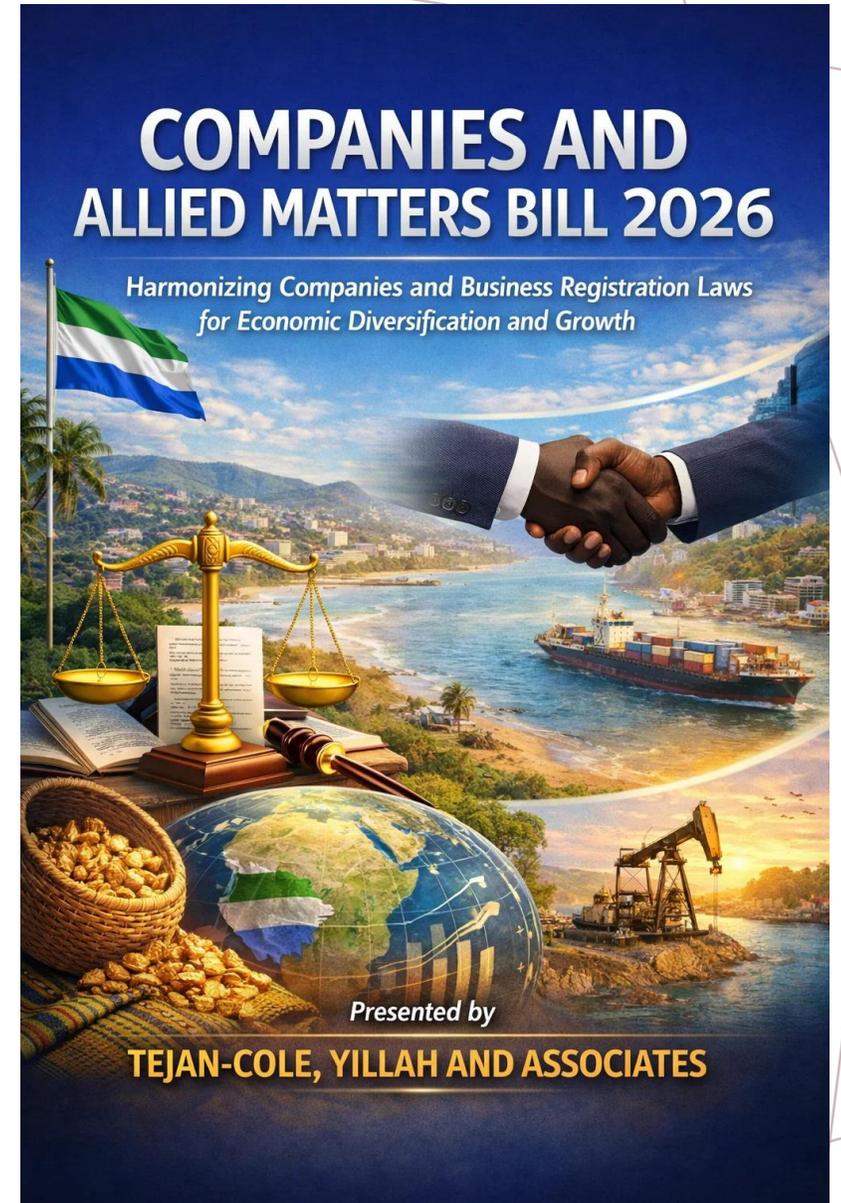


# ***PART 1 /3***

## ***OVERVIEW OF CONSULTATIVE PROCESS AND OUTCOMES***

**24<sup>th</sup> March 2026**

**Michala Mackay**



## Part 1

- Status quo
- Objectives of the bill & Outcome
- Methodology & Deliverables
- Consultations and brief analysis of findings
  - NIB
  - Regional
  - Online survey

## Part 2 – Companies and Allied Matters Bill 2026

## Part 3 - Global Best Practices and Trends

# AGENDA

1.

2.

3.



Fragmented Framework: Companies Act 2009/2014 (limited companies) + Business Registration Act 2007 (sole proprietorships/partnerships), Company Regulations 2015



Overlaps & Inconsistencies: Dual registries (NIB One-Stop Shop), duplicated processes



Outdated Provisions: Limited digital support, no provisions for new forms (e.g., LLPs), gaps in investor protection



Impact: Slow registrations, high compliance costs, hinders SME growth and formalization of the informal sector



Separate requirements to secure municipality licenses (Freetown City Council) and Trade IDs (NRA), NASSIT



# ***NIB has established a one-stop shop for registration of companies, sole proprietorships and partnership; clarity of processes and procedures is a must: Effective Single Window***

## **External (local)**

- Municipality license
- NRA
- NGO Registration
- NASSIT
- Cooperatives
- Employer Registration
- Birth and Deaths (digital ID) NCRA

## **Legal Framework**

- Companies Act 2009 was drafted based on the English Companies Act 1985.
- the Companies Code 1963 (Ghana) and the Companies and Allied Matters Decree (Nigerian),

## **INTERNAL**

- Name search not fully digitized
  - Manual Processes
  - Delays with processing
- No e-filing, digital records, e-signatures
- Outdated fees and charges

## **External (regional & Global)**

- Ecowas
- AfCFTA
- FATF - identification of real persons on beneficial ownership
- UNCITRAL
- Global Best Practices and Trends

# ***OBJECTIVES OF THE COMPANIES AND ALLIED MATTERS BILL 2026***

Overall	To draft comprehensive legislation that modernizes corporate governance frameworks, enhances regulatory compliance, protects stakeholder interests, and promotes business
Harmonize	Harmonize: Companies Act 2009/2014, Business Registration Act 2007, some provisions of NIB Act 2022.
Streamline	Streamline registration: Reduce barriers, enable online/digital processes (One-Stop Shop enhancement)
Enhance	Enhance: Investor protection, transparency, compliance; Support informal sector formalization
Tailor	Tailor to Sierra Leone: Align with international best practices (e.g., inspired by Nigeria's CAMA 2020)

# OUTCOME



Unified registry for all business forms (companies, partnerships, sole proprietorships)



Harmonization of fees and charges



Search from consolidated database



Modern features: Digital filing, simplified MSME compliance, new entities (e.g., single-member companies, LLPs)



Broader Impact: Boost SME growth, attract FDI, improve business environment rankings



National Goals: private sector development and job creation



Update provisions relating to shares, insolvency and provide for beneficial ownership (EITI)

## ***KEY REFORM AND CONSIDERATIONS***

Lessons from 2021-2024  
Review: Focused on  
amendments; now shifting to full  
consolidation/repeal

Nigeria's CAMA 2020 , Ghana,  
Kenya, and Rwanda, as well as  
international guidance from  
UNCITRAL and World Bank business  
registry principles

Critical: Recommendations from  
stakeholder consultation

Expected Impact: Faster  
business entry, higher FDI,  
SME growth in non-mining  
sectors

# METHODOLOGY

1

Phase 1: Diagnostic and Review: Map gaps/overlaps in existing laws; comparative analysis

2

Phase 2: Stakeholder Consultations: Workshops, feedback incorporation

3

Phase 3: Drafting: Develop reforms; submission of initial draft Bill and consultative report

4

Phase 4: Continued stakeholder engagement : Revised Bill, & Explanatory Note

# ***DELIVERABLES***



- Inception report - **11<sup>th</sup> /01/2026**
- Consultative report and 1<sup>st</sup> draft of revised Companies and Allied Matters bill 2026 submitted for review - **25<sup>th</sup>/02/2026**
- Final copy of bill and report (explanatory note) – **31<sup>st</sup>/03/2026**

# Consultations

- Consultants held Kick Off meetings held on Thursday 22<sup>nd</sup> December 2025
- Meetings with International Consultant : Tuesday 30<sup>th</sup> December 2025 & 28<sup>th</sup> January 2026

#	Consultation Phase	Format	Target Group	Date
1	2-Day Stakeholder Workshop	In-Person	Key Stakeholders (Annex A:1)	22nd – 23rd January 2026
2	Online Public Survey (Google Forms)	Digital / Remote	General Public	4th -15th February 2026
3	Regional Workshops (Bo & Makeni)	In-Person (Simultaneous)	Key Stakeholders (Annex A: 2)	17th February 2026

## Stakeholders (NIB)

- ❑ National Investment Board
- ❑ -Sierra Leone Economic Diversification Project
- ❑ -Attorney General and Minister of Justice
- ❑ -Ministry of Communications Technology and Innovation
- ❑ -Directorate of Science Technology and Innovation
- ❑ -Ministry of Local Government
- ❑ -Law Firms
- ❑ -Company Secretariat Firms
- ❑ -Private Sector Firms
- ❑ -Development Partners

**THURSDAY 22<sup>ND</sup> AND FRIDAY 23<sup>RD</sup>  
JANUARY**



## 4 Sessions : 2 days

### ❑ Synchronization of Databases

: SLANGO, NIB, Cooperatives, Line Ministries, local Councils, NIB.

### ❑ Streamline fees and charges:

NIB, OARG, Collateral Registry (BSL)

### ❑ Digitization: manual filing, issuance of e-certificates, e-signatures

### ❑ Best practices and institutional reforms



HOW'S



INSIGHT ON PROCESSES  
AND PROCEDURES



CONCERNS

## Consultants and leadership of NIB



# SYNOPSIS OF 3 CONSULTATIVE SESSIONS

## Session 1 - Data synchronization

- **Integrate data bases** (cooperative, SLANGO , local council) sharing data on selected data sets
- **Unique business identification** (prefixes to distinguish categories)
- Criteria for company secretaries (private companies)
- **Enhance protection of minority shareholders**
- Adopt tax compliance procedures for governance non-compliance
- **Beneficial ownership requirements to be legislated (FIA)**. Middle ground UK ECCTA 2023)

## Session 2 – Fees and charges

- **Need to updates fee schedule to reflect operational cost for service offering**
- Committee to be set up to assess impact of duplicated fees (OARG, NIB, BSL) on asset-backed financing
- High level meeting to be convened (MoF, BSL, NRA, OARG, A.G, NIB) on harmonization of duplicated fees and exchange control approval
- PFM ACT and Tax duty & Exemption Act tp be considered in review process.
- **M&A for simplified companies.**

## Session 3 – Digitization

- Systematic disclosure to support beneficial ownership (EITI)
- DSTI could lead coordination and create an environment for P/P access to environment for data for verification
- **I.P addresses have to be integrated**
- Submission of fake documents – verification required.
- **Review polices/frameworks from MoCTI on national integration framework, national data strategy, cybersecurity act 2021 (concept)**
- Open-source tools for digital platforms
- NCRA proposed amendments

Cross-Cutting Theme	Nature of Consensus	Required Action
Legislative Reform	Strong	New/amended legislation to underpin all four reform themes — data sharing, fees, digitisation, and beneficial ownership
Inter-Agency Coordination	Strong	Bilateral MoUs, high-level stakeholder meetings, and a coordination mechanism involving NIB, BSL, NRA, DSTI, FIA, and Local Councils
Beneficial Ownership	Strong	To be legislated; UK ECCTA 2023 as model; FIA/EITI requirements to be adopted
Unique Business Identifier	Strong	Agreed in principle; technical development required with prefix system to categorise entity types
Fee Harmonisation	Strong	High-level meeting to be convened; cost-based revision of NIB fees; single payment channel aspired to
Digital Enablement	Broad	Hybrid approach endorsed; open-source/DPG preference; legal framework for e-signatures/e-certificates required
Stakeholder Engagement	Strong	Provincial consultations and high-level meeting to follow; engagement must be ongoing and structured
Political Will	Acknowledged Gap	Identified as essential but uncertain — institutional reform will stall without sustained political commitment
ECOWAS Alignment	Broad	Regional harmonisation flagged as critical, especially on data privacy and cross-border recognition

# BRIEF ANALYSIS

**Genuine institutional commitment to reform.** The willingness to reference international best practices (UK ECCTA 2023, FATF, EITI, ECOWAS frameworks) signals an outward-looking reform mindset.

The identification of the Public Finance Management Act 2023 and the Tax Duty & Exemption Act 2023 as live instruments to be considered in fee harmonisation shows legislative awareness and suggests working is being done within — rather than parallel to — the existing legal architecture.

**Critical** : Several challenges could undermine the momentum generated by the workshop if not proactively managed:

- **Political Will as a Variable:** The workshop explicitly acknowledged political will as a prerequisite. This is a significant vulnerability — reform programmes of this nature have historically stalled at the legislative drafting or inter-ministerial coordination stage in comparable jurisdictions.
- **NIB's Enforcement Gap:** The acknowledged weakness in NIB's enforcement powers is material.
- **Digital Infrastructure Deficit:** The endorsement of a hybrid approach acknowledges the reality of inadequate energy and digital literacy infrastructure
- **Data Protection Lacuna:** A data protection law is pending but not yet in force
- **Funding Sustainability:** Reliance on donor support (notably UNDP) for file scanning and digital infrastructure is a sustainability risk

The background features several thin, light brown lines that intersect to form various geometric shapes, including triangles and quadrilaterals, creating a modern, abstract pattern.

# ***REGIONAL CONSULTATION***

## Overview

Two simultaneous regional workshops were held one in Bo District and one in Makeni District. Each workshop engaged participants from neighboring district. The workshops were designed to capture regional perspectives on the proposed reforms and ensure geographic representation in the consultation process.

	Bo District Workshop	Makeni District Workshop
Date	17th February 2026	17th February 2026
Venue	Bo Inn	Wusum Hotel
Facilitators	Michala Mackay (lead), Ibrahim Koroma, Farouk S.T Adedagb	Ibrahim Yillah(lead), Janisa Momodu, Aissatou Deen Tarawally
No. of Participants	43	69



The analytical framework applied within each breakout session was a SWOT analysis — examining the Strengths, Weaknesses, Opportunities, and Threats of each assigned reform topic



Group presenters fed back their SWOT findings to the wider plenary, and question and answer session facilitated by NIB and the consultants allowed for cross-group interrogation and clarification

# Brief analysis

#	Cross-Cutting Issue	Bo	Makeni
1	<b>Database Synchronisation &amp; Inter-Agency Integration</b>	<ul style="list-style-type: none"> <li>• Strong support for central registry linkage</li> </ul>	<ul style="list-style-type: none"> <li>• Weak coordination between national and local authorities flagged</li> </ul>
2	<b>Fee Harmonisation &amp; Decentralisation</b>	<ul style="list-style-type: none"> <li>• Supported but warned harmonisation risks eroding local government revenue</li> </ul>	<ul style="list-style-type: none"> <li>• General support; alignment with PFM Act 2023 and Tax/Duty Act 2023 needed</li> </ul>
3	<b>Digitisation — Conditional Support</b>	<ul style="list-style-type: none"> <li>• Infrastructure and cybersecurity concerns raised</li> </ul>	<ul style="list-style-type: none"> <li>• Offline fallback and service continuity mechanisms required</li> </ul>
4	<b>Data Protection Gap</b>	<ul style="list-style-type: none"> <li>• Beneficial ownership and integrated databases create legal exposure without data protection law</li> </ul>	<ul style="list-style-type: none"> <li>• Commencement clause or interim provisions needed before data-sharing obligations activate</li> </ul>
5	<b>One-Stop Shop Access</b>	<ul style="list-style-type: none"> <li>• Concerned centralisation will disadvantage provincial businesses; multiple access points needed</li> </ul>	<ul style="list-style-type: none"> <li>• Legal clarity on participating agency authority required</li> </ul>
6	<b>NIB Enforcement Powers</b>	<ul style="list-style-type: none"> <li>• Registry cannot compel compliance or sanction non-filers — reform undermined without statutory powers</li> </ul>	<ul style="list-style-type: none"> <li>• Data integrity standards unenforceable without clear mandate</li> </ul>
7	<b>Political Interference</b>	<ul style="list-style-type: none"> <li>• Political will seen as both enabler and vulnerability</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional independence provisions and merit-based appointments essential</li> </ul>
8	<b>Informal Sector Formalisation</b>	<ul style="list-style-type: none"> <li>• Incentive-based pathways supported</li> </ul>	<ul style="list-style-type: none"> <li>• Database synchronisation identified as key entry point for formalisation</li> </ul>

The background features several thin, light brown lines that intersect to form various geometric shapes, including triangles and quadrilaterals, creating a modern, abstract pattern.

# ***ONLINE SURVEY***

# The survey – synopsis of findings

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## Companies and Allied Matters Bill 2026

The National Investment Board (NIB), in collaboration with the Office of the Attorney-General and Minister of Justice and with support from the Sierra Leone Economic Diversification Project has commenced the process of drafting a Companies and Allied Matters Bill 2026. The stakeholder consultations are ongoing; it is important your views are heard on critical issues already identified. This survey would take between 10-15 mins to complete. **This survey closes on the 15th of February 2026.**

Do you support the move to a single consolidated Companies and Allied Matters Act covering \*

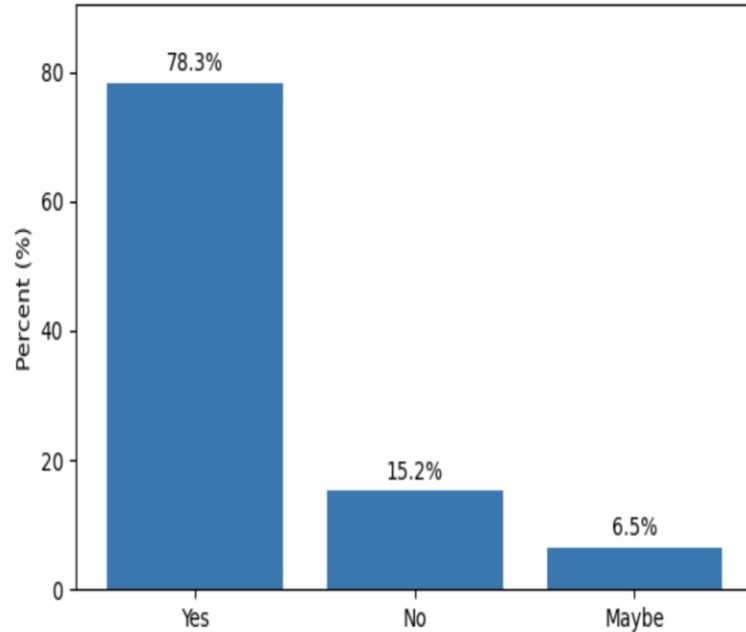
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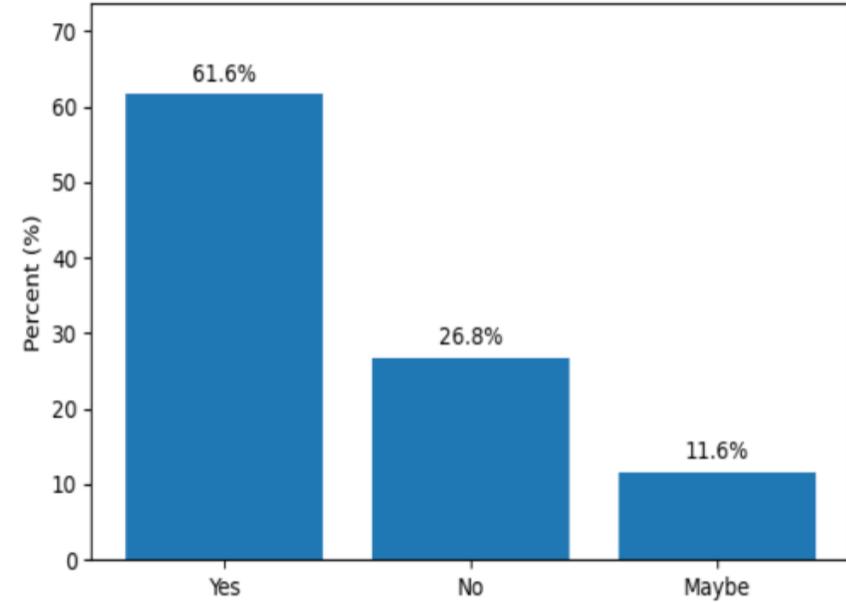


# FORMALISATION

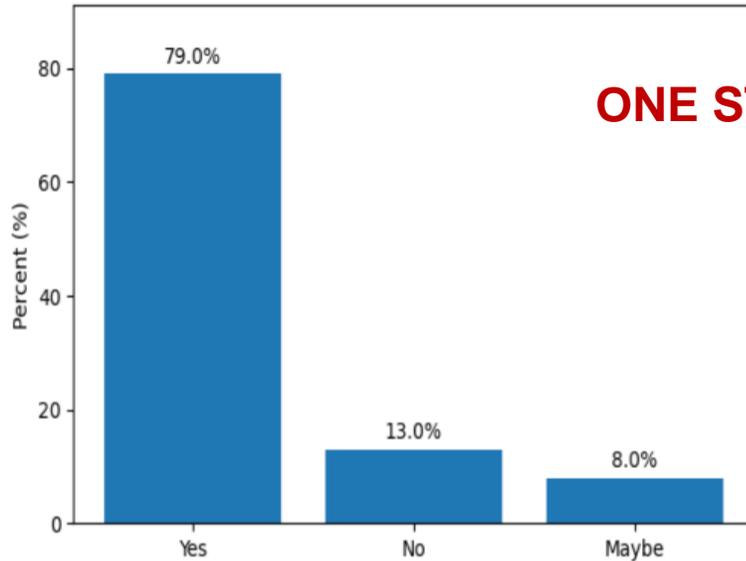
Formalization: Use Incentives (Fee Waivers/Grace Periods/Partial Compliance)



Compliance Reform: Reduce Governance Burden for Small/Simplified Companies

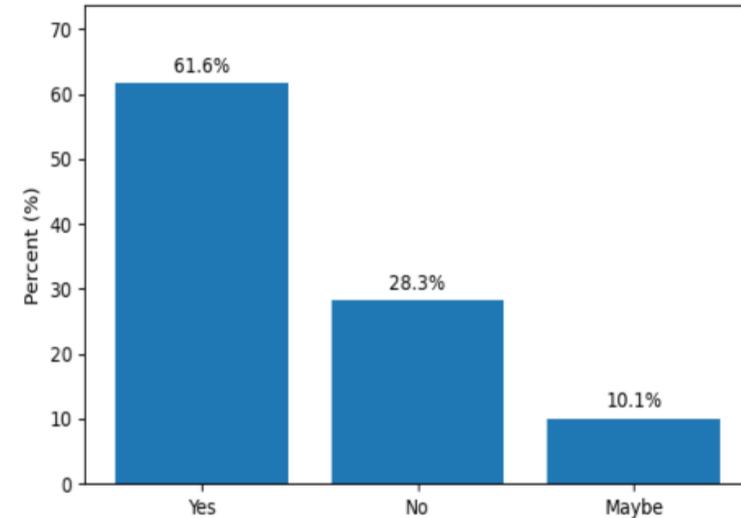


Digital Transformation: Integrate TIN/NASSIT/Municipal Licensing into Registration



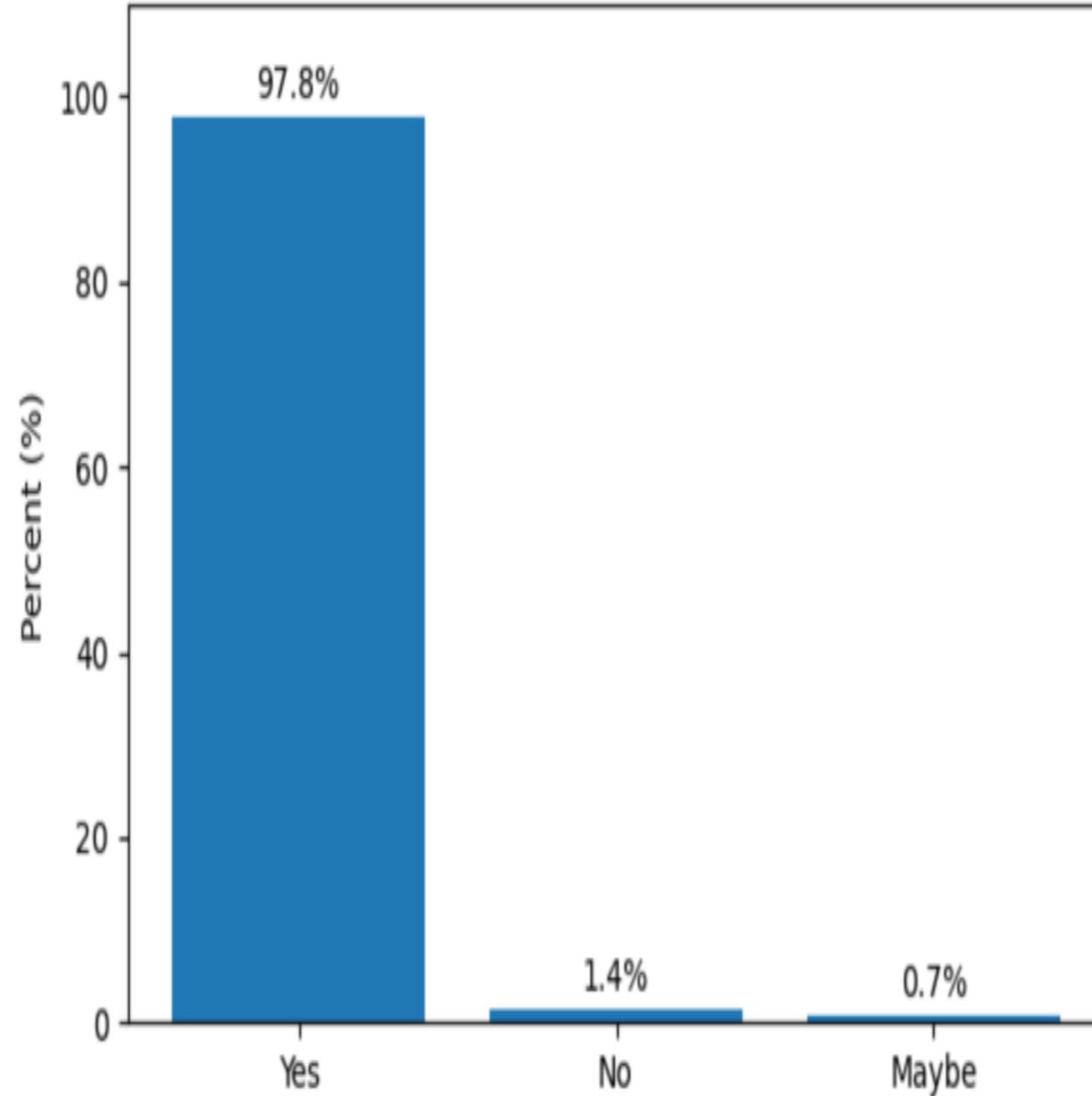
**ONE STOP SHOP**

Governance: Allow Single Shareholder & Single Director



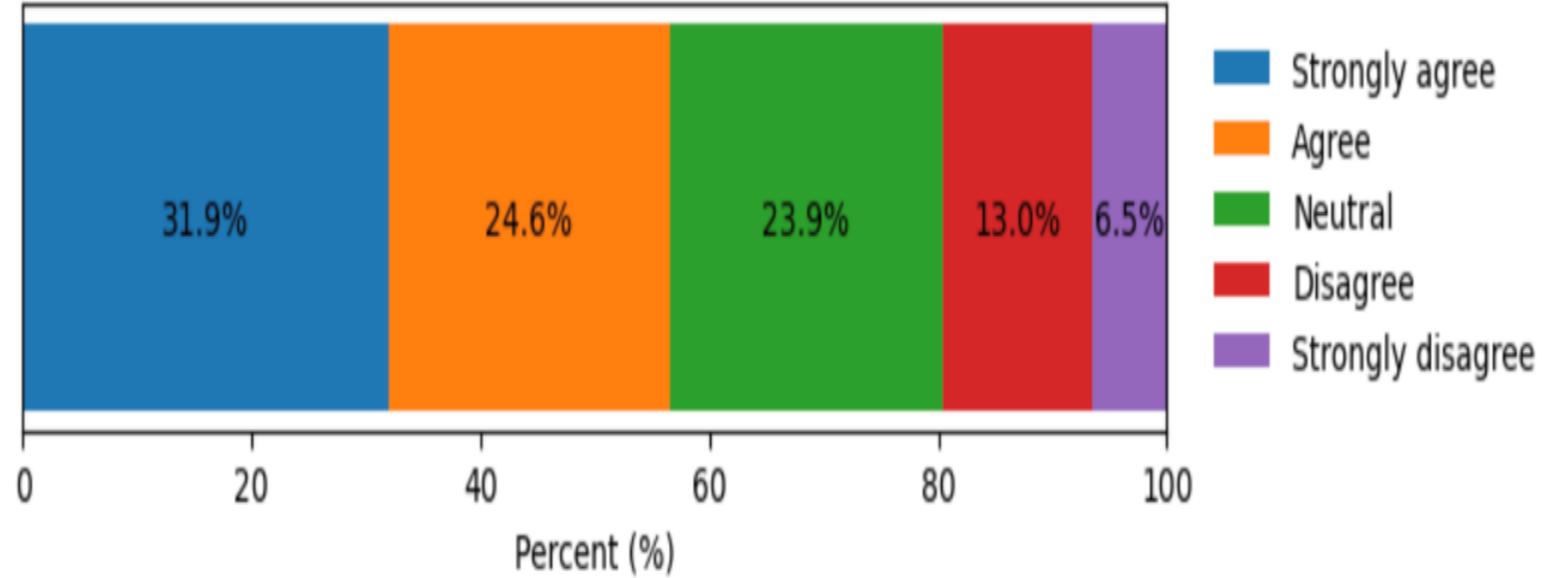
# DATA SYNCRONISATION

Digital Transformation: Synchronize Entity Databases to Avoid Name Duplication

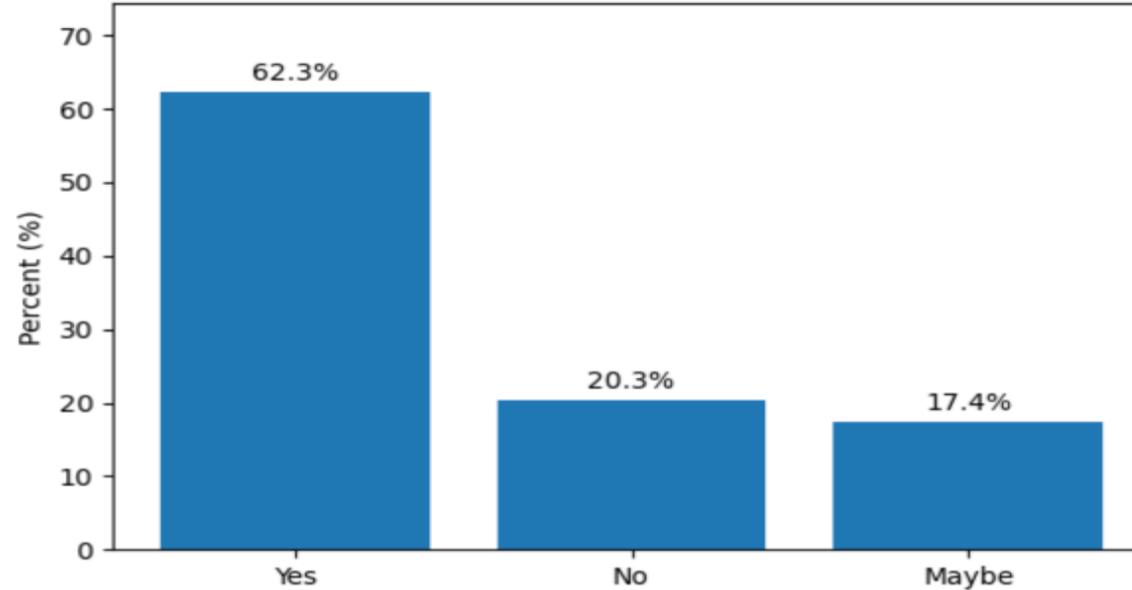


# BENEFICIAL OWNERSHIP

## Beneficial Ownership: Support for a Public BO Register

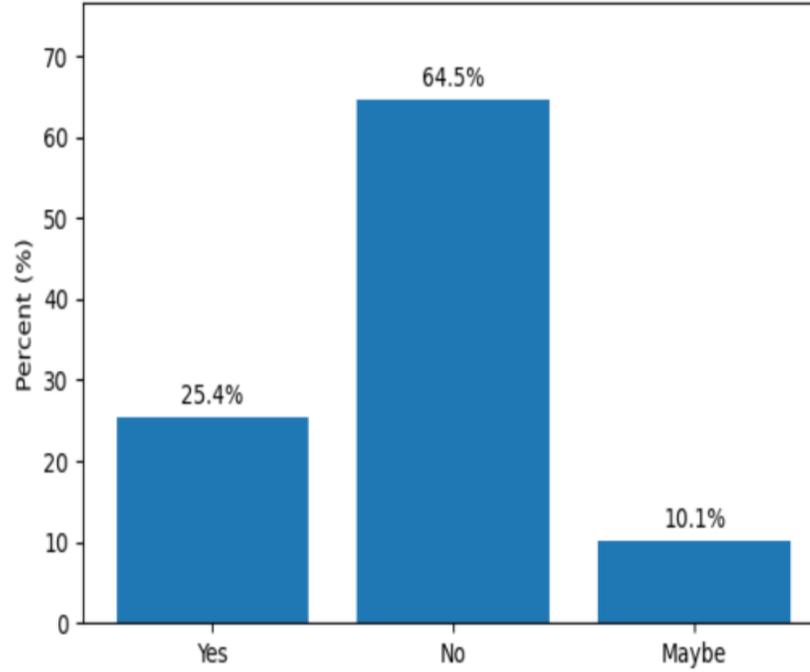


## Beneficial Ownership: Mandatory Disclosure at 5% Threshold

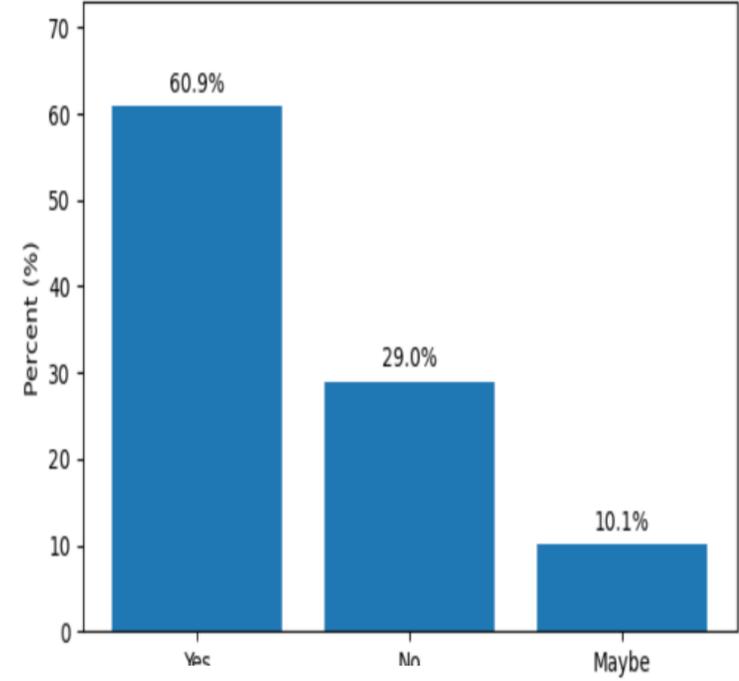


# COMPLIANCE AND INSTITUTIONAL REFORM

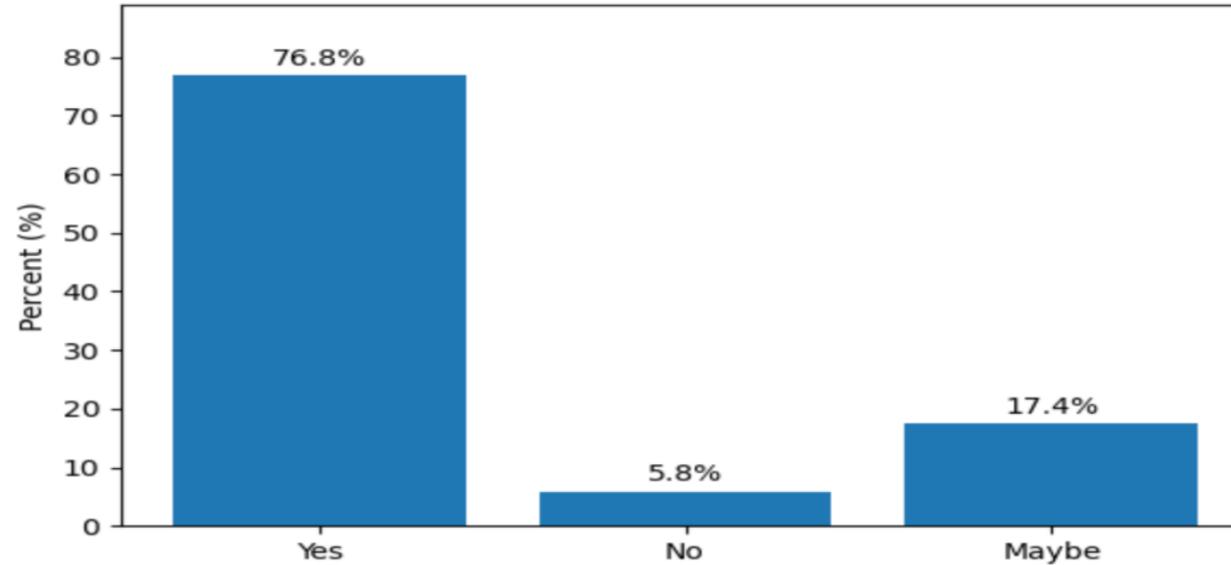
Annual Renewal Sentiment: Should Business Registration be Renewed Annually?



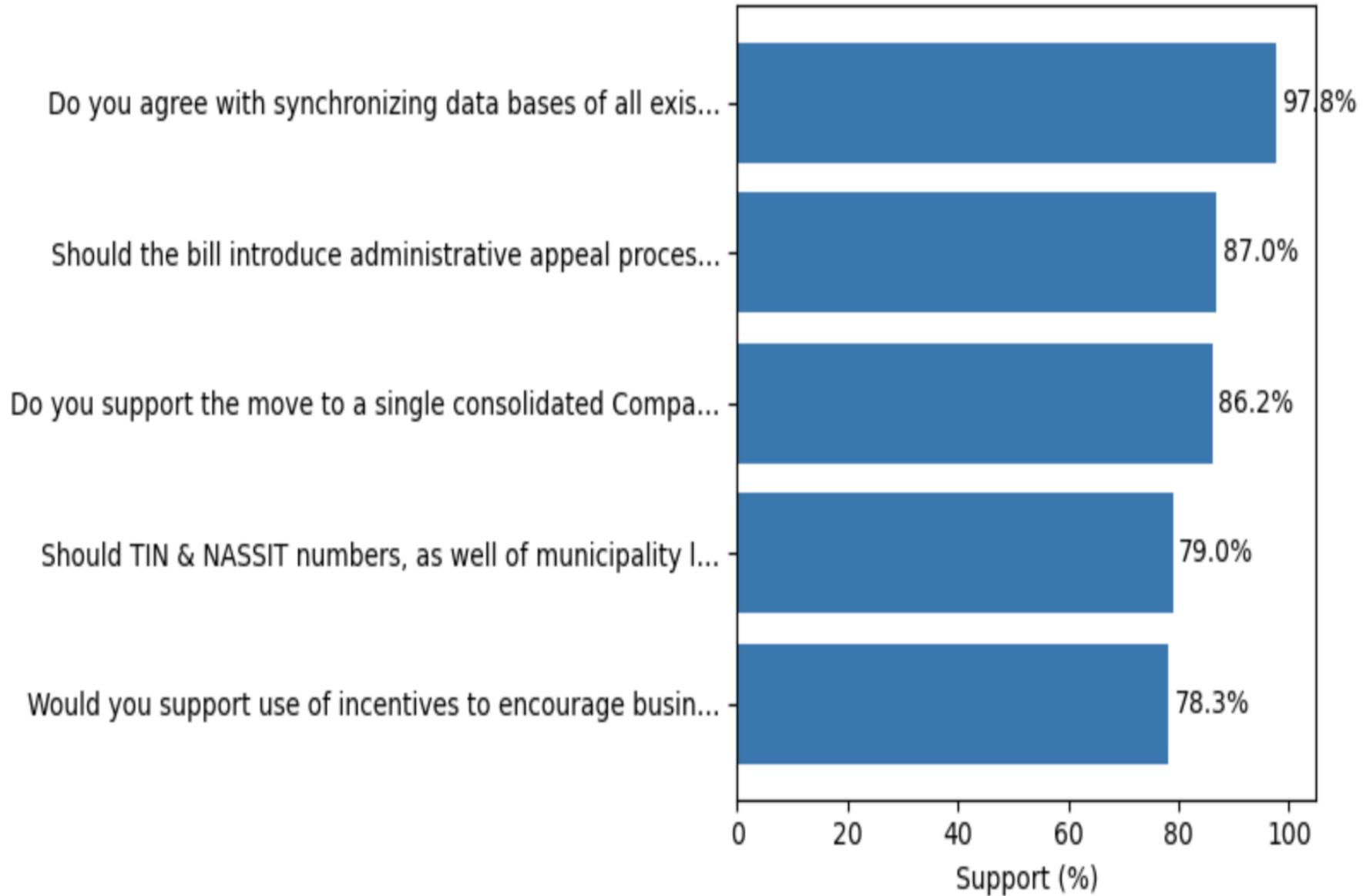
Leadership: Minimum Qualification Criteria for Director of Business Registry



Insolvency Reform: Business Rescue Before Liquidation



## Executive Summary: Top 5 Most-Supported Reforms



***PART 2 /3***  
***COMPANIES AND ALLIED MATTERS BILL***  
***2026***

***IBRAHIM SORIE YILLAH ESQ***

# **Companies and Allied Matters Act, 2026**

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**A Bill to Repeal and Replace the Companies Act 2009 and the Registration of Business Act 2007 and the General Law (Business Start-Up) Amendment Act 2007 into a single, modernised statute.**

**25 Parts | 751 Sections | 14 Schedules**

# PART I

## PRELIMINARY MATTERS

### WHAT THIS PART DOES

This Part sets out the definitions, scope, and guiding principles of the entire Act. It explains who the law applies to, what key words mean, and the philosophy behind the legislation — particularly the government's policy of making it easier for small businesses to register and operate formally.

*It defines critical terms such as 'beneficial owner' (the real human being who controls a business), 'director', 'company', 'entity', and 'the Board'. It also places a legal duty on all regulators to apply the Act in a way that supports formalisation and avoids unnecessarily burdening small businesses.*

### KEY COMPLIANCE REQUIREMENTS

- 1 All businesses and entities covered by the Act must operate within its definitions and scope from the date of commencement.
- 2 Any person exercising significant influence or control over a company — even informally — is treated as a beneficial owner and subject to all disclosure obligations.
- 3 Regulators and courts must interpret the Act purposively — in favour of business continuity and formalisation, especially for MSMEs.
- 4 All references in any other law to the former Corporate Affairs Commission or Business Registration authority are automatically updated to refer to the new Registry.

## BUSINESS REGISTRY AND ONE-STOP SHOP

## WHAT THIS PART DOES

This Part establishes the **Unified Business Registry under the Corporate Affairs Directorate** of the National Investment Board as the single national authority for registering and regulating companies, LLPs, and business names.

**It creates a One-Stop Shop where a business can obtain its company registration, tax identification number (TIN), NASSIT enrolment, and local government licence through a single application. Statutory timelines are set: the Registry must process applications within 5 working days (2 days for fast-track), and if no decision is given, approval is automatically deemed granted.**

**Fees must be published in a unified schedule reviewed every 3 years. Micro, small, women-led, and youth-owned enterprises qualify for fee waivers.**

## KEY COMPLIANCE REQUIREMENTS

- 1 Every business registering under the Act must use the Registry's designated digital platform for all applications, filings, returns, and fee payments.
- 2 The Registry must respond to registration applications within 5 working days; failure to do so constitutes deemed approval — the business is automatically registered.
- 3 All fees must be paid through the Registry's electronic payment gateway; no undisclosed or informal charges may be levied.
- 4 Businesses subject to compliance inspections must allow Registry officers to inspect premises, books, and records on reasonable notice.
- 5 Any non-compliance with a formal compliance notice issued by the Registry must be remedied within the period stated in the notice.

## PENALTIES FOR BREACH

Non-compliance with a compliance notice issued by the Registry: administrative penalty (civil fine); daily default fine accrues until the breach is remedied.

**An officer of the Registry who charges fees not listed in the published schedule: criminal offence — liable on conviction to a fine or imprisonment; removal from office.**

Providing false or misleading information in a registration application: criminal offence — Level 4 penalty; potential striking off of the company.

Obstructing a Registry inspection: criminal offence — fine and/or imprisonment; continuing daily fine.

## GOVERNANCE AND ADMINISTRATION

## WHAT THIS PART DOES

This Part governs **how the Registry itself is run. It establishes the offices of Director and Deputy Director of Corporate Affairs, sets their qualifications and duties**, and creates safeguards against political interference, corruption, and abuse of power.

Key protections include: **a statutory 'fit-and-proper' test for senior officials; a mandatory 24-month cooling-off period preventing former officers from representing clients before the Registry; whistleblower protections for staff who report wrongdoing; and a requirement for the Board to share data electronically with other government agencies such as NRA and the Financial Intelligence Unit.**

The Minister may set general policy by gazette notice but cannot interfere with individual registration decisions.

## KEY COMPLIANCE REQUIREMENTS

The Director and Deputy Director of Corporate Affairs must at all times satisfy the fit-and-proper criteria (integrity, solvency, no criminal convictions relating to dishonesty or fraud).

**1** All Registry officers are bound by strict confidentiality obligations — company and individual data may not be disclosed except as authorised by the Act.

**2** Former senior officers must observe the 24-month cooling-off period: they cannot represent or advise any entity on matters that were before the Registry during their tenure.

**3** Registry staff who become aware of fraud, corruption, or misconduct within the Registry must report it and are legally protected against retaliation for doing so.

**4** The Registry must share data with NRA, NASSIT, the FIU, and other designated agencies through an agreed electronic interface.

## PENALTIES FOR BREACH

Breach of confidentiality by a Registry officer: criminal offence — fine and/or imprisonment up to 2 years.

Retaliating against a whistleblower (dismissal, demotion, harassment): criminal offence — the officer is personally liable; the Board may reinstate the whistleblower and award compensation.

Violating the cooling-off period: the engagement is void; both the former officer and the engaging party are liable to a fine.

A Director who is subsequently found to have failed the fit-and-proper test: immediate removal from office; however, acts already performed remain legally valid to protect third parties.

# PART IV

## INCORPORATION OF COMPANIES AND INCIDENTAL MATTERS

### WHAT THIS PART DOES

This Part is the foundation of the Act. It explains **how companies are formed and what types of company exist: private companies, public companies, companies limited by shares or guarantee, unlimited companies, single-member companies, simplified companies (a new lightweight category for micro-enterprises), and Limited Liability Partnerships (LLPs — also new).**

Key reforms include: **the introduction of a Unique Business Identifier (UBI) replacing multiple registration numbers; the prohibition of bearer shares (all shares must be in a named person's name); codification of promoters' duties to the company they are forming; and the introduction of LLPs as a new vehicle for professionals and partnerships.**

**Business names (sole traders and partnerships) must also register under this Part.**

### KEY COMPLIANCE REQUIREMENTS

- 1 Every person who wishes to carry on business must register the appropriate entity with the Registry before commencing operations.
- 2 All shares issued must be in the name of a registered person — bearer shares (anonymous shares) are prohibited; existing ones must be converted within 6 months of commencement.
- 3 Limited Liability Partnerships must register incorporation documents with the Board and designate at least two designated partners within the prescribed period.
- 4 Sole traders and partnerships trading under a business name must register that name within 28 days of commencing business.
- 5 Promoters (persons forming a company) must disclose any personal interest or profit they make in connection with the formation — they cannot profit secretly at the company's expense.
- 6 Companies must not use the word 'Limited' or 'Ltd' in their name unless they are properly incorporated as a limited company.

### PENALTIES FOR BREACH

**Carrying on business without registration: criminal offence — daily default fine applies for each day of unregistered trading until registration is completed.**

Failure to convert bearer shares within 6 months: the shares are automatically cancelled; the holder loses all rights; the company officer responsible is liable to a daily default fine.

**Improper use of 'Limited' or 'Ltd' in a business name: criminal offence — fine for each day of continuing use; officer personally liable.**

Promoter failing to disclose secret profit: civil liability to account to the company for the profit; the company may rescind the transaction; criminal liability applies if fraud is involved.

LLP partners carrying on business without registration: each partner is personally liable to a daily penalty until registration is completed.

## CAPACITY, POWERS, ACTS AND COMPANY CONTRACTS

## WHAT THIS PART DOES

This Part abolishes two outdated legal doctrines that previously caused confusion and injustice for people dealing with companies.

**First, the 'ultra vires' doctrine — which previously meant that if a company did something outside its stated objects (purposes), the act was void — is abolished. Companies now have the full legal capacity of a natural person and can do anything a natural person can legally do.**

Second, the doctrine of 'constructive notice' — which previously meant that everyone was assumed to know everything on the company register — is abolished. You are only bound by a company's internal rules if you have actual knowledge of them.

This Part also confirms that pre-incorporation contracts bind the person who signed them personally unless the company formally adopts the contract after incorporation, and that electronic execution of contracts is fully valid.

## KEY COMPLIANCE REQUIREMENTS

**1** Companies are no longer bound by a stated objects clause as against third parties — if a company does something outside its stated objects, that act is still valid against an innocent third party.

**2** Third parties dealing with a company in good faith are entitled to assume that the company's officers are acting within their authority — companies cannot use internal irregularities to escape contracts.

**3** Pre-incorporation contracts: anyone who signs a contract on behalf of a company not yet incorporated is personally bound by it unless the company adopts it within 60 days of incorporation.

**4** All company contracts and deeds may be signed electronically — a physical signature or wax seal is no longer required.

## PENALTIES FOR BREACH

A person who enters a pre-incorporation contract and refuses to honour it pending company adoption: personally liable for the full value of the contract.

company that purports to avoid a contract by claiming it was unauthorised, where the third party had no actual knowledge of any limitation: the contract remains binding; the company cannot plead its own internal irregularity.

**There are no specific criminal penalties in this Part — protection is through civil liability (the contract remains enforceable against the individual or the company as appropriate).**

## ACTS BY OR ON BEHALF OF THE COMPANY

## WHAT THIS PART DOES

This Part clarifies who can act for a company, what authority they have, and when the company is legally bound by their actions.

It sets out the division of powers between the board of directors and the shareholders in general meeting — which decisions belong to the board and which require shareholder approval. It confirms the presumption of regularity: anyone dealing with a company in good faith can assume that internal procedures have been properly followed.

**The common seal (the traditional embossed stamp companies used to authenticate documents) is made optional — documents can now be executed by the signatures of two authorised officers instead. Companies can also grant powers of attorney by board resolution without needing shareholder approval.**

## KEY COMPLIANCE REQUIREMENTS

- 1 Directors must act within the powers conferred on them by the Act and the company's articles — any act outside those powers may be personally challenged even if the company is bound as against third parties.
- 2 Where the company's articles require shareholder approval for a particular decision, the board must obtain that approval before acting — failure to do so is a breach of duty.
- 3 Persons purporting to act for the company must be actually authorised to do so — if they are not, and the company did not hold them out as authorised, the act does not bind the company and the individual is personally liable.
- 4 If a company uses a common seal, it must be used only in the presence of a director and the secretary, or two directors, who must sign the document.

## PENALTIES FOR BREACH

A director or officer who acts outside their authority and causes loss to the company: civil liability to the company for any loss caused; may be required to account for any personal gain.

A person who fraudulently holds themselves out as an officer of the company and enters contracts: personally liable on those contracts; criminal liability for fraud.

An officer who forges or misuses the company's seal: criminal offence — liable on conviction to fine and/or imprisonment.

## DIGITAL AND ELECTRONIC TRANSACTIONS

## WHAT THIS PART DOES

This Part gives full legal recognition to every aspect of digital company life. It confirms that **electronic filings with the Registry** carry the same legal weight as paper filings; that electronic signatures are fully valid; and that companies may hold their general meetings — including the AGM — **entirely online or in a hybrid format without needing to amend their articles.**

It also addresses **cybersecurity**: the Registry must maintain certified security standards for its systems, and if the Registry's systems fail, filing deadlines are automatically extended and no penalties accrue during the outage. All registry data must be stored in Sierra Leone and may not be moved offshore without the Board's approval.

The Part also requires companies to

## KEY COMPLIANCE REQUIREMENTS

- 1 All statutory filings (annual returns, BO updates, director changes, charge registrations) may be and, in most cases, must be made through the Registry's digital platform.
- 2 **Companies that allow electronic voting must ensure the platform allows each participant to be identified, to hear and be heard, and to vote in real time.**
- 3 Electronic proxies submitted by members before a general meeting must be accepted — companies cannot refuse them solely on technical grounds.
- 4 Every company must designate and maintain a current electronic service address with the Registry; notices sent to that address are legally served.
- 5 Companies that store or process personal data of members or employees must comply with data protection standards equivalent to those prescribed under applicable data protection legislation.

## PENALTIES FOR BREACH

Unauthorised access to or manipulation of the Registry's electronic systems: criminal offence — up to 5 years imprisonment and/or substantial fine; civil liability for all resulting damage.

Storing registry or company data outside Sierra Leone without Board approval: criminal offence for the responsible officers; administrative penalty on the company.

**Refusing to accept a validly submitted electronic proxy: the resolution passed at the meeting may be challenged and set aside by the court; the company secretary may be held personally liable.**

Conducting a virtual meeting on a platform that excludes entitled participants: any resolution passed is voidable on the application of an excluded member.

## MEMBERSHIP OF COMPANY

## WHAT THIS PART DOES

This Part deals with who the members (shareholders) of a company are and introduces the most significant transparency reform in the Bill: mandatory disclosure of beneficial ownership.

**Every company must keep a register of members and must file, with the Registry, details of every 'beneficial owner' — the actual human being who ultimately owns or controls the company, whether through shares, voting rights, trust arrangements, or any other means. This information is publicly accessible and must be updated within 14 days of any change.**

Bearer shares — anonymous shares not linked to a named person — are completely abolished. The 5% threshold: anyone who holds 5% or more of shares or voting rights, or who exercises significant control, must be disclosed as a beneficial owner.

## KEY COMPLIANCE REQUIREMENTS

- 1 **Every company must file beneficial ownership information with the Registry within 14 days of incorporation and within 14 days of any subsequent change.**
- 2 **Beneficial owners are persons holding 5%+ of shares or voting rights, or exercising significant control — including through nominees, trusts, and shareholding chains.**
- 3 The members' register must be kept at the registered office (or notified location) and must be open to inspection by any member free of charge
- 4 Public companies must notify the company of any acquisition of a 5%+ shareholding within 3 days of crossing that threshold.
- 5 Bearer shares are prohibited — all existing bearer shares must be converted to registered shares within 6 months of commencement.
- 6 Every company must annually confirm its membership and beneficial ownership data as part of the annual return filing.

## PENALTIES FOR BREACH

**Failing to file or update beneficial ownership information within 14 days: criminal offence — Level 3 penalty; daily default fine; risk of being struck off the register.**

Knowingly filing false beneficial ownership information: criminal offence — up to 5 years imprisonment and/or a fine; civil liability to anyone who suffers loss as a result.

Failure to convert bearer shares within 6 months: the shares are void; the holder loses all rights; the company officer is liable to a daily default fine.

Refusing inspection of the members' register: criminal offence; daily default fine; the court may order inspection and award costs against the company.

Personating a member at a meeting or in relation to shares: criminal offence — up to 2 years imprisonment.

## SHARE CAPITAL

## WHAT THIS PART DOES

This Part governs how much share capital a company must have and the rules around changing (increasing or reducing) that capital.

**Share capital is the total amount shareholders have agreed to contribute to the company. Simplified and micro-enterprise companies may start with nominal capital. Public companies must meet minimum sector-specific thresholds.**

A company can increase its share capital by ordinary resolution of shareholders. Reducing it (giving money back) is more controlled: either a court must confirm the reduction, or the directors must make a formal sworn solvency declaration proving the company can still pay all its debts. If a company loses more than half its share capital, the directors must immediately call a general meeting — failure to act is a personal liability trigger.

## KEY COMPLIANCE REQUIREMENTS

- 1 Directors must call a general meeting within 28 days of discovering that the company's net assets have fallen below 50% of its called-up share capital.
- 2 Any reduction of share capital must either be confirmed by the High Court or supported by a directors' solvency declaration.
- 3 A court-confirmed capital reduction order must be registered with the Registry within 15 days — otherwise the order lapses and the whole process must start again.
- 4 Any creditor who objects to a capital reduction must be identified and their claim secured before the reduction is approved.

## PENALTIES FOR BREACH

Directors concealing a creditor's identity to obtain court approval for capital reduction: criminal offence — up to 2 years imprisonment and/or fine; civil liability to the defrauded creditor.

**Directors failing to call the emergency meeting after a 50% capital loss: personally liable for all debts incurred by the company from that point; daily default fine; risk of disqualification.**

Failure to register a court order for capital reduction within 15 days: the order lapses; daily default fine on the company and officers; the company must recommence the entire process.

## SHARES

## WHAT THIS PART DOES

This Part covers everything to do with shares: what types exist, how they are issued, transferred, and bought back, and what rights they carry.

Key reforms: public companies must now generally apply a one-share-one-vote rule — weighted votes and non-voting shares are prohibited unless specifically approved by the Minister. Companies may buy back their own shares (up to 10% of issued capital per year) subject to a solvency test. The financial assistance prohibition (previously an absolute ban on a company helping anyone buy its own shares) is relaxed — it is now permitted for employee share schemes, intra-group transactions, and ordinary bank lending.

## KEY COMPLIANCE REQUIREMENTS

- 1 Every allotment (issue) of shares must be notified to the Registry by filing a return of allotments within 30 days of the allotment.
- 2 Public companies may not issue non-voting or weighted voting shares without Ministerial approval; private companies must disclose any class rights in their articles.
- 3 Share buybacks require a board resolution, a solvency test, and must not exceed 10% of issued capital in any 12-month period.
- 4 Non-cash consideration for shares in a public company must be independently valued and the valuation report filed with the Registry before allotment.
- 5 Transfer of shares may not be refused except on grounds expressly stated in the articles; notice of refusal must be given within 2 months of receipt of the transfer form.

## PENALTIES FOR BREACH

Issuing shares below nominal value (at a discount) without court sanction: criminal offence; the allotment is voidable; directors are jointly and severally liable for the discount amount.

Failing to file the return of allotments within 30 days: criminal offence; daily default fine; the allotment itself remains valid but the director is personally liable for the delay.

Providing financial assistance outside the permitted whitelist: criminal offence; the transaction is voidable; the director is liable on conviction to a fine and/or imprisonment.

Issuing public company shares for overvalued non-cash consideration: criminal offence; joint liability of directors and recipient; the shares may be cancelled by the court.

## DEBENTURES

## WHAT THIS PART DOES

Debentures are loans made to a company that are documented in a formal instrument. A company that borrows money secured against its assets (fixed or floating charge) must register that charge with the Registry. This Part overhauls the charge registration system.

**Previously, charges had to be registered with multiple agencies (including the Lands Registry and NRA).**

**Under this Act, all charges — fixed, floating, and mixed — are registered in a single unified electronic charges register maintained by the Registry.**

Registration must happen within 30 days of the charge being created.

Priority between competing lenders is now determined entirely by order of registration

## KEY COMPLIANCE REQUIREMENTS

**1** Every charge created by a company over its assets must be registered with the Registry within 30 days of its creation.

Trustees for debenture holders must be independent, satisfy fit-and-proper criteria, and must not be connected to the company or its directors; a conflicted trustee must resign and be replaced within 30 days

**3** Companies must keep a register of all charges at their registered office, open to inspection by any creditor or member.

**4** Where a company acquires property already subject to a charge, that charge must also be registered within 30 days of the acquisition.

## PENALTIES FOR BREACH

Failing to register a charge within 30 days: the charge becomes void against any liquidator and other creditors — the lender loses their security in an insolvency. Daily default fine also applies to the company officer responsible.

Knowingly submitting false particulars when registering a charge: criminal offence — fine and/or imprisonment; the charge may be declared void.

A disqualified person accepting appointment as debenture trustee: criminal offence; the appointment is void; the person is personally liable for any resulting loss to debenture holders.

Failure to keep copies of charge instruments at the registered office: daily default fine on the company and every officer in default.

## MEETINGS AND PROCEEDINGS

## WHAT THIS PART DOES

This Part governs how company meetings are called, conducted, and recorded. Every company must hold an Annual General Meeting (AGM) at least once every 15 months to receive financial statements, elect directors, and transact routine business.

Private companies have more flexibility: they may pass most resolutions in writing (without holding a meeting at all) if the required majority of shareholders sign. **Notice of any meeting must be served at least 21 days in advance for an AGM and 14 days for other meetings (28 days for special resolutions in public companies). Minutes of all meetings must be kept for at least 10 years and are conclusive evidence of what was decided.**

## KEY COMPLIANCE REQUIREMENTS

- 1 Every company must hold an AGM within 15 months of its previous AGM; the first AGM must be held within 18 months of incorporation.
- 2 Notice of meetings must be given to every member, director, and auditor; electronic notice is permissible for members who have provided an electronic address.
- 3 The company must keep minutes of all general meetings and board meetings, signed by the chairperson, for a minimum of 10 years.
- 4 Members holding 5% or more of voting shares may requisition an extraordinary general meeting at any time — the board must convene it within 21 days.
- 5 Private companies may use written resolutions instead of meetings — all eligible members must be circulated with the proposed resolution and given 28 days to respond.

## PENALTIES FOR BREACH

Failure to hold the AGM within the prescribed period: criminal offence — the director responsible is liable to a daily default fine; the court may order a meeting to be held at the director's personal expense.

Failure to allow inspection of the minute book: criminal offence; daily default fine; the court may order disclosure.

Board refusing a valid member's requisition to call an EGM: the officer is liable to a default fine; the members may apply to the court to convene the meeting themselves.

Passing a resolution at a meeting held without proper notice: the resolution is voidable by any shareholder who was not properly notified.

## DIRECTORS AND SECRETARIES

## WHAT THIS PART DOES

This is the most important Part for anyone running a company. It sets out in law exactly what directors must do and what they must not do.

**For the first time, directors' duties are fully codified: (1) Act within your powers; (2) Promote the success of the company; (3) Exercise independent judgment; (4) Avoid conflicts of interest; (5) Do not accept benefits from third parties that give rise to a conflict; (6) Declare any personal interest in a company transaction. The standard of care is now objective — directors are judged against what a reasonably competent person with their experience would have done, not just what they personally thought was reasonable.**

Directors who continue trading when the company is likely insolvent can be made personally responsible for the debts incurred during that period. Every public company must have a qualified company secretary.

## KEY COMPLIANCE REQUIREMENTS

**1** Directors must at all times act in the best interests of the company and its members as a whole — not in their personal interests.

**2** Any conflict of interest (including a director's interest in a contract the company is entering) must be declared to the full board before the decision is made.

**3** Directors must not accept gifts, loans, or benefits from suppliers, customers, or others dealing with the company if this creates a conflict of interest.

**4** Directors must notify the Registry within 14 days of any change in their particulars (address, other directorships, etc.).

**5** Where a company is or is likely to become insolvent, directors must act in the interests of creditors and must cease incurring new debts they know cannot be paid.

**6** Every public company must appoint a qualified company secretary; all companies must keep a register of directors and secretaries.

## PENALTIES FOR BREACH

**Breach of directors' duties (self-dealing, undisclosed conflict, acting in personal interest): civil liability — the director must account for any profit made and compensate the company for any loss; disqualification proceedings may follow.**

Unlawful loans to directors without shareholder approval: criminal offence; the loan is voidable; the director must repay it with interest.

Acting as a director while disqualified or undischarged bankrupt: criminal offence — up to 2 years imprisonment; the director is personally liable for all company debts incurred during the period.

Wrongful trading — continuing to run up debts when insolvency is inevitable: civil liability to contribute to the company's assets; disqualification order likely; criminal liability if fraud is involved.

Failure to maintain the directors' register or allow inspection: criminal offence; daily default fine on company and officers.

## PROTECTION OF MINORITY SHAREHOLDERS AND INVESTIGATIONS

## WHAT THIS PART DOES

This Part **protects shareholders who are not in control from being mistreated by the majority.** It also gives the Registry and the court the power to investigate companies suspected of wrongdoing.

**A minority shareholder can bring a 'derivative action' in the name of the company to sue a director for wrong done to the company — even if the majority shareholders refuse to act. If the way the company is being run is 'unfairly prejudicial' to a minority shareholder, they can apply to court for remedies including a forced buy-out of their shares at fair value.**

The new Business Judgment Rule protects directors from being sued for honest commercial decisions that went wrong — as long as they acted in good faith, on an informed basis, and without a personal stake in the outcome.

## KEY COMPLIANCE REQUIREMENTS

- 1 Directors and majority shareholders must not conduct the company's affairs in a way that is unfairly prejudicial to the interests of minority shareholders.
- 2 Any nominee arrangement (where someone holds shares on behalf of another person) must be disclosed to the Registry — hidden nominees are unlawful.
- 3 Where the Registry appoints an inspector to investigate a company, all directors, officers, and employees must cooperate fully and produce all requested documents.
- 4 Minority shareholders with a grievance may access the Registry's Small Shareholders' Grievance Mechanism without going to court.
- 5 Directors who obstruct an inspector, destroy records, or make false statements during an investigation commit a serious criminal offence.

## PENALTIES FOR BREACH

Oppressive conduct by majority shareholders or directors: the court may order a share buy-out at fair value, an injunction, or winding up; directors may be ordered to pay the minority shareholder's costs.

Failing to disclose a nominee arrangement: criminal offence — the nominee is personally liable for all obligations arising from the arrangement.

Obstruction of a Registry inspector (refusing documents, denying access): criminal offence — up to 2 years imprisonment; contempt of court proceedings may follow.

Making a false statement to an inspector: criminal offence — up to 2 years imprisonment; civil liability for any loss resulting from the false information.

## ACCOUNTING RECORDS, FINANCIAL STATEMENTS AND AUDIT

### WHAT THIS PART DOES

Every company must keep proper books of account that accurately show what the company owns, what it owes, and what money has come in and gone out. Financial statements must be prepared annually.

Public companies and large private companies must prepare accounts under International Financial Reporting Standards (IFRS). Small companies may use the simpler IFRS for SMEs. Most small companies (below prescribed turnover and asset thresholds) are exempted from the mandatory audit requirement, significantly reducing costs.

Directors who approve and file accounts they know to be materially false are personally liable in tort to anyone who suffered loss by relying on those accounts. Auditors must be independent and must rotate the engagement partner every 5 years.

### KEY COMPLIANCE REQUIREMENTS

- 1 Every company must keep accounting records sufficient to show and explain all transactions, updated at all times, and retained for at least 7 years.
- 2 Directors must lay (present) annual financial statements at the AGM and deliver (file) them with the Registry within 6 months of the financial year end for private companies, and 4 months for public companies.
- 3 Directors must ensure accounts comply with IFRS (public/large companies) or IFRS for SMEs (small companies); the choice must be consistent from year to year.
- 4 Companies above the prescribed thresholds must appoint a qualified, independent auditor; auditor independence must be maintained (no person who was an officer or employee within 3 years may be auditor).
- 5 Directors must not knowingly approve defective financial statements or make false statements to the auditor.

### PENALTIES FOR BREACH

Failure to keep accounting records: criminal offence — daily default fine; the director is personally liable and cannot use limited liability as a shield in any subsequent insolvency.

Failure to file financial statements within the prescribed period: criminal offence — substantial daily default fine on both the company and its directors.

Approving and filing materially false financial statements: criminal offence — fine and/or imprisonment; the director is personally liable in civil law to anyone who relied on the false accounts.

Making false statements to the auditor: criminal offence — up to 2 years imprisonment.

## ANNUAL RETURNS

## WHAT THIS PART DOES

Every registered entity must file an annual return with the Registry once per year. This is the mechanism by which the Registry keeps its records current and confirms that each business is still active and compliant.

**This Part introduces a major simplification: a Unified Annual Return System that combines the annual return filing, registration renewal, beneficial ownership confirmation, and payment of the renewal fee into a single digital process. Companies that complete it are marked 'Active and Compliant' on the public register.**

Small companies may file a simplified confirmation statement instead of a full return. The Registry must send automated reminders at 60, 30, and 7 days before the deadline. Every entity's compliance status is shown publicly on the Registry's online platform in real time.

## KEY COMPLIANCE REQUIREMENTS

- 1 Every company must file its annual return within 42 days of each anniversary of its incorporation date.
- 2 The annual return must include current details of directors, secretary, registered office, share capital, members, and a confirmation of beneficial ownership information.
- 3 Small companies may file a simplified confirmation statement confirming no material changes instead of a full return.
- 4 The annual renewal fee must be paid at the same time as the annual return — payment triggers automatic renewal of 'Active and Compliant' status.
- 5 LLPs and registered business names must also file annual returns within prescribed periods.

## PENALTIES FOR BREACH

Failure to file the annual return within 42 days of the due date: administrative penalty (civil, not criminal) — daily default fine accrues from day 43: Le 100,000/day (micro), Le 250,000/day (small), Le 500,000/day (medium), Le 1,000,000/day (large/public); aggregate cap at Le 50 million.

**Three or more consecutive years of non-filing: the entity is struck off the register; its assets become the property of the State (bona vacantia).**

Filing a materially incorrect annual return: criminal offence — Level 3 penalty; the officer who signed the return is personally liable.

LLP failure to file annual return: each partner is personally liable to the daily default fine until the return is filed.

## DIVIDENDS, PROFITS AND CAPITAL MAINTENANCE

### WHAT THIS PART DOES

Dividends are the profits paid out to shareholders. This Part sets the rules around when dividends can be paid and what happens if they are paid wrongly.

**A company may only pay a dividend from 'distributable profits' — profits actually earned, not borrowed money or share capital. Before paying a dividend above a prescribed threshold, directors must make a formal solvency declaration confirming the company can still pay its debts after the distribution. Paying a dividend when there are no distributable profits — paying from the company's capital — is a serious offence.**

Unclaimed dividends must be transferred to a designated trust account after 5 years and to the State after a further 2 years if still unclaimed.

### KEY COMPLIANCE REQUIREMENTS

- 1 Dividends may only be paid from distributable profits — a company must never pay dividends out of its share capital or from borrowed money.
- 2 **Directors must make a formal solvency declaration before paying dividends above the prescribed threshold, confirming the company can pay all its debts within 12 months of the distribution.**
- 3 Companies must make reasonable efforts to locate shareholders before transferring unclaimed dividends to the Unclaimed Dividends Trust Account after 5 years.
- 4 Employee share schemes and profit-sharing plans must be formally Board-approved and documented; they may be operated without triggering the financial assistance prohibition.

### PENALTIES FOR BREACH

Directors who authorise payment of a dividend from capital (when there are no distributable profits): jointly and severally liable to repay the full dividend amount to the company — shareholder ratification provides no defence.

**Paying a dividend in violation of the solvency test: directors are personally liable for the amount of the dividend to creditors who are subsequently unable to recover their debts.**

Failure to transfer unclaimed dividends to the designated trust account: criminal offence; daily default fine; the directors are personally liable to account for the funds.

## WINDING UP

## WHAT THIS PART DOES

Winding up is the process of closing a company: collecting its assets, paying its debts, and distributing whatever remains to shareholders before the company is dissolved.

**This Part introduces major new tools: a statutory administration regime for business rescue (a moratorium on creditor action while an administrator tries to save the company); Company Voluntary Arrangements (CVAs — binding agreements with creditors that don't require court approval); and a formal solvency test for voluntary winding up.**

The wrongful trading provision makes directors personally responsible for debts incurred after the point at which they knew — or should have known — that insolvent liquidation was unavoidable. An Assetless Companies Fund (financed by a levy on registration fees) covers the cost of liquidating companies that have no assets.

## KEY COMPLIANCE REQUIREMENTS

- 1 Directors must, as soon as they know insolvent winding up is unavoidable, cease incurring new debts — every new obligation incurred from that point may be a personal liability.
- 2 Before a members' voluntary winding up, directors must make a statutory solvency declaration on reasonable grounds — this must be based on a genuine assessment, not a guess.
- 3 **In any winding up, the liquidator must be immediately notified of all company assets and all transactions entered into in the 2 years before winding up.**
- 4 Officers and directors must attend all meetings of creditors when required and must not destroy, conceal, or falsify any company records.
- 5 The liquidator must notify the Registry on completion and apply for dissolution — an undissolved company remains on the register and continues to incur compliance obligations.

## PENALTIES FOR BREACH

- Fraudulent trading — running up debts intending to defraud creditors: criminal offence — up to 7 years imprisonment; unlimited personal liability for all company debts.
- Falsification or destruction of company books during winding up: criminal offence — up to 5 years imprisonment.
- Directors making a false or reckless solvency declaration: criminal offence — personally liable for all company debts; disqualification proceedings.
- Wrongful trading (continued debt after point of no return): civil liability — the director must contribute to the company's assets; disqualification order is likely.
- Fraudulent preference (paying one creditor to defeat others before winding up): the transaction is voidable; criminal liability for the officers involved.

## ARRANGEMENTS AND COMPROMISES

## WHAT THIS PART DOES

This Part provides the legal framework for restructuring a company's debts or ownership without going through formal winding up. It covers schemes of arrangement (court-sanctioned deals with creditors or shareholders), mergers, acquisitions, and takeovers.

For public company takeovers, the Bill introduces major new investor protections: a mandatory bid obligation (anyone acquiring 30%+ of a public company's shares must offer to buy out all other shareholders at the same price); equal treatment of all shareholders in the same class; squeeze-out and sell-out rights (allowing either side to force a clean exit when one person holds 90% of shares); and a requirement for an independent expert's opinion on the fairness of any offer.

## KEY COMPLIANCE REQUIREMENTS

- 1 Any compromise or arrangement between a company and its creditors or shareholders must be sanctioned by the court before it becomes binding.
- 2 The order confirming a scheme of arrangement must be registered with the Registry within 15 days — unregistered orders have no effect against third parties.
- 3 **In a public company takeover, anyone acquiring 30% or more of voting shares must make a mandatory offer to all remaining shareholders at the highest price paid in the preceding 12 months.**
- 4 The board of a target public company must commission an independent expert report on the fairness of any takeover offer and circulate it to shareholders at least 21 days before the offer closes.
- 5 All shareholders of the same class in a takeover must receive identical consideration — differential side deals with major shareholders that are not extended to all are prohibited.

## PENALTIES FOR BREACH

Failure to register a court-confirmed scheme of arrangement within 15 days: the arrangement has no effect against third parties; daily default fine on the company and directors.

**Failure to comply with the mandatory bid obligation after crossing the 30% threshold: criminal offence; the acquisition may be unwound by the court; the acquirer may be required to divest.**

Directors circulating misleading information about a takeover offer: criminal offence — liable to fine and/or imprisonment; civil liability to shareholders who acted on the misleading information.

Failure to provide shareholders with the independent expert report before an offer closes: the offer may be set aside by court; directors personally liable for any resulting loss.

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Failure to provide shareholders with the independent expert report before an offer closes: the offer may be set aside by court; directors personally liable for any resulting loss.

## COMPANIES INCORPORATED OUTSIDE SIERRA LEONE CARRYING ON BUSINESS WITHIN SIERRA LEONE

## WHAT THIS PART DOES

Any company incorporated outside Sierra Leone that sets up a place of business here must register with the Registry within 30 days of establishing that presence. Foreign companies are not exempt from Sierra Leone's company law simply because they are incorporated abroad.

**This is particularly significant for beneficial ownership: foreign companies must file equivalent beneficial ownership information to what is required of domestic companies — no exemption applies simply because the BO is disclosed in another jurisdiction.**

Foreign companies must also file annual financial statements and must notify the Registry within 21 days of ceasing to carry on business in Sierra Leone.

## KEY COMPLIANCE REQUIREMENTS

- 1 Every foreign company that establishes a place of business or carries on business in Sierra Leone must register with the Registry within 30 days of establishing that presence.
- 2 **Foreign companies must file beneficial ownership information equivalent to the domestic requirement within 30 days of registration.**
- 3 Foreign companies must file annual audited financial statements with the Registry, prepared in English and in accordance with IFRS or an equivalent standard.
- 4 Any change in the company's name, directors, or registered address must be notified to the Registry within 21 days.
- 5 On ceasing to have a place of business in Sierra Leone, the foreign company must notify the Registry within 21 days.

## PENALTIES FOR BREACH

Operating in Sierra Leone without registering as a foreign company: criminal offence — daily default fine applies from the date business was commenced; officers are personally liable.

**Failure to file beneficial ownership information: criminal offence — Level 3 penalty; the company's right to carry on business in Sierra Leone may be suspended.**

Failure to file annual financial statements: daily default fine; after the notice period, the company may be deregistered and lose the right to pursue legal action in Sierra Leone courts.

Failure to notify cessation of business: criminal offence; daily default fine; potential liability to third parties for obligations incurred after the actual date of cessation.

## DEALINGS IN COMPANIES' SECURITIES

## WHAT THIS PART DOES

This Part regulates how public companies and others invite the public to invest in their shares and other securities. Whenever a company makes a public offer of shares, it must issue a prospectus — a formal document disclosing everything an investor would reasonably need to know before deciding to invest.

**The prospectus must be registered with the Registry at least 3 business days before it is issued. If anything material changes between registration and the closing of the offer, a supplementary prospectus must be filed and subscribers must be given the right to withdraw their applications.**

Anyone who subscribes for shares based on a false or misleading prospectus can sue for damages or rescission (the right to get their money back).

## KEY COMPLIANCE REQUIREMENTS

**1 Every prospectus offering shares to the public must be registered with the Registry at least 3 business days before issue.**

**2 A prospectus must contain all information a reasonable investor would need to make an informed decision — nothing material may be omitted.**

**3** If a material change occurs after registration but before the offer closes, the company must file a supplementary prospectus immediately and give subscribers the right to withdraw.

**4** Expert opinions (valuations, legal opinions, accountants' reports) included in a prospectus must be consented to in writing by the expert and must be current.

**5** No invitation to the public to subscribe for securities may be made other than through a registered prospectus.

## PENALTIES FOR BREACH

**Issuing a prospectus containing knowingly false or misleading statements: criminal offence — Level 5 penalty; up to 5 years imprisonment; civil liability to all subscribers who suffered loss.**

Issuing a prospectus without prior registration with the Registry: criminal offence; the offer may be rescinded by all subscribers; daily default fine until registration.

Failure to file a supplementary prospectus after a material change: criminal offence; directors personally liable for losses suffered by subscribers who were not informed.

An expert who allows a false opinion to remain in a registered prospectus: criminal offence; civil liability to subscribers; professional sanctions.

## FINES AND PENALTIES

## WHAT THIS PART DOES

This Part is the master penalties framework for the entire Act. Rather than scattering different fines throughout the legislation, it establishes a five-level penalty scale that applies to all offences, and sets out the principles courts and the Registry must follow when deciding how much to fine someone.

**Penalty levels range from Level 1 (minor administrative breach — fine only) to Level 5 (serious fraud or dishonesty — up to Le 500 million fine and/or 10 years imprisonment). Daily default fines are calibrated to company size. Where a company commits an offence, every director, manager, or secretary who authorised or was knowingly party to it is personally liable as if they had committed the offence themselves — limited liability does not protect directors from personal criminal liability.**

## KEY COMPLIANCE REQUIREMENTS

- 1 All offences under the Act are assigned to one of five penalty levels in the Fourteenth Schedule — every company and officer must be aware of the level applicable to their obligations.
- 2 Where an offence is a 'default' (failure to file or notify something), a civil daily default fine applies — this is not a criminal conviction but accrues automatically from the date of default.
- 3 Where a company commits any criminal offence, every director, manager, secretary, or officer who authorised, directed, or was knowingly a party to the act is personally liable.
- 4 Voluntary disclosure of a breach to the Registry before it is discovered may reduce the applicable fine by up to 50%.
- 5 Persistent non-compliance (3+ years of annual return defaults) results in automatic striking off and forfeiture of assets to the State.

## PENALTIES FOR BREACH

Level 1 offence (minor procedural breach): fine only, no imprisonment.

Level 2 offence (administrative failure): fine up to Le 5 million or daily default fine.

Level 3 offence (significant non-compliance): fine up to Le 20 million and/or imprisonment up to 1 year.

Level 4 offence (serious misconduct, fraud): fine up to Le 100 million and/or imprisonment up to 5 years.

Level 5 offence (grave fraud, systematic dishonesty): fine up to Le 500 million and/or imprisonment up to 10 years.

Daily default fines: Le 100,000/day (micro), Le 250,000/day (small), Le 500,000/day (medium), Le 1,000,000/day (large/public) — capped at Le 50 million aggregate unless court orders otherwise.

## MISCELLANEOUS

## WHAT THIS PART DOES

This Part contains various provisions that do not fit neatly elsewhere but are important in practice.

**Key provisions include: an arbitration clause — company disputes may be resolved through arbitration if the company's constitution provides for it, and courts must stay litigation in favour of valid arbitration agreements; expanded court powers to disqualify directors for up to 15 years; a new statutory obligation for large and public companies to disclose material environmental, social, and governance (ESG) risks in their directors' report; and catch-all criminal offences for making false statements in any document required under the Act or for falsifying company records.**

The Part also confirms that any printed or electronic copy of a document filed with or issued by the Registry is admissible as evidence to the same extent as the original.

## KEY COMPLIANCE REQUIREMENTS

- 1 Large companies and public companies must disclose material ESG (environmental, social, and governance) risks in their annual directors' report.
- 2 No person may make any false statement in any document required or permitted under this Act — this applies to every filing, return, application, or notice.
- 3 No person may falsify, alter, destroy, or conceal any company record — this includes electronic records.
- 4 Any person against whom a disqualification order is made must comply with its terms immediately and must not act as a director, receiver, or officer of any company for the duration of the order.
- 5 Service of legal documents on a company is validly effected by delivery to the registered office or to the company's designated electronic address.

## PENALTIES FOR BREACH

Making a false statement in any document under the Act: criminal offence — up to 2 years imprisonment and/or a fine; the document may be declared void.

Falsifying company records: criminal offence — up to 2 years imprisonment; civil liability for any loss resulting from the falsification.

**Acting as a director or officer in breach of a disqualification order: criminal offence — up to 2 years imprisonment; personally liable for all debts incurred by the company during the period of acting.**

Failure to disclose ESG risks in the directors' report: regulatory sanction — Registry may require a corrective statement; repeated failure may trigger investigation.

## REPEALS AND TRANSITIONAL PROVISIONS

## WHAT THIS PART DOES

This Part deals with the transition from the old law to the new. The Companies Act 2009, the Registration of Business Act 2007, and the General Law (Business Start-Up) Amendment Act 2007 are all fully repealed when this Act comes into force.

However, no existing business needs to re-register. Every company, LLP, and business name already on the register is automatically treated as registered under the new Act, and their existing articles and constitutions remain valid until they choose to amend them.

Existing bearer shareholders have 6 months to convert their shares to registered shares. All court cases, pending applications, and legal proceedings started under the old Acts continue under the new Act without interruption.

## KEY COMPLIANCE REQUIREMENTS

- 1 **All existing companies, LLPs, and business names registered under the repealed Acts are automatically and immediately brought under this new Act — no action is required to remain registered.**
- 2 Holders of bearer shares have exactly 6 months from the date of commencement to convert their shares to registered (named) shares with the Registry.
- 3 All pending court proceedings, appeals, and applications under the repealed Acts continue without interruption — parties do not need to restart any proceedings.
- 4 All subsidiary legislation (regulations, fees orders) made under the repealed Acts remain in force until revoked or replaced, to the extent they are consistent with this Act.
- 5 **Within 2 years of commencement, listed companies must migrate to electronic (uncertificated) share registers.**

## PENALTIES FOR BREACH

**Failure to convert bearer shares within 6 months of commencement: the shares are automatically cancelled on the last day of the 6-month period; the former holder loses all rights; compensation may be claimed if the holder comes forward within 7 years but the shares remain cancelled.**

A listed company that fails to migrate to an electronic share register within 2 years: subject to Registry enforcement action; directors liable to default fine.

Any person who relies on a provision of the repealed Acts after commencement (other than as saved by this Part): the act in question has no legal effect; civil liability to any party who suffers loss.

Transitional provisions are self-executing — companies do not need to take any positive steps to benefit from them, but must not take any step that contradicts the new obligations imposed by this Act.

# **!NAME THE BILL!**

**A. Companies and Allied Matters Bill 2026**

**B. Companies and Business Registration Act  
2026**

**c. Corporate and Business Entities Act 2026**

**b. Business Incorporation and Registration  
Act 2026**



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# ***PART 3/3***

**International best practices and trends**

***Michael Dennis***